

Mechanisms to Compensate for the Impact of the Asymmetries of  
Regional Integration and Globalization: Lessons for Latin America and  
the Caribbean

The Case of Andalusia and the European Union

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*The opinions expressed in this document<sup>1</sup> belong to the author and should not be attributed to the InterAmerican Development Bank*

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## 1. INTRODUCTION

Integration processes normally generate a positive effect on the entirety of the affected zone. However, evidence does exist that there is a risk of asymmetries in these processes, which can even accentuate divergences between parties.

Many theoretical and practical experiences exist, as well as different interpretations. However convergence or divergence processes cannot be considered as a simple phenomenon, but should be viewed within a complex, multidimensional, social, cultural, territorial, economic and technological context. The time component is also a key aspect that requires incorporating the consideration of the medium and long term into interpretations.

The integration processes underway in the European Union (EU) are particularly rich in their social, political, territorial and economic components, etc. Without a doubt, it is a case in which we can prove how an integration experience has worked and continues to work, and also how policies of economic and social cohesion work.

Cohesion is a political and practical priority for the EU. Policies in their entirety should translate into support for the convergence of the least-developed regions. The main instruments for economic and social cohesion are the Structural Funds and the Cohesion Fund. In this document we analyze the regional imbalances within the UE, particularly the deficit of convergence of Andalusia in the context of the EU, utilizing the case of Andalusia as the main theme, as one of the 210 regions in the EU. The document reviews specific policies for cohesion and their instruments, particularly the Structural Funds in their qualitative and quantitative aspects. The principal element of application of the Structural Funds in Andalusia is used, the "INTEGRAL OPERATIVE PROGRAM OF ANDALUCIA 2002/2006" that shows how a region interprets its convergence needs, how it defines its priorities and procedures, both at the level of the entire group, as well as looking more closely at a particular aspect of programming. The reference to a Community Initiative also permits an analysis of the importance of distinct agendas to correct inter and intra-regional asymmetries.

Despite the difficulties, the case of Andalusia could be useful to inspire a debate on the opportunities presented by mechanisms to compensate for the effects of the asymmetries in regional integration and globalization processes in the case of Latin America and the Caribbean. With this in mind, numerous references have been incorporated into this text regarding procedural aspects, and above all, a final section with reflections on some key aspects to articulate a new cohesion policy. This is written obviously within a European context, and with an Andalusian perspective, but always with the intention of providing elements for debate in Latin America and the Caribbean.

## 2. INSTITUTIONS IN THE EU: A BRIEF REFERENCE

The European Union is made up of 15 member states in which 380 million people live. As a main characteristic, we can point out that it is truly an authentic mosaic both between and within states, in terms of many different aspects: languages, cultures, landscapes, economy, history, etc. It is also true that these states have many things in common, such as a single market, with freedom of movement for people, merchandise and capital, with one currency. The Union also faces an enormous political, social and economic challenge posed by its enlargement to include 12 new countries. This new integration will permit creating a large area of peace and prosperity, so important in a region that has been the geographic center of two world wars in the past century.

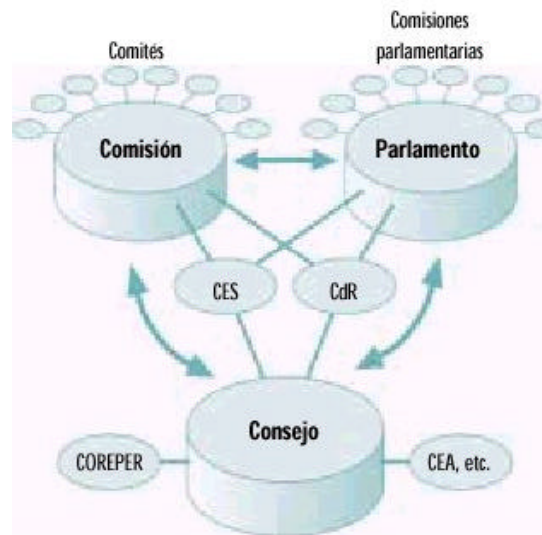
We would like to add that independently of the heterogeneous logic operating between the different states, there is strong support for the social welfare society. There is some concern regarding social and territorial cohesion, although there are still serious differences between countries and regions, and these criteria do not have precedence over all policies.

The EU is comprised of three major institutions: the European Parliament elected by vote by all citizens of the Union; the Council, where all ministers of member states are represented; and the European Commission (EC) (presided over by the College of Commissioners), the real administrative body responsible for carrying out general policies jointly with the competent authorities belonging to member states.

Clear and concrete rules of the game are required to carry out an integration process like the one now taking place in the EU. The voting system in community institutions is an important aspect in order to understand the EU's adoption of different policies, strategies, and also mechanisms to correct asymmetries. This is why the distinct institutions of the community have voting systems that take into account the need for agreement between countries that are very different in their dimensions.

Figure 1 presents a synthesized image of community institutions and the relationships between them. It is important to note that the Council of Ministers is supported by the Committee of Representatives of Member States (COREPER), to which ten Special Committees are added, and also two consultative bodies that play a specific role in the institutional system of the European Union. The Economic and Social Committee (CES) and the Committee of Regions (CoR), that reflect the general point of view of territorial entities in their pronouncements.

**Fig. 1. Community Institutions**



### 3. THE ASYMMETRIES: A PERSPECTIVE FROM ANDALUCIA IN THE SPANISH AND EUROPEAN CONTEXT

Andalucia is one of 210 regions that make up the EU, and it belongs to the member State of Spain. The region is situated in the extreme south of the Union, and is a true bridge to the African continent.

The region covers 87,548 square kilometers, with a population of over seven million inhabitants, of whom 32% are under 20-years-old.

It is organized administratively into eight provinces, and its most important asset is a network of towns and cities.

Andalucia has an enormous variety of climates and territories, and we could classify it as a region rich in natural resources, with an exceptional historic, cultural and environmental patrimony. But we also must point out that until very recently it was also a region of emigrants, and that it still suffers from an important lack of infrastructure, social capital, etc.

The characteristics that define the asymmetries are multiple and difficult to quantify. On the other hand, it is important that we reflect on some indicators that illuminate the convergence deficit of Andalucia within the EU regional context. Table 1 summarizes a comparative analysis of Andalucia, Spain and the EU.

The most notable aspect is that the Gross Domestic Product GDP per capita of Andalucia was 64% of the EU's GDP in 2001. It is also important to point out that in 1985 it was only 54.6% of the EU's GDP. So the per capita GDP of Andalusians is 15,020 Euros, compared to the 23,321 Euros of Europeans.

**Table 1. Convergence Indicators of Andalucia, Spain and the European Union**

INDICATORS	ANDALUCIA	E.U.	SPAIN
Thousands of persons	7,287	379,172	40,527
Population Density per square kilometer	82	78	117
GDP per capita in Euros	15,020	23,321	19,163
Employed in thousands	2,414	160,148	15,946
Employment Rate	78.4	100	93.2
Parity of Purchasing Power	81.5	100	83.7
PERIOD OF 1985-2001	ANDALUCIA	E.U.	SPAIN
Population Growth %	8,4	5,7	5,3
GDP Growth	76,6	46,2	66,3
GDP Increase per capita	158,9	124,8	155,2
Annual Velocity of Convergence with respect to the E.U.	0,9	--	0,8

Source: Economic Report of Andalucia 2001. Regio Database, Eurostat

This progress is due to multiple factors. However, it is important to point out the impact of the EU's cohesion policies, and Spain's integration into the EU in the year 1986.

Table 2 summarizes convergence indicators for Andalucia in the EU's regional context, comparing progress with groups of regions of the EU that are more populated, richer and poorer, respectively. We should stress Andalucia's spectacular population growth, 8.1 between 1985 and 1999, and the growth of employment, by 41.7 percent, or almost four times the increase in the 25 most prosperous regions of the EU. Without a doubt this means targeting growth towards job creation, something very different from what has occurred during other periods when GDP growth has had little repercussion on employment generation.

**Table 2. Convergence Indicators for Andalucia with Respect to Regions of the European Union 1985-99**

<b>REGION</b>	<b>POPULATION GROWTH %</b>	<b>GDP NOMINAL GROWTH IN EUROS PPS %</b>	<b>EMPLOYMENT GROWTH %</b>	<b>GDP GROWTH PER CAPITA %</b>	<b>INCREASE IN EMPLOYMENT RATE</b>
Andalucia	8.1	140.9	41.7	120.2	6.8
25 most populated regions	4.8	111.9	9.3	106.2	1.6
25 regions with highest GDP per capita	7.3	113.4	10.6	101.8	1.8
25 regions with lowest GDP per capita	3.5	102.1	-2.3	83.6	-1.9

Source: Regio Database, Eurostat.

#### 4. COHESION POLICIES AND THEIR INSTRUMENTS

The Structural Funds and the Cohesion Fund have been the principal instruments of social and economic cohesion, a priority objective for the Union. The goal of these funds is to reinforce structural factors that determine competitiveness, and therefore growth potential of the least-developed regions.

The Council of Berlin (March 1999) confirmed the will to maintain this political priority, even more necessary given future amplification of the Union, and given important differences in development among candidate countries. The challenge to maintain cohesion in an EU with 12 candidate countries is enormous, and this should probably be a priority for a long period of time. It is important to point out the decrease of GDP per capita of 10 percent of the regions situated at one extreme, would drop from 61% of the Union currently, to only 31% in an enlarged Union.

The Union's intervention in favor of cohesion has an important financial aspect to it. It is significant that the Structural Funds and the Cohesion Fund together represent more than one third of the total community's budget. This financial effort is important in macroeconomic terms, particularly in the least-developed regions (Objective 1) that correspond to regions with a GDP per capita that is lower than 75% of the community average. The amounts corresponding to regions undergoing economic and social reconversion (Objective 2) are also worth noting, and the development of human resources (Objective 3).

Table 3 shows the distribution of structural funds and their quantitative importance: 183 billion Euros for 2000-2006; and the Union's support for and bet on convergence in the form of 43 billion Euros allocated to Spain due to the significant number of less-developed regions (Objective 1), including Andalusia.

**Table 3. Structural Funds 2000-2006\* - Distribution by Objectives**  
(Millions of Euros)

MEMBER STATES	Regions Objective 1	PEACE PROG.	Special Swedish Program	Transition. Assistance Obj. 1	Total Obj.1	Regions Objective 2	Transition. Assistance Obj.2	Total Obj.2	Total Obj.3	IFOP outside Obj.1	Total Objective
BÉLGIUM				625	625	368	65	433	737	34	1.829
DENMARK	-	-	-	-	0	156	27	183	365	197	745
GERMANY	19.229	-	-	729	19.958	2.984	526	3.510	4.581	107	28.156
GREECE	20.961	-	-	-	20.961	-	-	0	0	-	20.961
SPAIN	37.744	-	-	352	38.096	2.553	98	2.651	2.140	200	43.087
FRANCE	3.254	-	-	551	3.805	5.437	613	6.050	4.540	225	14.620
IRELAND	1.215	100	-	1.773	3.088	-	-	0	0	-	3.088
ITALY	21.935	-	-	187	22.122	2.145	377	2.522	3.744	96	28.484
LUXEMBOURG	-	-	-	-	0	34	6	40	38	-	78
NETHERLANDS	-	-	-	123	123	676	119	795	1.686	31	2.635
AUSTRIA	261	-	-	-	261	578	102	680	528	4	1.473
PORTUGAL	16.124	-	-	2.905	19.029	-	-	0	0	-	19.029
FINLAND	913	-	-	-	913	459	30	489	403	31	1.836
SWEDEN	372	-	350	-	722	354	52	406	720	60	1.908
UNITED KINGDOM	4.685	400	-	1.166	6.251	3.989	706	4.695	4.568	121	15.635
<b>TOTAL</b>	<b>126.693</b>	<b>500</b>	<b>350</b>	<b>8.411</b>	<b>135.954</b>	<b>19.733</b>	<b>2.721</b>	<b>22.454</b>	<b>24.050</b>	<b>1.106</b>	<b>183.564</b>

Source: European Commission.

Note: (\* Prices in 1999) Innovative actions and community initiatives are not included.

The Structural Funds are organized in different instruments, each one with its specific functions: the Regional Development Fund (FEDER), to correct principal regional imbalances; the European Social Fund (FSE), with the main goal of improving the labor market and development of human resources; the Orientation Fund (FEOGA), for rural development assistance; and the IFOP, which is the Instrument to Promote Fisheries.

The “Community Initiatives” also have the general objective of resolving problems or questions that affect the European Union as a whole, and that can be more effectively dealt with through coordinated actions by member states.

The Community Initiatives have a different agenda within Structural Fund policy. Normally, they have their own programming process and they are not as important in quantitative terms. However, they do contain important innovation components, and they have enjoyed a magnificent reception in member states and regions.

There were 13 Community Initiatives for the programming period 1994-1999, with only four left during the current programming period of 2000-2006: INTERREG, to promote cross border, transnational and inter-regional cooperation; LEADER, to promote rural development; EQUAL to develop human resources in a context of equality of opportunity; and URBAN for the economic and social rehabilitation of cities.

Table 4 shows the distribution of Community Initiatives over the entirety of the member states of the Union. We should point out that the initiatives only use 5.35% of the resources from Structural Funds, and yet the enormous relative importance they have for Spain as a member state. This is particularly the case with the LEADER community initiative which we will comment more extensively on from the perspective of Andalucia.

**Table 4. Community Initiatives - Period 2000-2006**  
(Millions of Euros)

<b>COUNTRY</b>	<b>INTERREG</b>	<b>EQUAL</b>	<b>LEADER</b>	<b>URBAN</b>	<b>TOTAL</b>
BELGIUM	104	70	15	20	209
DENMARK	34	28	16	5	83
GERMANY	737	484	247	140	1.608
GREECE	568	98	172	24	862
<b>SPAIN</b>	<b>900</b>	<b>485</b>	<b>467</b>	<b>106</b>	<b>1.958</b>
FRANCE	397	301	252	96	1.046
IRELAND	84	32	45	5	166
ITALY	426	371	267	108	1.172
LUXEMBOURG	7	4	2	0	13
NETHERLANDS	349	196	78	28	651
AUSTRIA	183	96	71	8	358
PORTUGAL	394	107	152	18	671
FINLAND	129	68	52	5	254
SWEDEN	154	81	38	5	278
UNITED KINGDOM	362	376	106	117	961
European networks of exchange and knowledge	47	50	40	15	152
<b>TOTAL</b>	<b>4.875</b>	<b>2.847</b>	<b>2.020</b>	<b>700</b>	<b>10.442</b>

Source: European Commission

The Cohesion and Structural Funds are specific mechanisms to correct asymmetries. However, it is also important to emphasize that as stated in the treaty of the European Union, the entirety of policies should contribute to cohesion. In this sense the economic stabilizing actions have contributed substantially to convergence, particularly the fight against inflation which has helped nominal convergence to become real convergence.

In the context of this document it is impossible to deal with the implications of the Euro's introduction for the EU. A much more profound reading is needed to evaluate the impact of this measure in terms of support for cohesion. However, we can say that numerous factors concur, such as the existence of greater vulnerability on the part of the least-developed regions, availability of capital in these regions, and in general the fact that the differences are much more visible (leaving a long "etc." in terms of the impact on cohesion...) Agrarian policies, environmental policies and transport policies that should be carried out all also have an important impact, although these policies are still too weak.

In summary, we can say that the body of evidence indicates that the integration process in the current European Union still must be accompanied by policies that support cohesion, and even more so in an enlarged Union with new members.

## 5. SYNTHESIS OF INTEGRAL OPERATIVE PROGRAM OF ANDALUCIA 2000/2006

The Integral Operative Program of Andalusia 2000-2006 was approved by the European Commission on December 25, 2001. Some aspects are summarized below in order to better explain the Union's decision to include Andalusia in convergence, which is the Program's general objective.

>From the Andalusian perspective, the goal of real convergence is realized in five areas: Production, Employment, Public Capital, Internal Cohesion and the Environment.

- In the **productive realm**: Bringing up levels and productive ratios.
- In **employment**: Creating more and better employment, and eliminating labor market imbalances (for example, in terms of equality of opportunity).
- In terms of **public capital**: To the extent to which this means indirect income with an impact on productivity and social welfare.
- In terms of **social and intra-regional cohesion**: Territorial distribution of social and economic progress, although cohesion between regions does not necessarily mean internal cohesion in regions.
- **The Environment**: Preservation and improvement should not only be a fundamental asset that assures future viability of levels of social welfare, but also a current fundamental collective value.

Real convergence implies possessing the ability to generate production and income flows that will sustain social welfare, since these constitute the material base for progress in the five areas mentioned above. The convergence process is linked to the activation of a sustained growth differential, or a growth path that can achieve the differentials required to reduce gaps, and to assure a homogeneous trajectory within the whole of the European Union.

### 5.1. Operative Structure

The strategy to generate value in Andalusia is seen in objectives and actions that have an impact on the factors that create value. These actions are guided by the contribution of three essential components of the territory:

- **The region's connectivity**, in reference to the level of inter-connection that the region maintains with the global economy. Connectivity not only includes exchange of goods and services through imports/exports, etc., but also the flow of ideas, information and people.
- **Social Welfare**, understood as the ability of the region to provide a quality environment that not only allows the region to attract and maintain a labor force and more companies, but also that fundamentally guarantees certain living standards for the whole society. The challenge is to reach greater competitiveness, not only economically, but also socially and culturally. Although the term social welfare encompasses many dimensions, these are its basic elements:

Infrastructure and equipment: communications networks, social and cultural infrastructure, etc.

Economic and employment opportunities: the guarantee of a mobilization of all potential in the region, and the promotion of social cohesion and equality of opportunity, particularly between men and women.

Natural environment: as a future guarantee and essential component to assure living standards in the present.

• **Collective action**, referring to participation and cooperation of public powers and citizens of the region by putting actions into practice. This last goal of regional policies is reached through carrying out three intermediate objectives:

Support the creation and dissemination of organized capital, assure global connectivity, and raise the level of organizational capital.

Reduce deficiencies in technology and human capital to increase the innovative capabilities of the Andalusian territory, and assure Andalusia's full incorporation into the Information Society. In other words, increase technological human capital.

Increase the efficiency of the territorial model to realize the potential of economic development and improve living standards. Increase the capacity of the territorial-economic model to generate value.

## 5.2. Intervention Priorities

In order to advance all these objectives, the program establishes priorities, and each priority becomes a main policy pillar for intervention. There is an additional technical assistance component to support program administration and follow-up. These policy pillars are as follows:

**Pillar 1** Improve Competitiveness and Development of the Productive Network.

**Pillar 2.** Knowledge Society (Innovation, I+D, Information Society)

**Pillar 3** Environment, Natural Environment and Water Resources.

**Pillar 4.A.** Educational Infrastructure and Reinforcement of Technical/Professional Education.

**Pillar 4.B.** Occupational Insertion and Reinsertion of Unemployed.

**Pillar 4.C.** Reinforcement of Employment Stability and Adaptability.

**Pillar 4.D.** Integration into the Labor Market of the Physically and Mentally Challenged.

**Pillar 4.E** Women's Participation in the Labor Market.

**Pillar 5** Local and Urban Development.

**Pillar 6** Transport and Energy Networks.

**Pillar 7** Agricultural and Rural Development.

**Pillar 8** Technical Assistance.

A total of 7.8 billion current Euros will be assigned to these development priorities (without requiring EU cofinancing), and along with the 3.8 billion Euros from the national contribution, this means 11.7 billion Euros in public spending. Of the total 11 billion, 78.5% is for the regional development fund, 12% for the social fund, and 9.5% for the agriculture fund.

These strategic considerations fundamentally coincide with the Forum's conclusions on cohesion held in Brussels in 1997. Participants decided that there should be a certain rebalancing in terms of Objective 1 in favor of human resources and support for economic networks, rather than for infrastructure which was previously favored in the past.

Within this context, it is not prudent to further explore the content of Andalusia's Operative Program. However, we do consider it useful in the sense of understanding the programming mechanism and concrete actions. One example is Pillar 7, Agricultural and Rural Development, where the author has firsthand experience in both design aspects as well as implementation. This example can illustrate some useful details and lessons on how to use this important mechanism for correcting asymmetries.

### **5.3. A Case Study: Agriculture and Rural Development**

The relevance of agriculture in Andalusia justifies making this sector and rural development a strategic priority. Actions taken are oriented towards facilitating development processes in rural areas through the acceleration of the transformation and modernization of the agrarian sector, and promoting diversification of the economic base in these areas. The rural development and agricultural funds will complement each other. Productive infrastructure related to development will be improved, with the goal of supporting production and better organization of production. Actions will be taken to improve accessibility to farms, and basic rural infrastructure to support agrarian activity such as rural electrification, providing potable water to disparate nuclei or nutritional laboratories, for production and for veterinary and phytosanitary protection. This represents support and stimulus for the rural population in general, to encourage remaining in rural areas, and to prevent rural abandonment.

Endogenous development measures for rural areas will be carried out through the Rural Development Associations. These are linked to both agrarian and non-agrarian activities. In order to carry these out, development initiatives that arise from within the specific territorial region will be executed such as commercialization of quality farm products, recovery and renovation of villages, promotion of tourism and craftsmanship, diversification of activities, and support for small companies and service and commercial structures.

At the same time, intervention will be carried out to prevent the negative impact of weather-driven catastrophes, and reducing risks caused by natural and climatic disasters. One special goal is to offer services to large farms and improve quality through technological processes and products, improving professional structures, and preventive health measures for veterinary and phytosanitary protection. There are also sectoral plans for organizing production and improving efficiency of the means of production, and improving support for cooperatives and other associations to create or increase assistance for projects and administration. Actions will also be carried out to support the Agrarian District Offices, so they become service and assistance centers in rural areas.

Table 5 shows public expenditure relative to agrarian investments, as contemplated within the framework of community support from 2000-2006 for Andalusia. An investment of 1.2 billion Euros is foreseen during this entire period, of which 66.6% is from the EU. It is important to note the quantitative significance of the items corresponding to transformation and commercialization, and rural development, which amount to 236 million Euros and 190 million Euros, respectively.

**Table 5. Operative Program of Andalusia 2000-2006 – Agrarian Investments (Euros)**

Pillar/Measure		Public Expenditure	EU Assistance	%
Horizontal	1. National Irrigation Plan	320.908.333	192.545.000	60.00
	2. First Youth Installation and Exploitation of Agriculture	262.478.333	139.487.000	53.00
<b>Subtotal</b>		<b>583.386.667</b>	<b>332.032.000</b>	<b>57.00</b>
Regional	1. Improve competitiveness and productive system	236.226.785	188.981.428	80.00
	1.2. Transformation and commercialization	236.226.785	188.891.428	80.00
	7. Agriculture and rural development	412.279.494	299.676.420	73.00
	7.2. Development and improvement of support infrastructure for production	88.612.384	64.459.288	75.00
	1. Rural infrastructure	70.318.417	52.738.812	75.00
	2. Laboratories	12.801.558	9.601.169	75.00
	3. Laboratories and support centers for production and veterinary health	5.492.409	4.119.307	75.00
	7.5. Endogenous development in rural areas	190.664.024	133.464.817	70.00
	7.6 Recovery of production capacity destroyed by natural disasters and establishment of adequate preventive measures	28.356.860	21.267.646	75.00
	7.8 Recovery of services for agrarian exploitation, commercialization of quality farm products and financial engineering	104.646.226	78.484.669	75.00
	1. nutritional quality: Systems, promotion and denominations	7.093.232	5.319.924	75.00
	2. Cooperatives	9.015.181	6.761.386	75.00
	3. Veterinary and Phytosanitary Health	55.309.000	414.817.500	75.00
	4. Sectoral plans and improving the means of production	25.345.525	19.009.143	75.00
5. Agrarian Interprofessional	3.005.060	2.253.795	75.00	
6. District Agrarian Offices	4.878.228	3.658.671	75.00	
<b>Subtotal</b>		<b>648.506.279</b>	<b>488.657.848</b>	<b>75.00</b>
<b>TOTAL</b>		<b>1.231.892.946</b>	<b>820.689.848</b>	<b>67.00</b>

Source: Council of Agriculture and Fisheries, Government of Andalusia.

At the same time we can affirm that the operative program should be accompanied by numerous documents to justify the line item situation, the impact of possible measures, the indicators used, and adjustment of community policies, in particular, as regards equality of opportunity, environmental issues and employment.

#### **5.4. Case Analysis: LEADER Community Initiative in Andalusia**

The LEADER program has brought about a new and closer relationship with the rural world, and is working in 1,000 territories throughout the Union. In the case of Andalusia, and during the 1994-1999

period, it has only used 1.19% of the total structural funds allocated. Yet this initiative worked with a total of 49 local action groups between 1994 and 1999, together with the diversification program PRODER in rural areas. It covered 88% of the territory and worked in 667 municipalities. This provided the basis to begin an institution-building process of public and private cooperation, social consensus-building and the creation of local action groups as the core of an emerging model with a territorial focus.

Rural Development Groups have the following structure: a decision-making body, a board of directors or Administrative Council, and also an operations team, with a manager, and a technical and administrative team.

These groups have the authority to promote and underwrite actions within a wide spectrum such as rural tourism, small businesses, craftsmanship and local services, valuation of agrarian production and fisheries, environmental improvement, technical support for rural development, professional training and assistance for contracting, and improvement of agrarian and forestry extension services.

This great laboratory has provided many lessons. The main lesson is that although this policy is quantitatively insignificant, with a new focus it has had an impact all over the territory and produced important results. Some indicators show that the number of projects carried out in different territories between 1994 and 1999 varied between 4 to 25 projects per square kilometer, with an average of 9 projects per square kilometer, and of 1 to 14 projects per 1,000 inhabitants, with an average of 4. Median investment has been 2,348 per square kilometer, and \$60 per inhabitant. These efforts have directly generated or consolidated more than 2,000 jobs and 40,000 indirectly.

We dare to say that this data is not even the most important. In our opinion, the lessons learned are the most relevant contribution, as well as the creation of social capital, improving the capabilities of local communities, and a multitude of intangibles such as improving and consolidating regional identity throughout the Andalusian territory. Progress has also been made as regards knowledge and the valuation of rural life. And perhaps this is only intuition, but these efforts have left a “stellar trail of optimism” in the villages of Andalusia, with the conviction that there are many problems that can be resolved, and that good ideas can prevail. The lessons of the 1994 to 1995 period are key, and have influenced the European Commission, member states, regions, local institutions, local action groups and the entire civil society to continue to support LEADER’s philosophy in 2000-2006. The new LEADER+ initiative is already underway.

Finally, we can assert that the European experience and the Andalusian experience in particular have been especially rich in relation to the LEADER initiative. The decision to focus on social capital and diversification has yielded magnificent results as a mechanism to improve territorial integration and correct asymmetries through public and private collaboration. All of these lessons lead us to think that it would be opportune to work and promote rural development in Latin America through a model of territorial targeting. This is a participatory model that complements other policies with more quantitative significance, and keeping in mind the local development experience of Latin America which was a reference for the European model of rural development.

## 6. REFLECTIONS ON POLICIES TO CORRECT ASYMMETRIES

We can affirm that since Spain's incorporation in the EU in 1986, Andalusia has progressed in convergence in both nominal and real terms, with an increase in population, economic growth, job creation and a reduction in inflation—all on a greater scale than in the entirety of the EU. These findings are based on national information sources, particularly data available from the Eurostat Regio database, and keeping in mind that not all current information was available.

Since 1985, the accumulated economic growth of the Andalusian economy has been 76.5%, compared with 46.3% in the EU. Employment has increased in Andalusia by 59% compared to 13.4% in the EU, and GDP growth per capita has been 157.6% in comparison with 124.8% for the EU.

Per capita GDP in Andalusia compared to the EU rose from 54.6% in 1985, to 60% in 1999. This is an important advance without a doubt; however convergence will continue to present a challenge for many years.

Independent of the aspects mentioned above, I dare to say that there are also other signs of progress towards convergence that are more difficult to quantify. These are equally important and include: the ability of the territory and its people to be proactive and respond, the aptitude of the people and their self-esteem, cultural flows, the consolidation of identities and an accumulation of small subtleties that forge this path towards a real and integral convergence.

There are many lessons that can be learned from the impact of cohesion policies on real convergence in Europe, and even more in the context of an enlarged Union. Many of these lessons are contained in the intermediate report on social and economic cohesion (COM 2002)<sup>2</sup>, but we would like to synthesize some key factors for new cohesion policies. It is difficult to extrapolate them and apply them to a Latin American context, but it is also true that many aspects merit reflection and could probably be useful.

- The importance of efficient execution and development management as an essential element for a European cohesion policy that is operative and credible.
- The cohesion policy should continue to focus on the least-developed regions.
- The most useful indicator is GDP per inhabitant.
- Assistance should be focused on candidate countries, but should not be abruptly reduced in regions that have not finished their economic convergence process.
- The policy of cohesion should also reinforce the connection between strategic and global objectives of the Union (Council of Lisbon), the creation of quality employment, social insertion, equality of opportunities and access to the Information Society.
- EU programs should provide an added value clearly superior to what can be achieved on a national scale.
- The growing importance of networking.
- Reconcile the deepening of decentralization with greater motivation to improve efficiency and development management and administration.
- Member states need to make a greater commitment to promote cohesion policies.

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<sup>2</sup>COM (2292) 46 final. First Intermediate Report on Economic and Social Cohesion Brussels, January 30, 2002.

- The gains generated by cohesion policies are not only the result of financial assistance awarded to the weakest regions. They also are the result of assistance that is intrinsic to procedures required for transferences, and certain characteristics of applied programs.
- The need to carry out important efforts to improve the contribution of all community policies towards the goal of cohesion.
- The need to reinforce the regional dimension of cohesion policies, and that regional policy should be conceived as a horizontal policy.
- The understanding and acceptance that cohesion policies require enormous effort, and that there will be a long maturation period.
- The importance of targeted models that are participatory and support improving the capabilities of local communities in order to correct asymmetries.