

Committee on Regional Development  
The Chair

Mr José Manuel Barroso  
President  
European Commission  
1049 Bruxelles

Dear Mr President,

*Dear José,*

The European Commission is preparing its proposals for the future financial framework 2014 - 2020. Cohesion policy will hold a major place in the debate about its organization and its priorities both within the Commission and Member States as well as in the European Parliament.

I was informed that there is an ongoing debate in the Commission as to the possible separation of the European Social Fund from the field of cohesion policy with a view to create an ambitious independent employment strategy with the support of the ESF. It is therefore for this reason that I take the opportunity of drawing your attention to the views of my committee and myself concerning this matter.

Let me emphasise that the Treaty of Lisbon confirms the nature of economic and social cohesion and extends it by adding a territorial dimension. This means that the connection between economic and social cohesion remains valid and that the Treaty does not foresee any separation of economic and social cohesion.

In its Article 175, the Treaty on the Functioning of the European Union lists the European Social Fund among the structural fund resources to be used in achieving the objectives of strengthening economic, social and territorial cohesion set out in Article 174 of the Treaty. It is far from clear that the TFEU would permit the separation of the ESF from cohesion policy architecture, as it is one of its key financial instruments and both the future strategic guidelines and the general regulation on the structural funds should apply in their entirety.

The distinguishing characteristic of using the EU budget based cohesion policy to contribute to economic, social and territorial cohesion is that it is a policy of structural change rather than a tool designed to face the short term problems. Much less is it a revenue policy for revenue is an area in which the Member States have exclusive responsibility.

As you know, since 1957 the European Social Fund has helped millions of European citizens get jobs, acquire new skills and increase their career prospects. It has been

and is, an essential tool enabling regions and businesses to adapt their workforce to face the challenges of permanent restructuring which is an inherent characteristic of a modern competitive economy. It is the tool 'par excellence' enabling all the stakeholders in the local economy to strike the right balance between the need for flexibility for business and security for workers. But its role in the framework of cohesion policy goes far beyond the employment agenda, embracing all other aspects of social cohesion.

I fear that this option will lead to an important reduction in the added value of Structural Funds intervention, whereas the aim of the Commission as well as of the European Parliament is to strengthen it by better targeting its priorities, improving the integration of different funds actions and establishing conditionality related to the nature of cohesion policy, and not prevailing macroeconomic conditions.

The experience clearly demonstrates that at the level of each of 271 regions of the European Union, ERDF financing of economic actions (innovation, research, SMEs, environment, etc.) can be more effective if closely coordinated and integrated with ESF. Experience has also shown that when ESF action is principally carried out at national level European added value is reduced because it is drowned in the employment policies of each member state which have overall competence on these questions.

ESF is therefore a critical instrument in assisting the Union's regions to reinforce social cohesion at a time when the effects of the crisis engender, as we have recently seen in some Member States, increased social unrest and the risk of political instability.

Together with the European Regional Development Fund, the European Social Fund constitutes a key instrument for both national and regional authorities to use in their economic development plans. It facilitates planning and managing inevitable structural changes at regional and local levels. Forward looking strategies can be designed, supported by both Regional and Social Funds, enhancing both jobs creation and cohesion.

Ensuring consistency of the ESF with ERDF funding works towards both greater visibility of Europe and higher effectiveness of EU interventions. Experience shows that the most appropriate approach to enhance the added value of both the ESF and the ERDF is to focus their joint action at the regional level, which alone permits local stakeholders to tune specific actions to the reality of economic and social needs, and thus the employment situation in each specific region.

Mister President, during my time as Commissioner for regional policy, and now as Chairwoman of the Committee on Regional Development of the European Parliament I have had the possibility to hear what the Regions have to say on this point and I take this opportunity to stress the fact that separating the ESF from cohesion policy would cause serious harm to both. The enhancement of the added value of both structural funds is linked to the progress in achieving synergy between economic and social intervention. I would add that the visibility that you wish to enhance will be much greater if the intervention of the European budget, of the ESF and the ERDF, is targeted regionally and therefore more noticeable to our citizens.

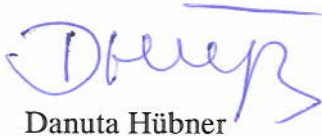
It is for all these reasons that the Committee on Regional Development of the European Parliament has always strongly and unanimously maintained that the European Social Fund must remain an integral part of cohesion policy for it is an effective structural instrument to be exploited primarily by the regions in the context of an inclusive and place based development policy.

This approach is, as you know, clearly reaffirmed in the Council Conclusions of 14 June in these words:

*"INSISTS on the real added value generated by one strategic approach and by common implementation rules for the European Regional Development Fund, the Cohesion Fund and the European Social Fund, within the general framework of the cohesion policy; "*

I remain at your disposal to discuss this strategic issue.

Yours sincerely,



Danuta Hübner

CC: Mr Jerzy Buzek, President of the European Parliament