

Opinion of the Committee of the Regions on 'The effects on the Union's policies of enlargement to the applicant countries of central and eastern Europe (Impact Study)'

(98/C 64/07)

THE COMMITTEE OF THE REGIONS,

having regard to its decision of 11 June 1997, under the fourth paragraph of Article 198c of the Treaty establishing the European Community, to issue an opinion on the effects on the Union's policies of enlargement to the applicant countries of central and eastern Europe (Impact Study) and to direct Commission 1 (Regional Development, Economic Development and Local and Regional Finances) to draw up this opinion;

Having regard to the draft opinion (CdR 280/97 rev.) adopted by Commission 1 on 12 September 1997 (rapporteurs: Mrs Klasnic and Mrs Coffey);

having regard to the European Commission interim report of December 1995 on the effects on the policies of the European Union of enlargement to the associated countries of central and eastern Europe (CSE(95) 605, 5.12.1995);

having regard to the decision of 15 July 1997 by the European Commission to submit the final impact study in Volume II of the Agenda 2000 communication,

adopted the following opinion unanimously at its 20th plenary session on 19 and 20 November 1997 (meeting of 20 November).

1. Introduction

1.1. Article A of the Treaty on European Union refers to 'creating an ever closer union among the peoples of Europe...', and Article O states that 'any European State may apply to become a member of the Union'.

1.2. As long ago as 1993, the European Council at Copenhagen agreed that the associated countries of central and eastern Europe that so desired should become members of the Union. Accession would take place as soon as a country was able to satisfy the economic and political conditions for membership.

1.3. Membership requires:

- that the candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities;
- the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union, and
- the ability to take on the obligations of membership, including adherence to the aims of political, economic and monetary union.

1.4. The Essen European Council in December 1994 called on the Commission 'to submit (...) the detailed analysis (...) on the effects of enlargement in the context of the Union's current policies and their future development'.

1.5. In December 1995 the Madrid European Council requested that the Commission develop further the interim report it presented on the effects of enlargement '...particularly with regard to agricultural and structural policies'.

1.6. This impact study was completed by the Commission on 15 July 1997 as part of 'Agenda 2000', together with opinions on each of the 10 applications for membership and documents relating to the financial framework and the future of structural and agricultural policy. The impact assessment is based on the working hypothesis that enlargement will include all 10 applicant countries and that current policies in the different areas will be continued.

1.7. The present opinion follows the layout of the impact study, namely:

- 1) The external dimension;
- 2) Overall economic impact;
- 3) Structural policies;
- 4) Agriculture;
- 5) Internal Market and EMU;
- 6) Horizontal policies;

7) Sectoral policies;

8) Justice and Home Affairs.

2. Evaluation of the impact study

2.1. *The external dimension*

2.1.1. Enlargement will not only increase the territory and population of the EU, it will also modify its geopolitical situation. The enlarged EU will be substantially more heterogeneous in its foreign and security interests and perceptions than the present Community of 15. This endorses the Commission's view that 'a consistent and effective CFSP, comprising an enhanced preventive diplomacy capability, will be vital'.

2.1.2. The COR hopes that enlargement will have a positive effect on inward foreign direct investment in the acceding countries and expects that considerable trade benefits will result between the Union as a whole and the rest of the world. However, the COR does consider that certain regions in the candidate countries and the existing Member States will benefit disproportionately and thus increase the potential of widening economic disparities within and between Member States.

2.1.3. The COR supports the Commission's view that enlargement with new members facing considerable problems of transition and development must not be allowed to dampen the Union's attitude of openness and responsibility towards the rest of the world, and in particular towards the developing countries.

2.1.4. The COR underlines the Commission's point that the process of enlargement should provide the opportunities to address and find positive solutions to issues vital to pan-European security. The COR also welcomes the recognition by the Commission of the pivotal role regional cooperation plays in working towards stability, security and integration in Europe.

2.1.5. The aim of ensuring greater peace and stability in Europe also implies a good relationship with Russia and the CIS. The maximum economic and cultural advantage, as well as benefits in the field of transport and other areas, must be derived from the new geographical proximity to these states.

2.1.6. The COR endorses the call for maximum use to be made of the Partnership and Co-operation Agreements, as well as of the EU Action Plans for Russia and the Ukraine. The COR would stress the importance of ensuring that enlargement does not have any adverse economic effects on neighbouring non-member countries. This applies equally to Mediterranean countries.

2.2. *Overall economic impact*

2.2.1. An internal market with up to 500 million consumers, common competition rules and a common currency will improve the EU's competitive position in the world. Trade with the neighbouring countries of eastern Europe will increase. Closer economic relations can be expected to have a positive impact on the standard of living in the applicant countries and in the present Community. Past experience has shown that enlargement to the East brings greater prosperity for all.

2.2.2. But the enlargement process will also create enormous sectoral and regional adjustment pressure. Increased competition in the new Member States is expected to place a huge burden on some areas of industry, as well as on SMEs. Structural adjustments in agriculture, fisheries, services and the audiovisual sector will put additional pressure on the labour market. On this point the COR welcomes the Commission's sensitivity with regard to the labour market.

2.2.3. Among the greatest challenges related to enlargement to the countries of central and eastern Europe are:

- the low per-capita income of the applicants;
- the heavy bias of most of their economies towards agriculture and so-called sensitive sectors;
- inadequacy of transport, telecommunication and energy infrastructure and networks;
- their weak administrative capacity;
- high unemployment throughout the EU.

2.2.4. The impact study assumes that intensified competition in the labour market leads to wage moderation in western Europe, thereby helping to create jobs. However, the COR points out that intensified competition in the labour market will lead to an even more competitive climate for those workers in western Europe who are unqualified and difficult to integrate as it is.

2.2.5. The COR welcomes the fact that special public support is seen as necessary to alleviate the regional and social problems in those sectors already suffering from economic decline, but would stress that this must also apply to regions within the present EU. In particular, regions in the present EU which border immediately on the applicant countries are increasingly suffering in many respects as a result of labour market pressure and the freedom to provide services, as well as the relocation of SMEs.

2.2.6. Comparing current fears of a migration of labour to the situation when Greece, Spain and Portugal joined seems inappropriate, given the lack of parallels. There is then a very real possibility that many workers from central and eastern Europe will move to other Member States and the COR calls on the Commission to develop measures to reduce the adverse impact of this in both the present 15 Member States and in the applicant countries.

2.2.7. Strengthening economic and social cohesion will be a particular challenge. Special problems will arise in regions which are highly dependent on agriculture and in uncompetitive sectors of industry. The COR certainly welcomes the call for national development strategies in the applicant countries to reduce regional imbalances, reiterating the success of the Structural Funds to date in the present Member States, whilst stressing the need to continue structural policy in the least favoured regions of the existing Member States.

2.2.8. The study points to a 'new theory of location' whereby elimination of trade barriers could induce concentration in clusters of industries because of economies of scale also to the benefit of peripheral regions if improved market access were combined with competitive advantages such as low wages. As the study rightly points out, there is a danger that the industrial sectors concerned will relocate from current Member States to regions in the candidate countries.

The COR is totally opposed to this kind of relocation strategy which is already practised in western Europe, and calls upon the Commission, within its existing competencies, to take steps to avoid such action which arises through the misuse of EU funding. These problems, generated in particular by environmental and social dumping, apply equally to SME relocations to border areas.

2.2.9. By adopting the *acquis communautaire* and putting a time limit on any transitional arrangements the new Member States should adapt quickly, but this process should begin, or continue, before actual enlargement. The COR particularly welcomes the fact that, in addition to national policy, the Commission sees a need for greater local and regional influence on policy in this context.

2.3. *Structural policy*

2.3.1. Categorizing the applicant countries as Objective 1 areas is understandable given their difficult socio-economic situation. The overall per capita GDP of these countries is around 32 % of the Community average. This represents an enormous difference, even

in relation to the four least favoured countries of the present EU, where the per capita GDP stands at around 74 % of the Community average. Intensive work is required as of now to formulate the structural measures needed to reduce this gap and to alleviate regional and social disparities within individual applicant countries.

2.3.2. In response to the increase in internal disparities, the study distinguishes between three levels of action:

- regional and local: to reduce internal disparities;
- national: to determine national Objective 1 programmes and define economic priorities;
- transnational: Community approach, especially to develop infrastructure.

2.3.3. The COR particularly welcomes the emphasis on the importance of reducing regional and social disparities within the candidate countries and stresses the need to give regional and local authorities the capacity and resources to be actively involved in this process.

2.3.4. The COR also welcomes the Commission's call for measures to be formulated and implemented in the coming years — before accession — which are geared to adoption of the *acquis communautaire* to avoid discrepancies between national and Community instruments.

2.3.5. The COR endorses the view that the authorities in the applicant countries should be given the instruments necessary for the adoption of the Community *acquis* in the area of structural policy. In line with the integrated approach which is applied in areas lagging behind in their development, structural policy should be formulated in the regions themselves rather than imposed from above. The COR would emphasize, as it has done in many other opinions, that local and regional authorities should be involved in the development of all aspects of Community Structural Policy, from initiating measures, to implementing programmes, to monitoring funding and assessing impacts.

2.3.6. The COR would also stress that the process of enlargement will require, not only more imaginative policy responses to diverse problems, but also the establishment of more effective management structures for implementing and monitoring Structural Funds.

2.3.7. Changes in the central administrations of the applicant countries are to be welcomed in principle, but reinforcement of local and regional authorities would also be desirable. On this point the COR can provide substantial assistance, passing on the necessary knowledge about structural policy to regional and local

authorities in the applicant countries through an exchange of experience. Mention should be made here of the proven success of cooperation under the Association of the Eastern Alps (ALPE-ADRIA) and other cooperation projects with neighbouring countries. The Pacte programme, if opened up to applicant countries, could also provide a valuable mechanism for funding advice and exchange projects between local and regional authorities.

2.3.8. The COR particularly welcomes the fact that support will continue to be provided, through an integrated approach to the least favoured regions or regions with structural problems in the existing Member States. Certainly, precautions must be taken to ensure that no adjustment strains be put on less developed and structurally weak regions in the current EU.

2.3.9. The study mentions transitional arrangements for regions which no longer fall within the Objective 1 indicators following improvements in their economic situations; these arrangements will have to be specified in more detail. The same principle should apply to areas which lose Objective 2 status.

2.3.10. The COR notes that it was not possible to determine which sectors and regions of the present EU would be particularly hard hit by enlargement, but it calls on the Commission to make provision for interim measures in the areas of structural and competition policy, among others, to tackle adjustment problems in the present Member States arising from enlargement.

2.3.11. On this point it should be noted that reducing the population eligible for assistance, as the Commission is seeking to do, may lead to considerable problems at the level of national competition. Given that areas covered by Articles 92(3)(a) and 92(3)(c) of the EC Treaty necessarily coincide with Structural Fund areas, it follows that areas in the process of structural change will see a reduction both in Community activities and in permissible national assistance options. In view of this, the COR urges the Commission to allow Member States sufficient leeway at both national and regional level for an autonomous regional policy.

2.3.12. The Commission envisages the following adjustment phases:

- the pre-accession period covered by the current financial perspectives (1997-1999);
- from the year 2000 to the date of accession: preparing administrations for the future programme structure;
- on accession: application of the Structural Funds taking account of the programming period in force in the EU. In the transitional post-accession period

(between accession and the future expiry of Structural Funds' programming), the new Member States will be entitled to assistance from the Structural and Cohesion Funds on the basis of their respective eligibility criteria, in continuation of the priorities already established and according to the results of the previous periods.

2.3.13. The COR welcomes this approach in principle, but wonders to what extent the Commission will in fact be able to continue to sustain EU regional policy in the face of a 0,46 % of GNP ceiling on EU cohesion effort and in a context of increased efficiency and monitoring, without having to make lasting cutbacks in existing structural policy within the present EU. The impact study appears to be contradictory on this point and the Commission is requested to present its projections in concrete figures.

2.4. *Agriculture*

2.4.1. Given the very high proportion of the working population employed in agriculture in the candidate countries (over 22 % on average) and the large amount of land used for agriculture (60 million hectares), the necessary structural changes will lead to a large-scale shedding of labour potential. Output has declined considerably with the political changes in the East. Most of the applicant countries have become net importers of agricultural and food products in recent years, in addition to a fall in demand caused by the removal of consumer subsidies and a relative fall in incomes.

2.4.2. If agricultural restructuring continues and operating conditions, such as property rights and a functioning land market, are clarified, it seems that profitable farming is possible in principle. It is significant that, in the case of exports, farm gate prices in many sectors are in the range of 40-80 % of the EU level, but have nearly doubled by the time the product reaches the border because of downstream inefficiencies.

2.4.3. The COR accepts that if the CAP were to be applied to the applicant countries in its present form it would be impossible to finance. Even disregarding this, food prices in the applicant countries would rise so sharply that agricultural production would be given a massive boost while domestic demand would be further stifled by low incomes. At the same time, overproduction in the EU is particularly to be avoided. Furthermore, it is conceivable that an excessively rapid rise in farmers' incomes, as against other occupations, could result in social tensions in the countries concerned. It is therefore essential to establish the arrangements for a transition

phase in future accession negotiations, so that an appropriate balance in the need to fund structural reform in candidate countries' agricultural systems and the level of direct payments to farmers can be developed.

2.4.4. The prospect of a reorientation of the CAP with less focus on price support and more on rural development and environmental policy is duly noted by the COR. Such a reorientation of the CAP would fit well with the needs of the candidate countries, by reducing the price gap and providing support for their structural adjustment process. These countries are in great need of structural improvement programmes in agriculture and in the downstream sectors directly linked to it, in view of the structural handicaps still to be overcome. The Commission's proposal not to apply the system of direct payments to farmers during a transition period, but instead to put substantial resources into structural reforms and rural development, seems to be appropriate and is welcomed by the COR.

2.4.5. The COR notes the particular problems connected with agriculture in the applicant countries and calls upon the Commission to consider the labour market implications for the whole of Europe.

2.4.6. On the subject of agriculture, the COR would draw particular attention to consumer protection in addition to the structural problems, fully endorsing the requirement for control and inspection infrastructure in the applicant countries and harmonization of plant and animal health provisions and animal feeding regulations before free movement of agricultural products without border controls is established. Implementing these structures must be a priority during the pre-accession phase. With the free movement of goods in the internal market, livestock epidemics and the like would not only spread rapidly, they would ultimately constitute a hazard to consumers throughout Europe. The same standards as in the present EU must apply for labelling according to origin and quality before actual accession.

2.4.7. The COR notes the efforts being made by the candidate countries to adopt the *acquis communautaire* in the agricultural sector.

2.5. *Internal Market and economic and monetary union*

2.5.1. Achieving free movement of goods, persons, services and capital requires effective application of Community rules in the areas of health, safety, environment and consumer protection. Crucial to this is the establishment and coordination of regulatory certification and surveillance mechanisms, as well as provisions for conformity assessment, product liability and general product safety.

2.5.2. Implementation of common or minimal norms and standards will require significant administrative and financial effort. The Commission's reference to serious prejudice to public health, consumers or to the environment arising from deficient implementation is a key point. This would undermine consumer confidence in the whole of Europe.

2.5.3. On the subject of free movement of capital, the EC Treaty itself allows for at least partially preventive mechanisms, such as balance of payment assistance, as well as for provisional safeguard measures. These provisions should provide sufficient protection to acceding members without affecting the overall functioning of the Internal Market.

2.5.4. The COR notes that the impact on services is particularly difficult to assess. Issues related to transport, energy and telecommunications are dealt with later in separate sections. The COR endorses the view that financial supervisory authorities must acquire the qualifications and capacity to implement fully relevant Community legislation.

2.5.5. On the subject of free movement of persons, the study notes that, in principle, migration flows are affected by economic conditions and prospects more than by the right of free movement. It is emphasized that measures to alleviate adjustment strains will evidently be critical in ensuring that this freedom will not be exposed to pressure. Here again, the COR draws attention to contradictions in the study in the areas of structural policy or agriculture.

2.5.6. The COR would once again stress that, in the context of EU regional policy, appropriate safeguards must be created to protect the present EU Member States, especially with regard to the labour market. Every effort must be made to create as many jobs as possible in the candidate countries and to counteract migratory tendencies. To relieve pressure on labour markets in the present EU, appropriate transition periods must be laid down during the accession negotiations.

2.5.7. Competition policy as such should not be profoundly affected by enlargement. Problems may arise in enforcement of existing competition rules and in alignment with a 'competition culture'.

2.5.8. The COR shares the Commission's view that the functioning of the Internal Market is particularly dependent on the effective control and protection of the EU's external borders. The need mentioned above to implement plant and animal health controls is particularly important where imports from third

countries are concerned. The COR especially welcomes the fact that the capacity of candidate countries to ensure such protection and control by the date of accession is a clear prerequisite for the latter.

2.5.9. The COR notes the view that participation by the new Member States in EMU immediately after accession is unlikely. It goes without saying that the *acquis* in this area will continue to evolve, and the COR hopes that the candidate countries will manage to achieve a sufficiently stable economic situation to enable them to participate fully in the euro area at some future date after accession.

2.6. *Horizontal policies*

2.6.1. The COR notes with regret that adoption of the Community social policy *acquis* will be extremely difficult as the living standard of a large number of citizens in the applicant countries is far below the Community average. Here again the Commission points out that adoption of the Community *acquis* will require considerable financial and administrative efforts, adding that '...too slow or inadequate adaptation could undermine the unitary character of the *acquis*'.

2.6.2. The COR is pleased to note that the Commission rejects as unacceptable long-term development strategies based on competitive advantages from observance of low health and safety norms. Here again the COR would highlight the problems arising from the relocation of industries, urging the Commission and the Council to take appropriate steps within their existing competencies to avoid these developments, which can arise through the misuse of EU financial assistance.

2.6.3. On the subject of environmental policy, it is pointed out that considerable effort will be required as, in general, the candidate countries are facing more acute environmental problems than present EU Member States. Individual problems have already been tackled with the aid of the EU and other international institutions. The key areas in this context are water, air and energy. Adoption of EU environmental regulations and standards is essential despite the enormous cost involved, as failure to do so may disrupt the Internal Market and could provoke protectionist reactions.

2.6.4. Mindful of the need for an acceptable quality of life for all EU citizens, the COR calls for increased efforts to implement environmental standards, emphasizing that investment with a view to adopting the *acquis communautaire* should be one of the priority objectives of the reinforced pre-accession strategy. Even before accession, realistic long-term national strategies should be drawn up in the applicant countries in collaboration with the EU.

2.6.5. In the field of science and research, there is considerable potential in the applicant countries. The COR notes the possibility that the priorities of Community programmes may be modified.

2.6.6. The impact study sees the cultural dimension as a fundamental element of enlargement. The COR welcomes the participation of the applicant countries in Community activities relating to culture, education and vocational training.

2.6.7. The COR acknowledges that there will be increased problems in aligning the range of policies across the enlarged EU. This is an important issue, however; for example, in fighting against drug abuse and trafficking, the agenda has an interface right across the range of EU policies.

2.7. *Sectoral policies*

2.7.1. On the subject of transport and the Internal Market, the study refers to the harmonization of competition conditions as well as the development of infrastructure projects contributing to Trans-European networks. The COR notes with regret a shift in transport development away from non-road transport towards road transport, which is in stark contrast to the aspirations of EU transport policy.

2.7.2. The study identifies an urgent need to develop and upgrade transport infrastructure. All modes require major investment. The Commission feels that enlargement could create adjustment problems in the transport sectors of both acceding and present members; these in their turn could generate political pressure on the EU transport sector from regions with heavy transit traffic.

2.7.3. The COR calls upon the Commission as a matter of principle to gear planning measures aimed at connecting the applicant countries to the trans-European networks to the needs of the regions in the present EU. Developing transport without the involvement of the regions of the present EU would merely result in a repetition of previous mistakes in transport policy. Furthermore, it is vital to coordinate transport policy measures with structural policy considerations.

2.7.4. Major investment will also be necessary in the energy sector to modernize and adapt to the *acquis*. EU energy policy would have to take account of and tackle the realities of an enlarged Union, such as greater dependence on Russia and the economic and social consequences of restructuring the mining sector in the applicant countries. The COR also calls for a higher level of nuclear safety. As the Commission has already

made clear, greater effort should be put into utilizing alternative forms of energy, particularly the opportunities emerging for agriculture from the use of energy generated from biomass.

2.7.5. Industry in candidate countries is characterized by low labour costs and a good level of technical qualification in various sectors such as steel, ceramics, glass, cement and mechanical engineering. Among the key problems are extensive overcapacity in some sectors resulting in low productivity, as well as low-standard and polluting products. Priorities in candidate countries include privatization, investment, enterprise development, productivity and job creation.

2.7.6. The telecommunications sector certainly lags well behind its EU counterpart, and major investment is needed for modernization, but in principle there are no integration problems. Most of the candidate countries should be able to adopt the *acquis* by the years 2000-2003.

2.7.7. As stated in the study, the SME sector is characterized by a high degree of subsidiarity. The candidate countries will also realize the enormous importance of SMEs for their national economies. EU membership will put considerable economic pressure on SMEs in the candidate countries by exposing them to international competition. The COR welcomes the Commission's intention to focus on support to SMEs in these countries both before and after accession.

2.7.8. The enlargement of markets is expected to be of benefit to the audiovisual sector, which the COR is pleased to note.

2.7.9. Fisheries in the candidate countries do not pose any serious problems for the CFP. The EU's fishery resources will not be significantly increased. However, the fishing industry of the candidate countries, which is in deep recession due to overcapacity and outdated fishing vessels, will have to be restructured, and this will lead to sensitive social repercussions, according to the impact study. The COR would once again highlight the knock-on effect of this on the labour market.

2.8. *Justice and Home Affairs*

2.8.1. The COR agrees with the assessment that enlargement of the EU represents a challenge, but at the same time an opportunity to solve common cross-border problems in the fields of migration and asylum, combating international organized crime and cooperation

between the police, customs authorities and legal systems of the present EU Member States and those of the central and eastern European countries. It is in the interest of all concerned that measures in the field of justice and home affairs be implemented throughout the enlarged EU according to common, high standards befitting a constitutional democracy.

2.8.2. The COR calls upon the Commission and the Council to take every available step to create a maximum level of internal security for citizens and a clear legal position with regard to potential refugees and asylum seekers.

2.8.3. The COR would also like to stress the need to work to ensure that the new borders of the EU do not have an adverse effect on intervention strategies developed to combat drug trafficking.

3. Conclusions

3.1. The COR accepts that regardless of enlargement, EU policies must change and evolve. However, it also recognizes that enlargement will provide a considerable challenge to policy and a significant strain on the budget available, particularly for the Structural and Agricultural policies, and demand a deepening of internal reforms for effective decision-making to be possible.

3.2. The COR agrees with the Commission that enlargement represents both a huge political challenge and an opportunity for Europe. Enlargement is an investment in peace, stability and prosperity for the people of Europe. The extension of the Internal Market, the enormous human capital and the natural resources to be found in the candidate countries constitute a great enrichment for all concerned. Europe's position in the international context will be considerably enhanced.

3.3. The COR would agree that each of the candidate countries presents its own specific regional development problems and differences which call for a joint structural policy effort, and therefore endorses the view that regional policy and inter-regional cooperation will be of huge importance in the candidate countries as it is one of the most visible and tangible benefits of EU membership.

3.4. The COR underlines that the basic principle for accession must be the adoption of the totality of the Community *acquis* by the candidate states. To enable this a gradual pre-accession strategy is the only realistic path. Preparation by candidate countries must therefore be supported by a comprehensive pre-accession strategy, which should commence as soon as possible and which must address all policy areas. The COR emphasizes the

direct link between preparation during the pre-accession phase and the magnitude of the impact of enlargement on Community policies following the accession of new members.

3.5. On the basis of experience gained in the present 15 Member States, the COR calls on the Commission to highlight the crucial importance of regional and local authorities in its support measures. The latter play a key role in alleviating social problems, drawing up regional development plans and implementing structural policy, as well as supporting SMEs.

3.6. The COR would like to be further consulted on other impacts of enlargement and accession as developments arise and will, for its part, give support to all local and regional authorities in the applicant countries, easing the adjustment process through the exchange of experience.

3.7. The COR must also guard against the danger of dispersing funds too widely. However, focusing Community policies too much on enlargement could risk diverting the Union's policy emphasis away from priority areas such as the environment, and R+D policies.

3.8. The COR acknowledges that the Commission quite properly leaves open how the cost and benefits of enlargement will affect individual regions. But given the substantial structural adjustments required, the acceding countries will have to shoulder a huge financial burden.

3.9. The COR welcomes the Commission's clear commitment to retain Cohesion and Structural Fund

support for Objective 1 areas, and insists that enlargement should in no way prejudice the less developed regions in the present Member States, or those undergoing structural change.

3.10. Furthermore, the COR would point out that the social tensions and economic problems in existing Member States caused by increased mobility of labour and businesses, as mentioned in the impact study, may well arise, especially in immediate border areas. It therefore calls on the Commission to put into effect the counter measures alluded to at the latest upon the accession of the new Member States.

3.11. The problem of high unemployment throughout Europe calls for a joint approach. The COR is therefore in favour of implementing measures to provide for sustainable employment opportunities at European level, while at the same time retaining national scope for action as part of competition policy.

3.12. The rapid adoption of EU quality and environmental standards and the harmonization of plant and animal health regulations are essential despite the huge cost involved, as failure to do so could lead to a distortion of the Internal Market and potentially to protectionist reactions. For reasons of consumer protection, the COR calls for effective control and inspection infrastructure in the candidate countries.

3.13. The COR would stress its positive position with regard to enlargement to the applicant countries. Enlargement must not, however, be allowed to jeopardize the level of European integration already achieved with respect to the Internal Market and other Community policies.

Brussels, 20 November 1997.

The Chairman
of the Committee of the Regions
Pasqual MARAGALL i MIRA
