

What can regional studies tell us about why we have an EU Cohesion Policy, and does it make sense?

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OVER-LAPPING RATIONALES

- The treaty base:
 - Reducing regional disparities (art. 174 TFEU)
 - Opportunities for workers; mobility/adaptability (art. 162)
- Contributions to EU ‘mega-strategies’
 - The ‘Lisbon’ turn in 2007-13 period
 - Europe 2020 as basis for last EU budget deal
- ‘Delivering an investment policy’ (6th Cohesion Rep.)
- Even, briefly in 2009, adding to fiscal stimulus

Cohesion: a 'concept that was introduced into EU policy without a precise definition'

Willem Molle (2015)

BUT IS THERE A DISCERNIBLE 'ECONOMICS' OF COHESION POLICY?

- In a word: no, but do not be too disappointed...yet
- Several economic bases suggest themselves
 - Public economics: the Musgrave trilogy
 - Welfare economics of externalities and spillovers
 - (New) economic geography
 - Endogenous growth and all it entails
 - Regional balance and macroeconomic stability
- Plus original sense of countering market failure
 - Justification for spatial targeting

WHAT ABOUT REGIONAL STUDIES?

- Necessity of public investment, widely defined
 - Overcoming thresholds on physical capital
 - Boosting human and social capital
- Contributions on fostering regional development
 - The role of effective institutions in sound governance
 - Links to social inclusion
- Certainly much around the territorial dimension
 - Urban, rural, local, periphery und so weiter
 - But less attuned to EU added value and priorities
- Networking and the determinants of innovation

DIFFERING STANDPOINTS ON COHESION

MENDEZ AND BACHTLER

'There is thus a major tension between the investment goals of Cohesion policy and the EU's fiscal consolidation goals'

DE LA FUENTE, DOMENCH & RANT

'Conflict among member states over the distribution of net financial burdens has been allowed to condition the design of the entire European budget'

COMMISSION (6th COHESION REPORT)

'An increasingly important means of achieving the Europe 2020 goals'

GUIDO TABELLINI

'Currently the EU budget is mainly devoted to finance the redistributive programs of the EU'

THEMATIC PRIORITIES



1. Strengthening research, technological development and innovation



2. Enhancing access to, and use and quality of, information and communication technologies



3. Enhancing the competitiveness of SMEs



4. Supporting the shift towards a low-carbon economy



5. Promoting climate change adaptation, risk prevention and management



6. Preserving and protecting the environment and promoting resource efficiency



7. Promoting sustainable transport and improving network infrastructures



8. Promoting sustainable and quality employment and supporting labour mobility



9. Promoting social inclusion, combating poverty and any discrimination



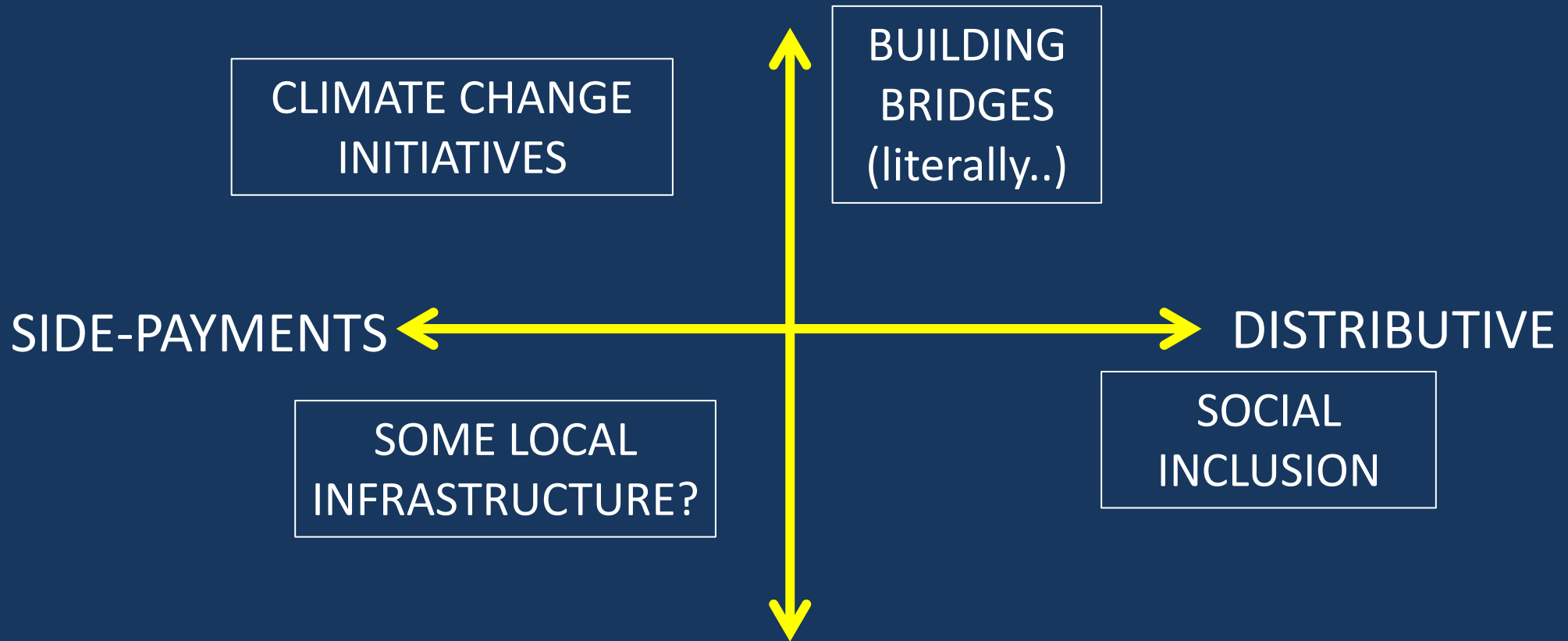
10. Investing in education, training and lifelong learning



11. Improving the efficiency of public administration

THRUST OF COHESION POLICIES

ALLOCATIVE FROM EU PERSPECTIVE



ALLOCATIVE, LOCAL PRIORITIES

THE POLICY MIX TODAY

- The underlying logic(s) of policy interventions
 - Infrastructure gaps easy to grasp
 - But it has proved harder to ‘sell’ other themes
 - Even smart specialisation...
- Risks from extent of demands on cohesion policy
- The dominance of the annual ‘semester’ cycle
 - Eclipse of longer-term growth approaches
- EFSI: the new game in town
 - Rival or complement to cohesion policy?

CONCLUDING REFLECTIONS

- What will be needed for post-2020 policy context?
 - Reconciliation of objectives as EU itself evolves
 - Migration, for example, as source of challenges
- Economics will have to look beyond the ‘spatial’
 - Legacies of crisis, including implications for conditionality
 - Economic geography for the knowledge and digital economies
- Looking afresh at the notion of ‘regional’ to study
 - What are the most pressing concerns of policy-makers?
 - Giving real substance to multi-level governance

“Confidence is what you have before
you understand the problem.”

Woody Allen