



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Employment and Social Affairs

2013/2104(INI)

30.5.2013

OPINION

of the Committee on Employment and Social Affairs

for the Committee on Regional Development

on regional policy as a part of wider State support schemes
(2013/2104(INI))

Rapporteur: Pervenche Berès

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SUGGESTIONS

The Committee on Employment and Social Affairs calls on the Committee on Regional Development, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- having regard to the Commission Communication to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions of 25 June 2008 entitled ‘Think Small First’: A ‘Small Business Act’ for Europe (COM(2008)0394),
 - having regard to its resolution of 5 July 2011 on the Commission’s Fifth Cohesion Report and strategy for the post-2013 Cohesion Policy,
- A. whereas development in the most disadvantaged regions can be achieved as a result of State support schemes which would encourage future private investments in those regions and underpin positive impact on employment;
- B. whereas State aid should be better aligned with the targets set out by the Lisbon European Council of March 2000 and the objectives of the EU 2020 strategy, while at the same time complementing the objectives of other EU policies, in particular the Cohesion Policy;
1. Takes the view that the implementation of both the Cohesion Policy and the rules on State support schemes to reinforce local and regional investments are of key importance for promoting economic, social and territorial cohesion, regional and local development, smart, sustainable and inclusive growth, including in industry and job creation; is, however, concerned about whether the State aid rules are consistent with the targets set by the Europe 2020 strategy and the implementation of the European Structural and Investment Funds; asks, therefore, for a coordinated approach to State aid and cohesion policies in order to achieve the social objectives of Europe 2020;
 2. Regrets that the legal basis of this reform does not provide for a greater involvement of Parliament in the debate through the ordinary legislative procedure; asks the Commission to consult Parliament on the conditions for the oversight of decisions and acts by national and local authorities;
 3. Highlights the fact that public investment and State aid are of particular importance for sustaining economic recovery in Europe and that they play a crucial role in financing the development of industries in sectors with a high growth and job-creation potential, such as NTIC and the green economy;
 4. Welcomes the Commission’s aim of making the principles of the SAM process clearer, more straightforward and easier; takes the view that these principles should be both well coordinated with other EU policies and sufficiently clear, predictable and flexible to meet the needs of certain Member States and their regions which are facing a time of crisis and severe economic hardship; reiterates its recognition of the role played by State aid and public investment in addressing the crisis; expresses its concern that the proposal, as published for consultation, is not sufficiently evidence-based, will go against the objective of simplification and does not sufficiently complement the Cohesion Policy, in particular

the rules for preventing relocation;

5. Taking into account the alarming unemployment situation, especially among young people, with levels reaching 50 % in some regions, calls on Member States, regions and competent authorities to prioritise investments focused on job creation;
6. Stresses that regional State aid for the most deprived regions should encourage employment and employment of young people, and recalls that national regional aid should be implemented in a moderate and proportional way in order to obtain efficient and effective results;
7. Calls for geographical zoning to be harmonised with the Commission's new proposals for cohesion policy and, in particular, the creation of a new category of transition regions whose GDP is between 75 % and 90 % of the EU average, and proposes a simplified system in which all transition regions would be regarded as predefined areas covered by Article 107(3)(c);
8. Believes that support for the rescue and restructuring of enterprises in crisis should go hand in hand with the definition of a regional development strategy with clear objectives;
9. Takes the view that State aid should mainly focus on SMEs, because in general terms they employ most of the European population and have a better knowledge of regional needs, but without excluding large enterprises, which have an important impact on both direct and indirect employment and which foster the development of the region in which they operate;
10. Believes that the eligibility of large enterprises for State aid incentives should be determined not only on the basis of the size of the enterprise or the sector in which it operates but also on the basis of the number of jobs that could be created under the incentive, the quality and sustainability of these jobs, or the overall sustainability of the project, including the long-term effects on the development of the regions concerned and the employment situation in those regions; stresses that, in compliance with the principle of subsidiarity, decisions to determine what particular projects have the highest potential to achieve the objectives of EU policies should be left to the Member States, the regions concerned and local governments;
11. Draws attention to the model of social and inclusive economy as an economic model which, given its contribution to economic development and social cohesion, should be supported; asks, therefore, for differentiated treatment of this sector;
12. Welcomes the safeguard clause proposed by the Commission, which would oblige large companies to maintain the investment and the jobs created in the area where aid was awarded for a period of five years, or three years in the case of SMEs.
13. Suggests the inclusion of a clause on the full recovery of aid, modelled on Article 57 of the current General Regulation of the Structural Funds; this recovery clause would apply during the five years following the grant of aid if the nature of the co-financed operation or the conditions for implementing it were affected, if the operation conferred an undue advantage on a company or public body, if the ownership of an item of infrastructure changed, or if a productive activity ceased; the Member States and the Commission

should ensure that undertakings which are, or have been, subject to a recovery procedure following the transfer of a productive activity to another area within a Member State or to another Member State do not receive a contribution from the Structural Funds.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	29.5.2013
Result of final vote	+: 36 -: 1 0: 3
Members present for the final vote	Regina Bastos, Edit Bauer, Heinz K. Becker, Pervenche Berès, Vilija Blinkevičiūtė, Philippe Boulland, David Casa, Alejandro Cercas, Ole Christensen, Derek Roland Clark, Minodora Cliveti, Marije Cornelissen, Emer Costello, Andrea Cozzolino, Sari Essayah, Richard Falbr, Marian Harkin, Nadja Hirsch, Danuta Jazłowiecka, Martin Kastler, Ádám Kósa, Jean Lambert, Verónica Lope Fontagné, Olle Ludvigsson, Thomas Mann, Csaba Óry, Siiri Oviir, Sylvana Rapti, Licia Ronzulli, Elisabeth Schroedter, Joanna Katarzyna Skrzydlewska, Jutta Steinruck, Traian Ungureanu, Andrea Zanoni
Substitute(s) present for the final vote	Françoise Castex, Jürgen Creutzmann, Filiz Hakaeva Hyusmenova, Ria Oomen-Ruijten, Antigoni Papadopoulou, Csaba Sógor