THE OUTERMOST REGIONS
Challenges and prospects

Paul HAMMOUD
Antoine MASQUELIN
Tristan THOMAS

Under the direction of
Denis STOKKINK
THE OUTERMOST REGIONS
Challenges and prospects

Paul HAMMOUD
Antoine MASQUELIN
Tristan THOMAS

Under the direction of Denis STOKKINK

Translation by Irene MAROTO - Interdisciplinary Institute for the Relations between European Union, Latin America and the Caribbean (IRELAC)
CONTENT

PROLOGUE 2

INTRODUCTION 3

I. LEGAL STATUS AND STAKES 4

1. THE ORS AND THE EUROPEAN INSTITUTIONS 4
2. MOBILISATION FORCE OF THE ORS 8
3. THE CHALLENGES OF THE ORS 10

II. PROSPECTS OF ACTIONS 12

1. PROSPECTS 2014-2020 12
2. A PRIVILEGED, RENEWED AND STRENGTHENED PARTNERSHIP 14
3. THE NEW STRATEGY ON EACH OUTERMOST REGION 16

CONCLUSION 23

BIBLIOGRAPHY 24
PROLOGUE

“You are, each one from your grounds, from the European grounds in the world and, whereas certain countries, among our oldest allies, are tempted by a social withdrawal, you open, you, who are Europe in the world, the large windows of Europe on South America, the Caribbean, South Africa, the Indian Ocean and North-West Africa.”

Mr. Jean-Claude Juncker, president of the European Commission, thus concludes its speech at the Forum of the Outermost Regions on 31st March, 2017 in Brussels. Although the denomination of “Outermost Region” (ORs) is not still well-known among the European general public, it is, however, under this statute that nine major ultramarine European territories are brought together. The latter are an integral part of the European Union and they are subject to Community law, as they are part of the policy of the Treaty on the Functioning of the European Union recognised under article 349.

In his speech, Mr. Juncker points out the strong attachment of the EU with respect to these far away territories, with varied realities and which confer Europe, not only incredible richness and cultural diversity, but also an invaluable strategic geographical, cultural and economic position on the borders of several continents.

This note, after an essential historical background, aims to carry out an inventory of fixtures of the already existing relation between the EU and the Outermost Regions before addressing the future stakes and prospects of action, particularly through a more pushed integration of the ORs on the European project by social development and an increased competitiveness.

Mutually yours,

Denis Stokkink

INTRODUCTION

The construction of Europe begins in 1957, with the signature of the Treaty of Rome. The initial aim is, then, to build a Union equipped with institutions and common values, with the objective of economic and social prosperity for all its members and partners. In the course of its evolution, in particular through the signature of treaties and the adhesion of new States, the European Community has met political, economic, social and cultural changes.

In 2018, the European Union faces numerous stakes: unemployment, migrations, social inequalities... The Outermost Regions, although geographically distant from continental Europe, remain in the centre of the concerns and of Community actions. It seems that the ORs are even more affected by these problems than the continental Europe States and they are amongst the most affected, in particular, by climate change, sustainable development, transport networks, digital accessibility, etc.

Thereby, which realities and which stakes characterize the ORs in comparison to the continental European States? In response to that, which are the policies and the measures envisaged by the European Union to come to the aid of these areas? We will see how the EU helps the Outermost Regions in order to develop themselves and which the initiatives of the latter are so as to encourage their integration in the EU and, at the same time, promote and defend their common particular situation, especially in terms of employment and sustainable development. We will also approach the particular legal statute of the nine ORs compared with the other ultramarine territories attached to the Member States of the EU but which are not considered as stakeholders of the European Community - twenty communities that are indeed overseas countries and territories (OCTs). Finally, we will have an overview of the various Community policies with respect to the ORs and we will highlight, under the shape of index cards, a few data that characterize them.
I. LEGAL STATUS AND STAKES

The Outermost Regions represent a group of regions resulting from three Member States of the European Union which are located out of the European continent\(^2\). These regions are subject to the Community legislation, and also to all the rights and obligations implied to the adhesion to the EU.

In 2017, the European Union has nine Outermost Regions:

- Guadeloupe, Guiana, Martinique, Saint Martin, Réunion, Mayotte - France (6)
- The Azores, Madeira - Portugal (2)
- The Canary Islands - Spain (1)

In 2012, Saint Barthélemy (France) leaves the ORs to become an Overseas Country and Territory (OCT) and Mayotte (France) reaches the status of OR in 2014.

The Overseas Country and Territory (OCT) status relates to 26 countries that fall constitutionally under four Member States of the European Union: Denmark, France, the Netherlands and the United Kingdom. The OCTs are not, however, part of the territory of the EU and, therefore, they are not subjected to European rights, contrary to the ORs. However, although they are not members of the EU, there have been made provisions in European texts to associate them with certain common policies and ensure their economic, social and commercial development. The Treaty on the Functioning of the European Union (TFEU) confers them the status of Associated Countries, aimed to support their economic and social development.

The Outermost Regions and the Overseas Countries and Territories are exposed to problems linked, mainly, to their remoteness from continental Europe, their small size and unfavourable climatic conditions. The majority of these regions also suffer from their insular nature, which makes them dependent on goods and services coming from outside.

1. THE ORS AND THE EUROPEAN INSTITUTIONS

In 1985, The European Union starts the Integrated Mediterranean Programmes (IMPs): The starting point of IMPs is composed of a complete programme, conceived at a regional level, depending on its geographical problems, its human resources, its size and the characteristics of its agriculture, industry or service sector. The chosen regional governments, or the State representatives, are consulted and they participate entirely in the development of projects\(^3\). In 1986 \(^4\) The operational programme REGIS (ISolated REGions) appears. This programme promotes a closer integration of the regions that are far away from the Community. It is adopted in the Community Initiatives framework and it brings a first draft of status in favour of the Outermost Regions. The enlargement of the EU to Spain and Portugal was one of the triggers of these programmes.


Following the IMPs model, the European Union then sets up the Programme of Options Specifically Relating to Remoteness and Insularity, which mainly addresses agricultural problems. The Programme of Options Specifically Relating to Remoteness and Insularity of Overseas Departments (POSEIDOM) was the first programme that came into effect from 1st July 1989 until 31st December 1992. This programme concerns mainly the French DOMs. The objective of POSEI is to take into consideration the geographical and economic handicaps of these regions. Since 1992, this programme has been followed by:

- **POSEICAN** (the Canary Islands): This programme sets up legislative measurements and financial commitments taking into account the specific insular and remote character of the Canary Islands.

- **POSEIMA** (Madeira and The Azores): Both islands “profit from a specific approach for their economic and social adjustment, which reconciles the necessary adaptations in the application of the Community policies with the interventions of structural funds within the priority framework recognised to these Outermost Regions.

### A particular legal status

The Outermost Regions are territories that have different constitutional statutes but they are all subjected to the European Community legislation. “Even if the whole of these regions, countries and territories show common features on the geographical, economic and demographic backgrounds (high unemployment rate, average income per capita lower than the European average, fragile economies etc), they should not be confused. The Community legislation, which recognizes their particular situation within the European Union devotes, indeed, a specific and different statute to the ORs and to the OCTs. Consequently, the legal system which the ORs obey, in practice, is basically different from that to which the EC treaty subjects the OCTs. Therefore, only the ORs are integrated into the European Union. Consequently, the original and derived Community legislations (in this case, the EC treaties, Euratom, EU as well as the Community standards) are fully applicable to them, except for the exemptions related to their structural handicaps. On the other hand, although they depend on a Member State of the Union, the OCTs are not integrated into the European Community and they are simply associates. Consequently, the Community legislation is not applicable to them, except for a specific association system conceived, from the beginning, by the Treaty of Rome of 1957 and defined in the fourth part of the treaty”.

Since the signature of the Treaty of Rome and the start of the European Community programme, it seems necessary to recognise the exemptions for these regions in the European law. Therefore, it is necessary to wait for the signature of the Treaty of Amsterdam in 1997 so that a legal basis emerges with the publication of article 299, paragraph 2. This article will be included in a consolidated version of the Treaty on the Functioning of the European Union (TFEU).

---

PART SEVEN
GENERAL AND FINAL PROVISIONS

Article 349
(ex Article 299(2), second, third and fourth subparagraphs, TEC)

Taking account of the structural social and economic situation of Guadeloupe, French Guiana, Martinique, Réunion, Saint-Barthélémy, Saint-Martin, the Azores, Madeira and the Canary Islands, which is compounded by their remoteness, insularity, small size, difficult topography and climate, economic dependence on a few products, the permanence and combination of which severely restrain their development, the Council, on a proposal from the Commission and after consulting the European Parliament, shall adopt specific measures aimed, in particular, at laying down the conditions of application of the Treaties to those regions, including common policies. Here the specific measures in question are adopted by the Council in accordance with a special legislative procedure, it shall also act on a proposal from the Commission and after consulting the European Parliament.

The measures referred to in the first paragraph concern in particular areas such as customs and trade policies, fiscal policy, free zones, agriculture and fisheries policies, conditions for supply of raw materials and essential consumer goods, State aids and conditions of access to structural funds and to horizontal Union programmes.

The Council shall adopt the measures referred to in the first paragraph taking into account the special characteristics and constraints of the outermost regions without undermining the integrity and the coherence of the Union legal order, including the internal market and common policies.

In the same way, the declaration nº 36 “concerning the Countries and Overseas Territories”, attached to the Treaty of Amsterdarn, solemnly points out the goals of the association of mutual aid between the countries of the Northern hemisphere and those of the Southern hemisphere. “In other words, on the political level, the association was perceived as a means that allowed the Community not only to reinforce its presence in the world, but also to contribute to answer the claims of the poor countries”.

Article 349 of the TFEU also states the various constraints to which the ORs are subjected:

- Distance.
- Insularity.
- Small size.
- Difficult topography and climate.
- Economic dependence on a few products.

Communications of the European Commission in favour of the ORs

In 2004, the European Commission publishes its first communication in favour of the ORs. The Commission considers that if it wants to ensure equal opportunities to all its regions, it is necessary to implement relevant and effective mechanisms. Different development strategies had to be part of a strategy of adaptation to European realities as well as those of the ORs. The recommendations of this communication revolve around three major pillars:

---

13 Hélène Pongérard-Payet, Ibid., p. 108
1. The accessibility of the ORs.
2. Their competitiveness.
3. The cooperation and integration with the European Union.

In 2009, The Commission renders an assessment of the policies carried out in the ORs over the ten last years. This Memorandum of the Outermost Regions - the purpose of the ORs for the 2020 Horizon aims to establish strategies of development for the decade to come. It calls to the creation of a specific framework, on the Community level, which would integrate all favourable measurements for the economic and social development of the Outermost Regions.

In 2012, the European Commission publishes a new communication. The Commission records that many goals have been achieved, but that the economies of the Outermost regions are still too fragile. In order to rectify this, it invites the ORs to restructure their traditional sectors: tourism, agriculture and fishing. The future prosperity of these regions depend on the modernization of these sectors as well as the diversification towards new ones. That would create more stable economic conditions and would, thus, reduce the disparities with the rest of the EU regions. But the Commission then underlines the need for a policy in favour of the ORs by taking into account the individual situations and the different instruments that are available. In 2013, according to the recommendations of the Commission, several strategic policies over the period 2014-2020 are adopted.

On 24th May, 2013, the Letchimy report on article 349 of the TFEU is submitted to the French the Prime Minister Jean-Marc Ayrault. This report questions the legal basis of the ORs within the European Union while reconsidering the various stages of the construction of a legal framework, as well as on the power of action of the Commission and the Council. The recognition of the specific characteristics of the Outermost Regions by the EU is also emphasised. This report highlights several points:

- The importance of the Union’s financial contribution in the implementation of an economic and social cohesion policy, which for the 2007-2013 period adds up to to 3,179 billion euros, as far as the ERDF and ESF is concerned.
- The unsuitability, or even inconsistencies of certain Community policies applied in these regions, and, more generally, the need of a more realistic and more ambitious application of the provisions of article 349 of the Treaty, whose object is precisely to take into account the specific characteristics of the ORs.

On 30th and 31st March, 2017 the IVth Forum of the Outermost Regions was held in Brussels. At the end of this meeting, it is highlighted, that in addition to important natural resources, the Outermost Regions have the potential to develop in the field of renewable and oceanic energies. It was also stressed that the internationalisation of the companies of the ORs as well as a reinforcement of the cooperation of the ORs within their respective business activity area, in particular with nearby third countries, should be priority goals.

---

17 La Documentation Française. « L’article 349 du Traité sur le fonctionnement de l’Union européenne : contribution à l’application du cadre dérogatoire au service d’un projet global de développement des régions ultrapériphériques » http://www.ladocumentationfrancaise.fr/rapports-administration/pdf/5004000312/index.shtml Visited on 03-08-2017
18 Idem
19 « Le Fonds européen de développement régional (FEDER) a pour vocation de renforcer la cohésion économique et sociale dans l’Union européenne en corrigant les déséquilibres entre ses régions », http://ec.europa.eu/regional_policy/index.cfm/fr/funding/erdf/ Visited on 17-01-2018
20 « Le Fonds Social Européen (FSE) est le principal dispositif européen de soutien à l’emploi : il intervient pour aider les personnes à trouver des emplois de meilleure qualité et pour offrir des perspectives professionnelles plus équitables à tous les citoyens de l’UE. Pour ce faire, il investit dans le capital humain de l’Europe – les travailleurs, les jeunes et tous les demandeurs d’emploi », http://ec.europa.eu/est/home.jsp?langId=fr Visited on 17-01-2018
This forum was the perfect occasion for the presidents of the ORs to submit the new memorandum of the ORs to the president of the European Commission, Jean-Claude Juncker. Reviewing the whole of the policies of interest for their regions, there are more than 150 operational proposals that have been presented. Among the many perfectible working lines, the Memorandum of the ORs stressed the importance of the development of the accessibility to maritime and air routes, which remain still too expensive.

This is partly in response to these reports that the new ‘Privileged, renewed and strengthened partnership’ was unveiled in October 2017, within days of the 22th conference of the presidents of the Outermost Regions, to which we will come back later. This new communication with regard to the ORs proposes strategic orientations for the next five years.

The ORs remain a strategic concern for the European Union, in particular due to their proximity to the main maritime routes. Nevertheless, as the Letchimy report reveals, the report is still mitigated and the challenges are still many. Concerning employment, first of all, “we can notice that the labour markets are degraded because of an increase in the number of job seekers and the reinforcement of long-span unemployment”. The report also raises the fall of investments that suffer from this temporary situation, of the situation of the markets.

2. MOBILISATION FORCE OF THE ORS

At the end of the 1980s, in spite of the heterogeneity of the living standards and the differential approach of the economic and political problems, the ORs start to mobilise “to raise awareness among the Community of the particular problems of the islands and to obtain from these suitable measurements both on the regulatory and financial level”. Thereby, in 1988, the presidents of the ORs meet for the first time at Madeira in order to discuss the way of having their specificities recognised. Under the leadership of the president of the Autonomous Region of Madeira, Alberto João Jardim, discussions on issues of common interest are held. At this meeting, it is also decided to set up a Conference of the Presidents of the Outermost Regions, with the objective of defining the stakes that the ORs face and to gather in order to have a strong position to defend from the EU.

In 1993, the presidents of the ORs adopt a cooperation protocol in order to find common positioning before the European Union:

- To promote and develop interregional policies.
- To adopt common positions and to obtain adapted interventions to their reality from the EU for their economic development.
- To establish political and technical links with the European Union, the international institutions and the neighbouring countries.
- To cooperate with the different authorities, institutions, enterprises and socio-economic organisations.

24 Daniel Justin, Jos Emmanuel, op. cit., p.42
25 « Conférence des régions périphériques maritimes de la Communauté européenne », http://data.bnf.fr/11990534/conference_des_regions_peripheriques_maritimes_de_la_comunaute_europeenne/, Visited on 17-01-2018
In 1995, in Guadeloupe, the presidents of the ORs gather in a Conference for the first time. In practice, a monitoring Committee fulfills the Conference orientations each year. The presidency of the Conference changes: during this period, it is the President of the Conference the one who establishes dialogue between the different institutions and partners.

In 1999, the first document identifying the necessary principles of action for a development strategy of the ORs is signed: the principles of Cayenne. Since the signature of the text, the ORs adopt three principles of action before following the strategy of the EU:

Equal opportunities.

1. The coherence of the Community policies.
2. The partnership and the promotion of the assets related to the outermost.

The ORs have maintained a close working relationship with the European Commission for more than 20 years. They act together for the defence of the interests of their regions through their common positioning and analyses. In order to increase their visibility, and under the leadership of Serge Letchimy, the President of the Martinique Region, an Office of the French ORs was created and inaugurated on 1st February 2013 in Brussels, in the presence of the Police chief Johannes Hahn, in charge of the regional policy.

2017: two major events for the ORs

In 2017, two events of great importance for the defence of the common interests of the Outermost Regions are held.

The ORs Forum: On the 30th and 31st March, 2017, the IVth Forum of the Outermost Regions is held in Brussels. Its theme was: “The Outermost Regions, lands of Europe in the world: towards a renewed strategy”. It was the occasion to propose the assets of the ORs to public and private local stakeholders. Before the various above-mentioned challenges that the ORs face, the Forum was organized around four strategic sets of themes:

1. To reinforce competitiveness and employment in the Outermost Regions: circular, green and blue economy, energy.
2. To build a lasting future: prospects for a better integration of the Outermost Regions in both regional and international markets.
3. To create links in order to improve digital and physical accessibility.
4. The support of the programmes and European funds: assessment and prospects.

This meeting gathers delegates of the ORs including Presidents, representatives of the Member States, European institutions and other socio-economic stakeholders. During this meeting, the president of the Conference of the Presidents, Rodolphe Alexandre, President of Guiana, reconsidered the importance of the socio-economic problems in these areas, underlining the social movements in the Spring of 2017 in Guiana. According to him, the principal stake is to empower these territories to be able to become powerful and dynamic economies, generators of richness and employment creators in cohesion with all the European Union. To achieve this, the reality of each OR has to be taken into account. He also points out the need for seeing better articulated FEAER and FEDER programmes, and calls for the continuation of POSEI programmes.

26 Sénat. « Proposition de résolution visant à obtenir en application de l’article 73 quinquies, la prise en compte par l’Union européenne des réalités de la pêche des régions ultrapériphériques françaises », http://www.senat.fr/rap/l11-616/l11-6166.html Visited on 01-08-2017
The Conference of the Presidents of the ORs: The second major meeting took place in October 2017 in Guiana. It is about the 22nd Conference of the Presidents of the ORs, in the presence of the French president Emmanuel Macron, they gather in the framework of its European policy, and of Jean-Claude Juncker. This conference constitutes the first contact between the elected officials of the ORs and the European authorities after the communication of the new strategy “Privileged, renewed and strengthened partnership” in favour of the ORs. The presidents of the Outermost Regions signed a political declaration and the measures in favour of the economic development of the ORs were welcomed, to which we will come back in more detail in our third part.

3. THE CHALLENGES OF THE ORS

The following list briefly reviews, in a non-exhaustive way, the main challenges the Outermost Regions have to cope with, knowing that their situation is completely different from that of the States of continental Europe. The particular situation of the ORs also requires an adaptation of the European policies, in particular in the fields of customs, commercial, tax, and agricultural policies... The various State aids and structural funds are likely to be adapted to the various needs of these regions.

- **Agriculture:** The agricultural models are essentially of family nature and on reduced areas. This sector is a wealth and employment maker, it also contributes to research and innovation. This traditional activity is important for the regional cultural identity, for tourism and for the regional planning. The constraints related to the ORs do not allow a transposition of the European model but the practices drawn from this environmentally friendly model should draw the attention of the Commission. However, the protection of their family, social and sustainable agricultural model does not find an echo in the European decisions. Certain sectors are in danger, like that of the banana, which faces trade agreements of the EU with Latin America.

- **Culture:** The economic value as well as the potential of employment creation in this sector are underrated. The first Communication of the European Commission (2008) recognized the importance of the cultural richness accumulated on these territories at the border of several worlds. Given their strategic positioning and as they showcase of Europe, a cultural diplomacy strategy would be a major element for the ORs. The programme CREATIVE EUROPE allows the innovation and the experimentation in the cultural sector. Digital tools allow the dissemination of these creations out of these areas, but it remains insufficient. The inclusion of the ORs in the European creative field goes through the necessity of developing exchanges and the implementation of means to leave insulation. Digital technology could be an option to take into consideration in order to try to take up this challenge. A greater opening of CREATIVE EUROPE would allow the participation of third countries that are currently ineligible.

- **Employment:** The ORs must enquire at the European Social Fund (ESF) for everything related to the access to training and to employment within their territories. In 2014, the "ORs Network for employment", which is committed to the development of initiatives in favour of an intelligent, lasting and inclusive growth. Blue and green economies can be found among the major axes of this network. Concerning social and solidarity economy, it is an important lever for social inclusion and the promotion of innovation and of employment.

---


Visited on 17-01-2018

Education: An important part of young people from the ORs are not graduated and/or unskilled. In order to attack very important unemployment rate, it is necessary to develop training services that can answer the labour market and to introduce innovative practices. An opportunity would be the development of the support for the mobility of young people, of the unemployed people in order to supplement their education. The development between the university structures of a better synergy in the fields of research would also make possible to break insulation.

Companies: The development of the companies within the ORs is problematic, due to several factors, including the costs related to distance, the narrowness of the market, the little access to raw materials, the difficulties of export and the difficult management of waste. Moreover, they are subjected to the competition of strong companies exporting the goods from different origins in these territories. Several European horizontal programmes come to the assistance of companies, such as the instrument SME Horizon 2020 and COSME (tourism) programme.

Environment: The ORs own a great natural wealth, and, compared to that of the European continent, they are often unique. This land and marine potential is an important, but generally under-exploited richness. The ORs wish to reconcile the economic development and the protection of an important natural inheritance. For example, the Canary Islands, the Azores and Madeira own one-of-a-kind types of subtropical forests, which represents exclusive laboratories for scientific research. This natural richness represents important opportunities in terms of employment and growth.

Immigration: The population of the neighbouring countries see in the ORs, more developed than their countries of origin, a migration opportunity. These are the closest gateways in Europe. The Canary Islands, Mayotte and Guyana meet strong clandestine migratory flows, but the migrations pose important problems on the level of public policies. That arouses social strains as well as a feeling of insecurity. Thereby, in Mayotte the situation is worrying, which arises tensions between communities.
II. PROSPECTS OF ACTIONS

1. PROSPECTS 2014-2020

The situation of the ORs is alarming, which was made evident during the seminar of the European Economic and Social Committee (EESC) on the 9th and 10th March 2016[^30], entitled “Employment in the Outermost Regions (ORs)”, on which the high rate of youth unemployment was highlighted: 41% in Guiana, 46% in Réunion, 55% in Mayotte…[^31]

Since 2013, the EESC has asked the European Commission to draft and publish a deep analysis of the application of article 349 of the TFEU. The EESC also encourages the revision of the POSEI programme, which until now only relates to the traditional cultures, such as that of the banana and sugar ones. The suggested extension would consider the presence of agricultural produce such as vanilla, fruit and vegetables as well fishing products, which would meet the recommendations of the Letchimy Report[^32].

A report of the European Parliament from June 2017[^33] also leads the same direction. According to the Parliament, the POSEI programme would have to facilitate the agricultural diversification of these territories, to better supervise traditional agriculture, to promote quality certification and to preserve policy coherence. The Parliament notes the particular situation of the ORs, in particular, concerning the access to the European programmes on research, the environment, education, culture, energy, means of transport and communication.

Currently, the orientations of the European Commission go along with its preceding communications. The working axes fixed over the period 2014-2020 are as follows:

- The improvement of the access to the European single market, in particular concerning the communication networks, citizen’s mobility, the maritime dimension and the needs in regard to infrastructures.
- The reinforcement of competitiveness through economic modernization and diversification, giving special importance to agriculture, research and innovation, and tourism.
- The improvement of social development - the creation of jobs, the reinforcement of competences and qualifications, while concentrating more specifically on young people, education and employment.
- The integration of the dimension on the reduction of climate change in all the policies.
- Regional geographical integration.

These different actions are carried out by partnerships and they are adapted depending on the specific needs of different regions.

Concerning the period of the programme 2014-2020 of the ESI (European Structural and Investment Funds) Funds, nearly 13 billion euros are granted to the ORs, being distributed like this:\n
- European Regional Development Funds - ERDF: 5 billion euros.
- European Social Fund - ESF: 1.9 billion euros.
- European Agricultural Fund for Rural Development-(EAFRD): 1.5 billion euros.
- Programme of Options Specifically Relating to Remoteness and Insularity—POSEI: 4.6 billion euros.
- European Maritime and Fisheries Fund-(EMFF): 0.3 billion euros.

After several decades, the structural funds, and, in particular, the Cohesion Policy, play an important role on the development of the ORs. As a whole, the results are rather positive, the structural Funds helped to improve the living standards, investment and the creation of jobs. The initiative for the employment of young people of the ESF makes possible to fight effectively against youth unemployment of, Mayotte is a great example of this. As for the POSEI programmes (financed by the European Agriculture Guarantee Fund36), they grant the ORs with a significant sum of money, especially in favour of the agricultural sector.
2. A PRIVILEGED, RENEWED AND STRENGTHENED PARTNERSHIP

In addition to the 2014-2020 operational programmes and, in particular, given the persistent difficulties, the European Commission adopted several recommendations concerning the ORs and, in the wake of the Forum of the Outermost Regions of March 2017, a strategy was reconsidered. The communication of the European Commission with regard to the ORs, published in October 2017, answers the 150 proposals of the last Memorandum. It mentions a "strengthened, privileged and renewed" partnership presented to the different Presidents of the ORs at the time of the 22nd conference of the Presidents of the ORs at the end of October 2017. Facing the economic crisis, which remains an essential project, it was stated that, beyond the traditional economic approaches towards these territories, it was necessary to aim to an economic vision of transition, not enough mitigated by the current measures. The new strategy of the Commission thus proposes as essential strategic axes:

1) Taking into account the special features of the ORs in advance

From now on, the special features of the ORs will be taken into account in advance, at a European level. This approach will be privileged when the Commission negotiates international agreements, in particular on fishing or on foreign trade. Thus, the Commission will take more into account the interests of the regions when it negotiates trade agreements involving important products for their economies (bananas, sugar, wines and spirits).

2) A closer, on every level, partnership between the EU and the ORs

A platform of establishment of common questions to the ORs or the Member States was also established. It will be able to gather the ORs, the socio-economic stakeholders, their Member States and the European institutions when it is required. This device should not, however, divert attention from one of the main principles resulted from this new partnership, which is the shared responsibility between the European Union and the Outermost Regions. That is, each ORs will be in responsible for the application of the series of measures stated by the EU. Thus, the political will of the ORs and the concerned Member States proves to be essential.

36 Le FEAGA est, avec le FEADER (Fonds européen agricole pour le développement rural), l’un des deux instruments de financement de la Politique agricole commune (PAC). https://www.touteurope.eu/actualite/le-fonds-europeen-agricole-de-garantie-feaga.html Visited on 29-01-18
3) A personalized support

The Commission will establish special working groups or “task force” with the Member State concerned by each ORs, in order to optimise the use of the European funds and to support employment. Each of the nine areas is unique, with its own difficulties and assets. To guide each of them towards the path of growth, and, by request, the Commission will establish special working groups. The Commission finally encouraged each ORs to better identify and capitalise on their assets by requesting the assistance to investment within the framework of the Juncker Plan, in partnership with the European Investment Bank.

Besides, within the framework of this new partnership, the EU will help more the ORs so that they can take part in the European research programme Horizon 2020. That will also contribute to better inform the local population of the possibilities of European financing, to identify European and international partners in their fields, and to improve their competences in project development. From a similar point of view, the partnership will pay off a big part of the transport charges of young people from the Outermost Regions who take part in the European programmes Erasmus+ and the European Solidarity Corps. That falls under an objective of development of skills and of increase in the employability of the population from the Outermost Regions. In addition to Horizon 2020, the COSME programme, through the network “Enterprise Europe Network”\(^{38}\) creates the possible conditions so that the SMEs can innovate and start cross-border cooperation with both EU countries and third countries. The EEN Network helps the SMEs to extend their activities and to innovate on an international scale. Moreover, the structures installed in the ORs can obtain information concerning the European Single Market, the possibilities of financing and other advice services. Another tool of the COSME programme is “Erasmus for Young Entrepreneurs”\(^{39}\) which allows young entrepreneurs from the ORs to be received in other European regions in order to live new experiences.

Several activities related to the development of circular economy are on the way, in particular in France through the French Environment & Energy Management Agency (ADEME). Through its Operational Programme ERDF-SEF Guadeloupe Regional Council 2014-2020, France developed new strategies, part of them devoted to circular economy. However, few political initiatives in Madeira, the Azores or in the Canary Islands are noticed. The new adopted strategy aims to impact all the ORs at a European level. Indeed, the EU decided to place the questions of circular economy and the recycling of waste as priorities for the ORs. In addition, Europe will release additional funds for the ORs, within the framework of the European environmental programme LIFE 2018-2020, in order to finance projects on the topic of waste\(^{40}\).

Supported by ERDF, the European programmes INTERREG can support and promote actions in favour of the resolution of great challenges common to the ORs: climate change, biodiversity… It is also a tool in favour of the mobility of students and entrepreneurs. These programmes “have as an aim to better include the Outermost Regions of the European Union (ORs) in their respective geographical business activity area. They mitigate the border effect with the neighbouring States, thus facilitating the regional insertion of these territories.”\(^{41}\)

The new partnership will also aim, always with a perspective of economic development, to include the ORs in the regional economic markets of their geographical neighbours. Lastly, it will be a question of modernising and of specialising, according to the assets of each ORs, in the traditional sectors such as fishing and agriculture. In order to do this, the POSEI programmes will be maintained in the field of agriculture and each OR will be encouraged to think of a strategy in the growing fields, such as that of blue economy, responsible tourism and renewable energies.


\(^{39}\) Erasmus for Young Entrepreneurs, [https://www.erasmus-entrepreneurs.eu/](https://www.erasmus-entrepreneurs.eu/) Visited on 17-01-2018


3. THE NEW STRATEGY ON EACH OUTERMOST REGION

Within the framework of the new partnership, the European Commission has released, OR by OR, the new objectives and projects to come. Here it is a summary.

The Azores

The Azores is a volcanic archipelago of nine islands characterized by a mountainous relief, a rugged littoral and green landscapes. The maritime zone covers an area of 954.496 km². The nine islands of the archipelago are divided into three zones which cover 600 km: the Oriental Group (Sao Miguel, Santa Maria) - the Central Group (Terceira, Graciosa, Faial, Sao Jorge, Pico) - the Occidental Group (Flores, Corvo). The economic activities are based on farming, fishing, agri-food industry and tourism. It is notable that the presence of the University of the Azores, founded in 1976, welcomes 6.000 students and it is well-known worldwide.44

The archipelago of The Azores enjoys a rather unique biodiversity thanks to its geographical location, which also makes it a town with strong potential for space observation. Famous for its anticyclone that guarantees the archipelago a very green vegetation, the Azores have been able to develop their agriculture and, nowadays they produce 25% of the Portuguese dairy production. The insulation and the geographical breaking of the archipelago represent however major difficulties which contribute to a high unemployment rate of young people and to their dropping out of school.

The EU plans to invest €1.45 billion in favour of the archipelago on the 2014-2020 period.

Some expected results:
- The direct creation of 3.000 jobs through the support for 1.045 companies.
- An increase of 15% of maritime traffic in the archipelago in order to support the mobility of its inhabitants.
- The support for 187 young farmers and the assistance for the modernization of 930 farms.
- The setting up of programmes to fight against school dropout in favour of 2.200 recipients.

Project example

Project Rede Valorizar

The European Social Fund (ESF) will finance up to €10.6 million for the setting up of a training course intended for low or not qualified unemployed people in order to help them be reintroduced while enabling them to acquire the skills that they need for this.

References:
45 INE Base. « Cifras oficiales de población resultantes de la revisión del Padrón municipal a 1 de enero ». http://www.ine.es/jaxiT3/Datos.htm?i=2852 Visited on 03-08-2017
The Canary Islands


This archipelago is composed of seven major islands and several small islands. The relief is varied enough, its economic activities are based on culture, farming, fishing, tourism and biomedicine and astronomy research.

The Canary Islands are different from the other ORs due to their tourist attraction, they constitute a university group and of popular research, in particular in the fields of astrophysics, oceanography, renewable energies and biotechnology. Their geographical positioning, at the borders of Europe, Africa and America, makes the Canary Islands a privileged place for cultural and economic exchanges. Despite this, they suffer from a high unemployment rate among young people and their GDP per capita has been dropping for some years.

The EU thus hopes to place at their disposal €1.4 billion between 2014 and 2020 to support the Canary Islands.

Some expected results:

- The multiplication of the number of companies cooperating with research centres.
- The access of the whole of the population to broadband.
- The access of half of the school population to online training services.
- The participation of 32,000 people in professional training and career choice courses.
- The support for 240 young farmers and the assistance for the modernization of 792 farms.

Project example

The setting up of a system of adaptive optics for the Gran Telescopio Canarias.

The European Regional Development Fund finances the installation of an optical system at the fore-front for the Gran Telescopio Canarias, which is one of the most powerful and sophisticated telescopes in the world. The costs of the operation are considered to be of €2.5 million.

Guadeloupe


The archipelago of Guadeloupe is composed of five groups of islands with different mountainous areas and landscapes. The seventh French national park is located on these lands.

Being the Northern neighbour of Martinique, Guadeloupe faces the same types of concerns. Tourism and agriculture are the two essential links of its economy. However, the island profits from a less regional economic integration than its neighbour.

Lastly, in addition to early school dropout and the very high rate of unemployment, Guadeloupe must also deal with a very high exposure to natural disasters.

The EU will provide the island with a total of €925 million between 2014 and 2020 to support Guadeloupe in its development prospects.

Some expected results:

- A support for 1,400 companies in business plan developments.
- An access to the Internet through the broadband for 150,000 additional households.
- A better wastewater treatment.
- Training courses proposed to 36,000 unemployed people.
- A reintegration of 11,000 young people in danger of school dropping.
- The support for 100 young farmers and the assistance for the modernization of 1,800 farms.

Project example

Employment preparation through programmes combining training and experience.

The European Social Fund (FSE) will invest €600,000 in the setting up of training courses in order to improve the employability of young people. It will be a question of helping them define a professional project and of offering them the possibility of internships so that they acquire professional skills.
French Guiana


This area is located on the South American continent, most part of its population is located on the coast while the inland of the area is little inhabited. The coastline consists mainly of savannah areas while the inland is made up of a thick virgin forest. Its principal economic sectors are agriculture and fishing, but there is also an important tertiary sector. It is notable the presence of the Guiana Space Centre, the space port of Europe.

Being the only non-insular OR located on the South American continent, French Guiana still profits from rich relatively unexploited natural assets, due to the lack of appropriate infrastructures. The region shelters the Guiana and European Space Centre, which confers on the area vital importance. The obsolete, non-existent, or in bad condition infrastructures expose the area to frequent medical crises and stops the setting up of an effective educational system. In addition to these difficulties, a rather uncontrolled clandestine immigration due to borders with Brazil and Suriname also adds to the problem.

The EU envisages a financial support of €600 million over the period 2014-2020.

Some expected results:
- A financial support to new companies.
- A network coverage for 70% of the population who live in remote areas.
- 16,300 new daily users of collective public transport.
- The access to potable water for 90% of the population.
- The assistance to job search for 9,000 young people.
- The assistance for the modernisation in favour of 350 farms.

Project example

The modernisation of the Troubiran Campus of the University of French Guiana. The European Regional Development Fund finances up to €28 million the modernisation of the infrastructures of the university to allow it to welcome more students. The university is specialized in the management of biodiversity, regional planning and the Guianese society.

---

49 Idem

Réunion


The Reunion Island presents a steep relief and it shelters one of the most active volcanoes in the world. Its economic activities are agriculture, fishing, tourism and research. It is now affected by great problems of unemployment among young people, particularly because of a very high school dropout and the lack of infrastructures. Nowadays the island wants to invest on ecotourism, the strength of its exceptional biodiversity, and on the development of digital technology, which is likely to spare its energy consumption while offering occupational integration opportunities in the sector.

The EU will invest a budget of €2.1 billion over the period 2014-2020 to contribute to the achievement of these objectives.

Some expected results:

- An increase of + of 60% of the number of companies connected to the broadband.
- An improvement of energy effectiveness in 9.600 households.
- A better quality of potable water for 75% of the inhabitants.
- 7.000 additional students.
- An assistance for 30.000 people in their job search.
- The support for 180 young farmers and the assistance for the modernization of 1.800 farms.

Project example

ReNovRisk: an integrated and innovative project of research activities on natural risks.

The European Regional Development Fund finances with a budget of €3.5 million this research project aiming at evaluating the repercussions of climate change in the South-West area of the Indian Ocean. The objective is to develop innovative precision tools to better understand and to be ready for future climate change and potential natural disasters.

Madeira


Located between the Azores and the Canary Islands, the archipelago shares several common points with its relative neighbours. Its economy is indeed largely centred on agriculture (sugar, tropical fruit and wine) and tourism, because of a very rich biodiversity 55. Like its twin, the archipelago also suffers from a high unemployment rate among young people and from school dropout much higher than the European standards. The EU is planning a budget of € 595 million to support Madeira between 2014 and 2020.

Some expected results:

- The creation of 1.147 jobs through the direct financial support of 450 companies.
- An increase on the number of visitors of the regional areas of 150.000 visits.
- An increase of 12% on the renewable energies use in the total production of electricity.
- 4.527 recipients of training courses intended for underprivileged groups of people.
- The assistance for the modernisation in favour of 1.000 farms.

Project example

Clinical Simulation Centre in Madeira.

The European Regional Development Fund finances with a budget of €1.6 million the setting up of a clinical simulation centre in Funchal. It will be equipped with innovative and sophisticated medical simulators in order to develop better medical practices and to improve the quality of treatments, while guaranteeing a training of excellence to on behalf of the medical staff.

54 Idem
Martinique


Martinique has a varied and uneven relief but it also has several small islands that have fragile ecosystems. Its economy is in full change. Originally centred on agro-exportation, it has more and more problems towards international competition. New sectors are emerging such as biodiversity, information technologies and even tourism that is trying to modernize itself.

Martinique profits from a rather high GDP compared to its Caribbean neighbours. The Island, placed on its exceptional geographical situation and on its biodiversity, makes of itself a strong tourist attraction in the region. Fort-de-France also counts largely on its agriculture and in particular on its production and its exportation of bananas and rum.

However, like the other ORs, it posts a high rate of unemployment among young people, largely higher than the European standards, in particular because of an important school dropout and inadequate infrastructures. Lastly, the island also faces the ageing of its population.

The EU has estimated a budget of €790 million to support Martinique in its development projects between 2014 and 2020.

Some expected results:

- The access to the broadband for 100,000 additional households.
- The increase of the production of renewable energy.
- The support of 2,400 companies in the development of business plans.
- The creation of new infrastructures in order to welcome the elderly who are impoverished.
- The participation of 54,000 people, mainly youngsters, in targeted training sessions.
- The support for 133 young farmers and the assistance for the modernization of 560 farms.

Project example

A new hospital platform resistant to high intensity earthquakes.

The European Regional Development Fund will finance with the amount of €34.6 million a new hospital platform in compliance with the European standards of seismic protection. Both an urgent assistance units capable of working under extreme conditions as well as a heliport for the transportation of patients will be also set up.
Mayotte


Mayotte is located in the Archipelago of Comoros (Indian Ocean) and composed of several islands and small islands with important vegetation, the two larger ones are Grande-Terre and Pamandzi (or Petite-Terre), which are surrounded by a lagoon of 1.100 km². Its traditional activities are agriculture and fishing.

Nowadays, Mayotte faces just as many difficulties as challenges. The island has, indeed, of scarce natural resources, which constitutes an excellent base for the development of tourism. Agriculture, fishing and the aquaculture still suffer largely from a lack of infrastructures and of development but they represent an excellent base to move towards the progressive installation of blue economy in Mayotte. Subsistence crops are indeed dominating and ensuring the food consumption of the family unit. With an exclusive economic Zone (EEZ) of 74.000 km² Mayotte has great potential in the fishing sector. Two types of fishing coexist: an industrial tuna fishing, among the most modern ones, and an artisanal, rudimentary and mainly food-producing fishing. Concerned due to the sustainable management of the fishing resources, which is reducing in Mayotte, the Mahorais fishermen plan to use the marine Park in order to ban industrial fishing in their waters.

Finally, the island is also affected by important problems of unemployment and it shows a GDP lower than the third of the average of the EU, revealing its development difficulties.

The EU will devote €284 million in order to support Mayotte between 2014 and 2020.

Some expected results:
- 100,000 new recipients of a better medical and social care.
- 400 new companies.
- 30,000 new people connected to water purification stations.
- A production of 10.000 cubic meters of additional drinking water per day.
- An increase of 60% of households with access to the broadband.

Project example
Two boats to facilitate the mobility of the Mahorais between the two main islands. The EU, through the European Regional Development Fund will finance, up to € 12 million, the establishment of two new boats which will be the link between the two islands of Mayotte. These boats, larger and more modern than the previous ones, will contribute to ensure a better territorial continuity in Mayotte.

58 Valérie Genay, Sébastien Merceron, 256 500 habitants à Mayotte en 2017La population augmente plus rapidement qu’avant INSEE, 14-12-17, https://insee.fr/fr/statistiques/3296598 Visited on 09-01-18
Saint Martin


Saint Martin is located on the North of the Caribbean, on the island of Saint-Martin, where the southern area is Dutch. Only the northern part of the island has the status of OR, as it is a French Overseas Department. Although French is the only recognized official language there, most of the Saint-Martinois are Anglophones, despite an important rate of school dropout. Saint Martin was primarily based on luxury tourism, which made a great rise before the hurricane Irma devastated the island, damaging nearly 95% of its buildings in September 2017.

Apart from the additional funds, allocated for the rebuilding, the EU set a budget of €54.4 million over the period 2014-2020 for the development of Saint Martin.

Some expected results:

- The improvement of mobility for 3,500 young people.
- 3,500 young participants in programmes to fight against illiteracy and school dropout.
- The access to the broadband for 10,000 additional households.
- The connection of 14,000 households to networks of wastewater treatment.

Project example

The setting up of training within the frame of extra-curricular activities.

The European Social Funds (ESF) will finance with the amount of 66,000 € the setting up of a course intended for the training within the frame of extra-curricular activities. This project falls under the objective of fighting against school dropout so that these extra-curricular activities also contribute to the construction and the education of more young people.
CONCLUSION

As we could see it throughout this essay, the Outermost Regions are subjected to the Community legislation as well as to all the rights and obligations attached to the Member States of the EU, except whenever any specific or derogatory measurements are envisaged. According to article 349 of the Treaty on the Functioning of the European Union, these specific measurements were set to mitigate the constraints that these regions must face, such as distance, insularity, their small size, difficult topographic and climatic conditions and an economic dependence with respect to a number of restricted products.

The Outermost Regions thus profit from the subsidies of the cohesion policy with the help of the European Regional Development Fund and of the European Social Fund. In this measure, the synergy between social, circular and digital technology economy is important in the future development of these regions. It is, indeed, in these fields where growth opportunities and economic and social development are among the most important ones. Unemployment, in particular among young people, is one of the major challenges that the ORs must overcome. For that, the various organizations of social economy can play an important role in both protection and job creation, while adapting themselves to the economic, ecological and social changes which are specific to these areas. The full realization of the potential of the organizations of social economy lies in the creation of new ways of employment, respecting the right and the well-being of the workers, and taking into account the energy transition and accessibility to digital technology, essential for the prosperity of the regions and the local population.
BIBLIOGRAPHY

PUBLICATIONS


INSTITUTIONAL SOURCES


● INSEE, Valérie Genay, Sébastien Merceron, « 256 500 habitants à Mayotte en 2017La population augmente plus rapidement qu’avant », 14-12-17, https://insee.fr/fr/statistiques/3286558


● Sénat (France), « Proposition de résolution visant à obtenir en application de l'article 73 quinquies, la prise en compte par l'Union européenne des réalités de la pêche des régions ultrapériphériques françaises », http://www.senat.fr/rap/111-616/111-6166.html


WEB SOURCES


● Erasmus for Young Entrepreneurs, https://www.erasmus-entrepreneurs.eu/

● INE Base. « Cifras oficiales de población resultantes de la revisión del Padrón municipal a 1 de enero », http://www.ine.es/jaxiT3/Datos.htm?id=2852


This publication exists in electronic format and can be improved at any time by your remarks and suggestions. Do not hesitate to contact us to let us know.
POUR LA SOLIDARITÉ - PLS

The European Think & do Tank POUR LA SOLIDARITÉ – PLS

1. Conducts analytical and research projects of high quality in order to offer new ways of thinking and to raise awareness on challenges faced by society. POUR LA SOLDIDARITE offers three types of publications which can either be consulted online on www.pourlasolidarite.eu or ordered as hard copies.

2. Provides advice, training and support on EU funding and lobbying.

3. Drafts and carries out transnational projects in cooperation with its network of European partners.

4. Organizes conferences that bring together executives, European experts and grassroot actors, and provide a convivial forum for debating on the future of solidarity and sustainability in Europe.
POUR LA SOLIDARITÉ – PLS operates in five different fields:

- SOCIAL AFFAIRS
- CORPORATE SOCIAL RESPONSABILITY & DIVERSITY
- SUSTAINABLE DEVELOPMENT
- SOCIAL ECONOMY
- CITIZEN PARTICIPATION

EUROPEANS OBSERVATORIES

POUR LA SOLIDARITÉ – PLS keeps its stakeholders informed about what is going on at the European level. Various resources (official texts, best practices, stakeholders and news) can be found on the four European observatories run by PLS:

- [www.ess-europe.eu](http://www.ess-europe.eu)
- [www.diversite-europe.eu](http://www.diversite-europe.eu)
- [www.transition-europe.eu](http://www.transition-europe.eu)
- [www.participation-citoyenne.eu](http://www.participation-citoyenne.eu)
NOTES D'ANALYSE - Insights on current issues

- Les éco-innovations en Europe, Mathilde Mosse, octobre 2017
- Décrochage scolaire : 3 Notes d’analyse. Marie Schuller, octobre 2017
- Quelles politiques économiques contre le réchauffement climatique en Europe ? Tristan Thomas, octobre 2017
- Pour une identité européenne fondée sur la diversité. Marie Schuller, septembre 2017.

CAHIERS – European comparatives studies

- Économie sociale, secteur culturel et créatif : vers une nouvelle forme d'entrepreneuriat social en Wallonie. PLS & S Mart, n°34, mai 2015.
- Le budget participatif : un outil de citoyenneté active au service des communes. Céline Brandeleer, n°33, octobre 2014.

ÉTUDES & DOSSIERS - Analyzes and reflections on innovative topics


All the publications POUR LA SOLIDARITÉ - PLS on www.pourlasolidarite.eu
The Social Economy, based on democratic governance, replaces the human being in the center of the economy. It constitutes a promising means for economic development while keeping in mind the social and environmental harmony of regions threatened by economic, environmental and social crises to society.

POUR LA SOLIDARITÉ has been engaged in the promotion of these new forms of doing business for more than ten years. PLS works untiringly as a pioneer, opening up paths. It is in this context that the designation PLS fits, general rapporteur of the Expert Group of the Commission on Social Entrepreneurship (GECES).

Collection « Études & Dossiers » under the direction of Denis Stokkink

www.pourlasolidarite.eu