

**MANIFESTO OF EU ISLAND CHAMBERS OF COMMERCE**

This Manifesto, drafted by the Island Regions of the European Union pursues a single objective, set in motion by Art. 158 of the Treaty of Amsterdam.

Effective consideration of the handicaps faced by EU Island Regions must today be transformed into specific political actions and clear legal provisions, fully integrated in the system of European decisions.

The aims of this Manifesto with regards, on the one hand, to:

- The Constitutional Treaty, which at Art. III – 220, finally acknowledges the island issue and its attendant handicaps, often multiple ones; and
- On the other, the possibility, through “enhanced cooperation” (which is the subject of Article I-44 and of Article **III-416 to III-423**), of applying “the relevant provisions of the Constitution”, before its ratification by Member States,

are as follows:

- Establish a favourable context for the implementation of internal procedures, essential for the development of Island Regions and SMEs, in respect to the overarching principle of economic, social and territorial cohesion;
- Foster competitive integration of the Island Regions and speed up their economic development, in compliance with the framework foreseen by the Lisbon Process.

## Treaty establishing a Constitution for Europe

### ECONOMIC, SOCIAL AND TERRITORIAL COHESION

#### Article III-220

*In order to promote its overall harmonious development, the Union shall develop and pursue its actions leading to the strengthening of its economic, social and territorial cohesion.*

*In particular, the Union shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions.*

*Among the regions concerned, **particular attention** shall be paid to rural areas, areas affected by industrial transition, and **regions which suffer from severe and permanent natural** or demographic **handicaps** such as the northernmost regions with very low population density and **island**, cross-border and mountain regions.*

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### ENHANCED COOPERATION

#### Article I-44

*Member States which wish to establish enhanced cooperation between themselves within the framework of the Union's non-exclusive competencies may make use of its institutions and exercise those competencies by applying the relevant provisions of the Constitution, subject to the limits and in accordance with the procedures laid down in this Article and in Articles **III-416 to III-423**.*

*Enhanced cooperation shall aim to further the objectives of the Union, protect its interests and reinforce its integration process. Such cooperation shall be open at any time to all Member States, in accordance with Article III-418.*

## THE HANDICAPS AFFECTING ISLAND REGIONS OF THE EUROPEAN UNION

Island Regions suffer from the following handicaps:

- They are affected by **structural problems and handicaps** – both inherent and permanent – due to their insularity, geographical isolation and low population density.
- They are **vulnerable** to external economic, social or environmental factors, and are subject to constraints as to those resources – such as water and energy – which play a key role in the economic life of communities.
- They are **isolated from larger markets**, while their local markets are insufficient to guarantee the appropriate development of their enterprises.
- They are affected by major handicaps in the “investment-divestment” cycles as regards infrastructure, services and business ventures.
- Their enterprises are subject to far greater investment costs than their mainland competitors. This engenders several consequences for island enterprises: **reduced profit margins, limited competitiveness, more complex and costly inventory management**, inadequacy of production plants, unequal access to the larger European market and, finally, **the creation of a negative management differential which systematically penalises island enterprises**.
- Islands have **fragile, sensitive ecosystems**, often characterised by a **single-industry economy** dependent on seasonality.
- They are all marked by a **lag in development** as shown by comparison with the average values of their respective countries.
- **They experience a “brain drain”, that is the loss of their dynamic, high quality human resources**, educated at their universities, due to the extra cost for access to knowledge and scarce diversification of activities. The result is forced emigration of young people to large urban areas.

## **CORRECTING INEQUALITIES IN THE STANDARD OF LIVING OF ISLAND CITIZENS BELONGING TO THE SAME INSTITUTIONAL FRAMEWORK:**

### **AN ETHICAL AND POLITICAL REQUIREMENT FOR THE UNION**

**After the Amsterdam Treaty which, in its Article 158 assigned particular importance to reduction of the backwardness of less favoured regions as a means to achieve the goals of economic and social cohesion, we must point out that to date, no concrete and/or specific initiatives have been implemented to reduce the backwardness that afflicts the Island Regions of the European Union.**

**For many years now, the problems of Island Regions have been highlighted mainly through the need for incisive European policies to:**

- Take into account the concrete situation of ALL territories and, more specifically, of the islands;**
- Take effective initiatives in favour of the SMEs and micro-enterprises of EU Island Regions and foster entrepreneurship, a required condition for promoting diversification of their single-industry economies.**

Although admittedly some progress has been made, we must stress the fact that the European Union has not fully realised its territorial approach, and its tackling of insularity issues must be described as hesitant, to put it mildly.

The European Union can no longer avoid facing the fact that the island question must receive the serious attention it deserves: it concerns no less than 284 island territories and over 13 million permanent island residents.

The European Union has great responsibilities in the area of economic, social and territorial cohesion.

The responsibility for territorial cohesion directly concerns the situation of Island Regions, and should now be tackled by taking all appropriate formal and technical steps, through the adaptation of European Legislation.

The European Union should pursue resolution of the problems affecting Island Regions, ensuring that equal opportunities are granted to the islands, enabling them to pursue sustainable development, so that all island dwellers can benefit from prosperity, social and territorial cohesion, and the removal of disparities with the mainland regions of the EU.

## **A POLICY OF ECONOMIC, SOCIAL AND TERRITORIAL COHESION FOR THE ISLAND REGIONS**

**THIS TYPE OF POLICY SHOULD BE BASED ON:**

- **A simple tenet, laying the foundations for territorial cohesion:**
  - ❑ The competitive operation of island enterprises, the diversification of activities – essential for the sustainable development of island economies – and access to larger markets should no longer be hampered by those conditions, often stemming from multiple natural handicaps, which currently create negative management and competitiveness differentials that effectively undermine the fundamental principles of equal opportunities, fair competition and equal access to the broad European market.
  
- **A moral duty of Europe:**
  - ❑ The specific negative factors which shape the business environment of island enterprises have so far prevented them from enjoying “**A LEVEL PLAYING FIELD AND EQUAL OPPORTUNITIES FOR EUROPEAN ISLAND REGIONS AND ENTERPRISES**”

## **THE EUROPEAN UNION**

**In order to respond to the requirements of cohesion policy as regards Island Regions, the EU must make concrete provisions and implement appropriate actions:**

- **The specific needs of Island Regions must be catered for in European legislation.**
- **It should be possible for the EU and its Member States to adopt compensatory measures, in order to counterbalance the effects of those island characteristics which engender negative differentials.**
- **Member States should be empowered to grant fiscal and social incentives, tailored to meet each individual island context.**
- **The possibility of derogation should be granted to Member States, enabling them to take urgent measures whenever their islands are faced by exceptional economic or natural crises.**
- **The Information Society and new technologies should be promoted and strengthened, since they are prime means to achieve a diversification of activities and the spread of knowledge on the islands.**
- **Economic incentives should be set up, especially in the area of transport, in order to foster the sustainable development of islands and minimize the factors which hamper the development of enterprises and their access to large European markets (*European Territorial Continuity*). European legislation should allow for extended deadlines to be set in the calls for tenders concerning sea and air transport.**

- **The measures proposed by the European Union should not worsen the constraints affecting islands.**
- **Common policies should not add other disadvantages to the natural handicaps, often compounding each other, which affect all Island Regions.**