

EU cash can transform Wales

Western Mail – December 2006

WHEN Gareth Biggs lost his job as a TV repair technician in 2003, in his late 40s and without the necessary transferable skills, he thought his future was bleak. But when I met Gareth during a visit to an EU-funded project in Port Talbot last year, things were looking up. Thanks to a training scheme supported by European cash he had been able to re-skill and was embarking on a new career in IT.

Gareth is far from alone in benefiting from EU funding. Since 2000, more than £1.5bn has been channelled into Wales from Europe, mainly through the Objective 1, 2 and 3 programmes. Over that time Objective 1 cash alone has supported more than 1,700 projects across Wales, generating a total investment of over £3bn in the Welsh economy, supporting the creation of 40,500 new jobs and 1,900 new businesses. Under Objective 1 around 85,000 unemployed people like Gareth have been helped back into work or training.

Now, thanks to the EU budget deal reached by Tony Blair under the UK presidency, Wales will continue to benefit from Euro cash through the replacement for Objective 1 - the so-called "Convergence Programme". The question we must now ask is how can we make this last opportunity for large sums of European cash work best for us and drive our economy to compete with the best?

Undoubtedly, due to many and varied reasons, the last EU funding programme suffered from a lack of a strategic vision. There was such a concerted effort to build "bottom-up" partnerships where projects had to compete across the entire region, that this led to situations where less deprived parts of Wales fared better than more deprived ones - whether because of a lack of expertise in accessing Euro funds or because of the sheer lack of capacity of some local authorities to deliver.

As a result, some of the poorer Valleys areas did not receive a fair crack of the whip. This cannot be allowed to happen in the next programme. Geographic financial targeting for our most deprived communities is essential to ensure Europe delivers where it is needed most. The Welsh Assembly Government and its partners has a duty to ensure that the money is directed to these areas, and if the capacity is not available to ensure delivery locally then they must step in and take charge in directing the funding.

Of course, there are a number of key areas that the next European programme must address. But, of these, boosting research and development is crucial. There is an urgent need for us in Wales to accept the changing nature of the world and accept that if we are to compete in a global economy investing in R&D and developing hi-tech skills is essential. Partnerships between universities and business in particular are key and must be developed further in the next programme. Wales' Convergence Programme must be our contribution to ensuring that by 2010 the EU will become the most competitive knowledge-based economy in the world.

Yet, irrespective of our ability to deliver on a hi-tech knowledge-based economy, the biggest challenge we face is reducing the number of people who are economically inactive. This is why economic inactivity has rightly been placed as the underlying theme of the Convergence programme. Indeed, if the economy continues to carry up to 30% of people who are economically inactive, irrespective of the often valuable contribution many make through being carers, etc, Wales will never achieve its full potential.

But who has the capacity to deliver on tackling economic activity? Where are the Welsh experts? Jobcentre Plus has been delivering very successfully on pioneering programmes already. Doesn't it make sense to allow Jobcentre Plus to lead the charge in this area? Not least, Jobcentre Plus has the authority to call in claimants and offer them hand-holding help where none of the other organisations do.

Jobcentre Plus however also lacks the kind of capacity to deliver on a scale that is necessary, and also lacks the skills to do the kind of confidence building

measures that are better carried out by local authorities and voluntary organisations. It is at this stage that partnership should kick in. Businesses can and must also help if we are to take on this challenge. Local authorities and voluntary organisations should not see this focus on partnership as a challenge to their participation in the programme, but as an opportunity to learn and deliver with others. The lead organisations must be monitored to ensure that they are delegating fairly and appropriately and not hogging the cash.

Our talents are as great in Wales as those of any other region in Europe. Our challenge in the next seven years is to ensure we use European cash effectively to release these talents and allow everyone to reach their full potential. Eluned Morgan is Euro-MP for Wales and a member of the European Parliament's Industry, Research and Energy Committee

Eluned Morgan is Labour MEP for Wales