



# Le Ténor !



February 2007

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## THE GLOBAL SINGLE MARKET

### EDITORIAL - FROM BERLIN TO BERLIN: "SANS SOUCI"?

*By Xavier Gizard  
CPMR Secretary General*

"Sans souci": the royal palace built by the Frederick the Great of Prussia during the Age of Enlightenment translates from the French as "carefree", but will it ease our worries about the future construction of our common European house?

The German Chancellor, Angela Merkel, has indicated that she is keen to help re-launch the process during the six-month German Presidency of the Union.

The meetings in Berlin all seem to put a decisive emphasis on the different stages of the EU's existence.

9 November 1989: the fall of the Berlin Wall, and with it the collapse of the world's equilibrium established after World War II. Until then, the threat posed by the alternative Soviet system had pushed EU Member States to deepen their Community and make it a model of "economic and social cohesion". This led to the introduction of EU regional policy to offer all regions fair opportunities for development. This joint determination led to an increase in the European budget from 1.08% of the EU's gross wealth in 1988, to 1.27% right up until 1999. The Member States kept this momentum going with the launch of the single currency, the enlargement processes to include the new countries that had regained their sovereignty, and the creation of the Committee of the Regions. But there would be no fresh impetus after that.

June 1999: adoption of the financial perspectives for 2000-2006 under the six-month German Presidency. Solidarity weakened and the EU budget fell to its 1988 level (1.08%) before dropping down to 1% in 2013.

Let us hope that the 2007 German Presidency will trigger a turn-around in this trend!

But this will not happen unless the Member States share once more (as they did in the face of the Soviet threat) a common vision of the challenges that the world of the 21<sup>st</sup> century presents to Europe, and unless a convincing proposal ensues on the added value that the EU provides in the face of globalisation. It is this strategic lead that will give back meaning to the debates on the evolution of the Treaty and the pooling and targeting of funding when the rendezvous clause comes around in 2008 and 2009. Without this process, the meeting will quickly turn into a confrontation of self-interests and petty bargaining, leading to further disenchantment among our fellow citizens.

Our Regions want to know whether they can rely on their State and the EU to successfully accompany them on the scene of the large worldwide single market where they might capitalise on their assets and the skills of their populations. Failing this, they will each withdraw into isolated play without expecting anything more from a stagnating or declining construction. Disparities will increase and competition will get fiercer. The solidarity built up over these past thirty years will crumble away.

We have set to work to provide a contribution to this major meeting. On 16 February 2007, the CPMR Political Bureau will unveil its initial analyses and proposals. At the same time the Conference of Peripheral Maritime Regions will continue to take forward the discussions and actions it has undertaken with Regions from other continents with the aim of sharing a globalisation process that is beneficial to all territories.

# THE EUROPEAN REGIONS IN THE ECONOMIC GLOBAL MARKET THE CHALLENGES FOR THE PERIOD 2014-2020

*By Philippe Cichowlaz*  
*CPMR Director in charge of Regional Policy*

Rarely has a European debate been shrouded in such uncertainty as the one that is opening up today on the future of EU policies and the place of regional policy in Europe.

Hardly a year after agreement was reached in December 2005 on the financial framework for the programming period 2007-2013, the "rendez-vous clause" sets the date for a review of the EU budget in 2008-2009. This calls for urgent and rapid reflections and makes any serious forecasting of the challenges of the next period, 2014-2020, very difficult.

The extent of the economic, technological and geopolitical changes taking place in the context of globalisation has never been so marked. China's dramatic entry onto the stage of international competition, the revolution in information and communication technologies, climate change and the changes affecting employment are also issues which must be taken into account.

Not all the European territories will be able to adapt to these changes at the same rate, as across the European regions, situations are increasingly diverse, including within each Member State.

The sharpest divisions are no longer necessarily between the centre and the geographically peripheral areas, but rather tend to reflect the different ways in which wealth is created. On the question of innovation, the divisions are mostly between the north on the one hand and the south and east on the other. Concerning restructuring potential, the most dynamic territories are located in a pattern rather like islands of competitiveness corresponding to the large international metropolitan regions which are integrated into global trade flows.

Population development in the European countries is also far from being uniform, and it will no doubt be necessary to invent new policies adapted to the nature of the demographic challenges faced by the regions. Interregional and international migration, which could kickstart the labour market, remains at a very low level. On average between 50% and 60% of the population showed mobility only within the same city/town or the same region! In about 20% of cases this mobility is between two different regions in the same country, in only 4% or 5% of cases to another EU country, and in 3% of cases outside the EU. A great majority of European citizens do not want to be mobile, even within their own city/town or region...

Having set out the framework for the reflections, how will Europeans take up these new challenges? Will the benefits of the single market, which in stock terms remain extremely high, weigh sufficiently in the political debate when in around 2012 it comes to negotiating the final details of the EU budget for the period after 2013?

We can just about begin to sketch the shape of three possible political scenarios, which do not necessarily have the same ambition for the future regional policy.

## **A big step backwards**

This first scenario has in fact already been outlined by the Member States, when in December 2005 they adopted the financial framework for the period 2007-2013 which we are entering today. It reflects a level of commitment that is lower than that in the years preceding the fall of the iron curtain. The question, in fact, since the Berlin Summit in June 1999, when the ceilings for commitments reached 1.27% of Europe's wealth, is not only that of the total amount, but above all that of the acceptable share of total public expenditure that the States wish to actually put in common rather than manage nationally...

In an optimistic scenario, in 2014, a regional policy with the same content but after a further cut of one-third in its resources, would only attempt to make European SME-SMIs innovative in the face of competition from Asia! In a more pessimistic scenario, however, only those regions lagging behind in development as a result of the most recent enlargements would be covered by a second generation convergence policy negotiated down to a minimum since it would only be defended by a minority of Member States...

## Selfisher and selfisher

Even if nobody dares evoke this scenario too openly yet, the risk of a major setback to the construction of Europe can no longer be dismissed. Some political indications now give it a certain credibility. There are no indications today of a positive outcome following the failures of the French and Dutch referendum. The risk that the scepticism that was expressed on those occasions could spread to public opinion in other European countries is possible and rising nationalism as an easy solution to the difficulties in confronting a new world is not to be dismissed. The first assessments of the most recent enlargements vary considerably: although enlargement has, from an economic point of view, no doubt enabled a large number of jobs to be preserved in Europe, public opinion in the old European countries unfortunately tends to blame enlargement for some of the ills arising from globalisation. The single global market is still under construction, and the natural tendency to try to make the most of one's assets individually without being burdened by the unnecessary costs of European solidarity is an idea that is gaining some ground. A "miser's Europe" is a real possibility, and with just a few more disagreements it could come closer to reality!

In such a scenario, we could easily imagine an EU budget transformed into a major "phasing out", keeping a few symbolic and inexpensive policies to continue to create an illusion. It goes without saying that if this scenario were to supplant the preceding one, then regional policy would be no more than a distant memory. The only remains of a bygone age would be a few discounted cheques, paid out to the poorest European Member States. Historically, this scenario is no novelty. It has always led to war.

## A renewed vision of Europe's place in the world: laying the foundations for political reconstruction

Building a new political project around a vision of Europe's place in the world is without doubt the noblest of tasks for the heads of state and government since the end of last world war and the beginning of European reunification. It is often in times of adversity that the most just causes are born, and those which hold out the greatest promise for the future...

Europe has introduced a trade policy with which it can advance as a united front in the WTO; a strong euro which protects it from the trials of the past; a competition policy which is beginning to adapt itself to the challenges of globalisation by focusing more on economic activities anchored in the territories; there is a single market of 480 million consumers, the positive effects of which for our economies and our jobs are still underestimated. Unemployment is tending to become a less serious problem simply for demographic reasons, while the issue of workers' adaptability to the job market will become the main concern.

Backed by its experience, Europe will be able to maintain its territorial cohesion through equity in its policies and a closer involvement of its territories and of the whole range of political forces that are at work in them. The launch of a real European fiscal policy may be envisaged and there could be greater harmonisation of public borrowing and public deficits. A gradual move towards direct taxation to finance the European budget would finally allow for a more ambitious regional policy. Our continent has a model of citizenship and democracy that should be preserved and promoted. There are seven years remaining in which to see what is still a dream become a reality!

## Conclusions

These explorations of a possible future for regional policy after 2013 are, for the CPMR, only the first step in a year 2007 which will be devoted to the future of post-2013 policies. They need to be completed in the light of the development of the debates on the future of the constitutional treaty and enriched by the European Commission's publication of the 4th Report on Economic and Social Cohesion next spring. There is also the need for the addition of a political perspective concerning the necessary balance between the Lisbon and Gothenburg strategies, currently the two cornerstones of the Council's strategy.

The full version of the paper on the European Regions in the single global market can be downloaded at:

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## AFTER ERIKA, A "NAPOLI PACKAGE"

*By Francois Desrentes*

*CPMR Director Responsible for Maritime Safety*

What has happened recently on the container ship "MSC Napoli" must make us consider the constant attention that the authorities have to give to maritime transport.

Initially, we can quite rightly congratulate ourselves on the effectiveness of the cooperation procedures which are in place between States - as it happens between France and the United Kingdom - as part of the "Manche Plan". While regretting the fact that it has been slow in terms of its concrete delivery, we can also acknowledge the relevance of the proposal relating to safe havens. And finally, we can be satisfied with the ability to mobilise methods of monitoring pollution and anti-pollution methods.

However, next to its positive aspects, questions and reasons for concern remain - most importantly are the consequences of the ship being stranded in a sensitive natural area.

These days, there is perhaps too much tendency to consider that the "MSC Napoli" has been stranded on the "British coast", or on the "English coast". The section of the coastline concerned is also part of a maritime region, so why not mention the "Devonshire coast"? Especially as the financial, technical and human means of this region are solicited, as was the case with the Regions of Brittany and Pays de la Loire after the shipwreck of the Erika and also with the Region of Galicia after the Prestige tragedy.

This means that as maritime regions are affected by the consequences of these accidents and are commissioned in order to face up to them, they must be associated with the maritime safety policy. This has long been the position of the **Conference of Peripheral Maritime Regions of Europe (CPMR)**: this incident demonstrates the relevance of this request and reinforces the need for partnership between international, national, regional and local bodies.

But the main reason for concern lies in the lack of regulations concerning the safety of maritime transport other than the transport of hydrocarbons.

If the Erika and the Prestige acted as "detonators" to a significant reinforcement of safety in the transport of petrol products, then the "MSC Napoli" plays the same role for other types of transport and, in particular, container ships.

The European Commissions appears to be the most relevant and the most effective level to improve maritime safety and must seize this opportunity to apply safety to all transports.

The CPMR requests a "Napoli Package" in the vein of the Erika Packages.

No-one can remain unconcerned about this race of gigantic proportions in the field of container ships, in which we help. Furthermore, everyone feels the necessity to control what appears to be drifting, before major catastrophes occur. That was done when the trend was for giant "Super Tankers", and it was also carried out in other areas - such as electricity power supply - therefore we must start an in-depth examination before it is too late.

## **BEST OF LUCK TO MR AHNER AND MR FOTIADIS!**

The Conference of Peripheral Maritime Regions of Europe (CPMR) would like to congratulate Mr Dirk Ahner, Director-General in charge of Regional Policy, and Mr Fokion Fotiadis, Director-General in charge of Fisheries and Maritime Affairs, on their appointment to new positions within the European Commission.

We should like to wish them every success in these particularly important policy areas for our 155 member Regions and hope that we might continue to enjoy the high standard of dialogue that we were fortunate enough to share with their predecessors.

Best of luck in your new jobs!