

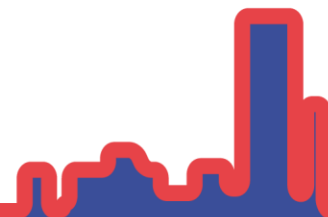


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Dilemmas of Cohesion Policy and research responses

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Brussels, 30 June 2010

A new reality....

- Shift from resource-based to innovation-driven economy, from quantitative to qualitative factors of development.
- Shift from „economy of places” to „economy of flows”.
- „Low” and „high” segments of global economy – only innovative may attain long-term competitive advantage.
- Old approaches and instruments do not match new realities.

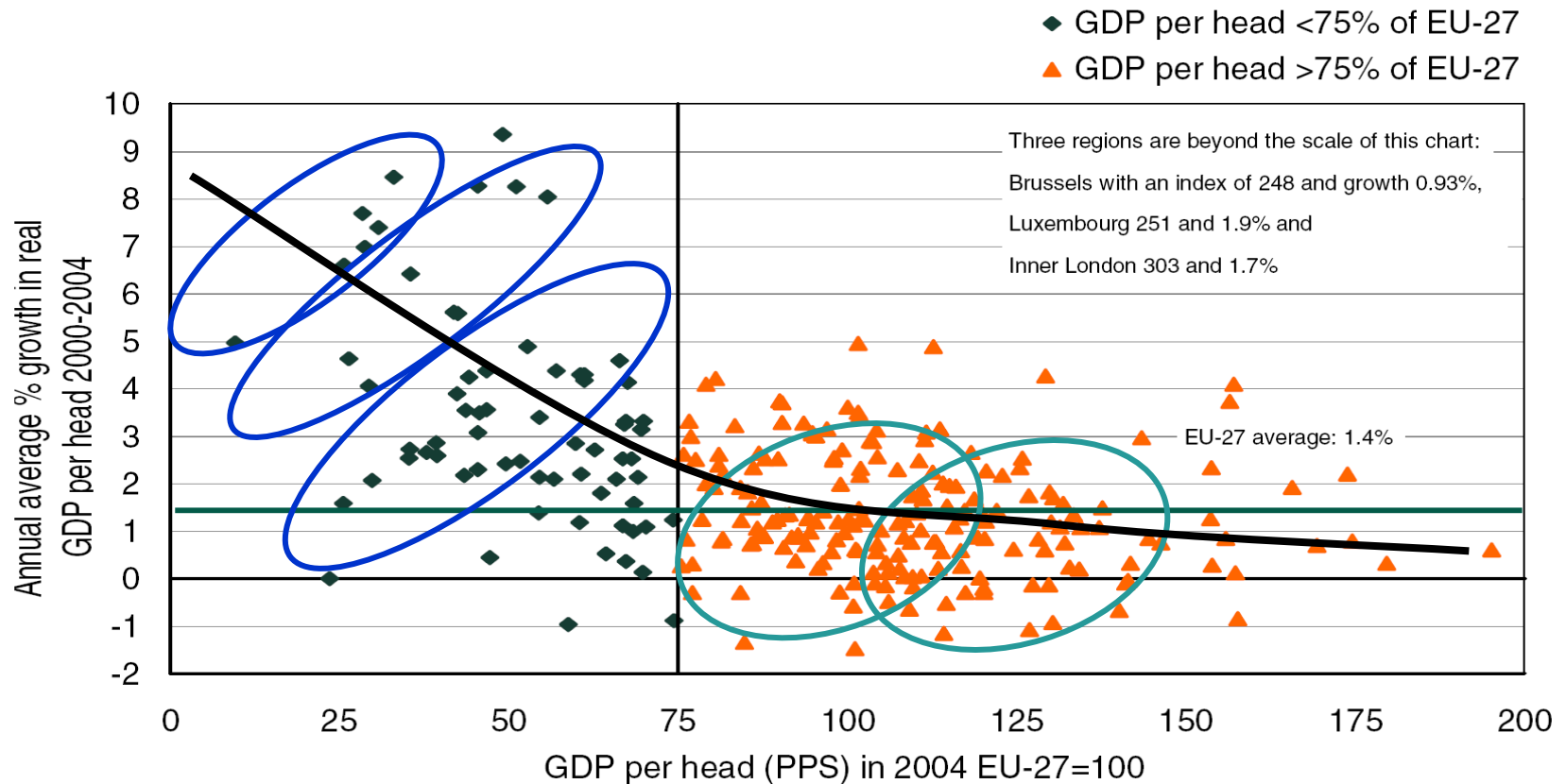
And old approaches



- Cohesion policy still attached to „convergence”, i.e. to equalisation of international and interregional differences (incorrectly called „discrepancies”).
- And not acknowledging the new model of development where concentration prevails over deconcentration (mostly due to the process of metropolisation, but also to a new role of agglomeration economy).

A convergence miracle? No, if we disaggregate the picture

1.6 Growth of GDP per head 2000-2004 and GDP per head 2004



Source: Eurostat

From 4th Cohesion report

Growing criticism of old approaches

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- Regional and structural policies serve mostly a redistribution purpose, motivated by the nature of the political equilibrium. They have little relationship with fostering economic growth.
- Three factors responsible for low regional income: low total factor productivity, low employment rate and high share of agriculture (Boldrin, Canova, 2000).
- In a long-run traditional approach may be harmful to lagging regions through decreasing their competitiveness.
- Only funds directed to education and human capital have a positive medium-term effect on growth (Rodriguez-Pose, Fratesi, 2004)
- Other policy suggestions:
 - more funds to innovation and growth,
 - less to CAP and traditionally-oriented structural policies (Sapir, 2003).
- And - in the first instance the funds should be allocated toward institution building. Once the institutions are of a sufficient quality, the funds may be effective in stimulating (catching-up) growth (Ederveen, de Groot and Nahuis 2006).

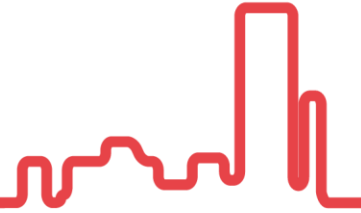
New meaning of Cohesion

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Economic Cohesion: creating conditions for efficient co-operation between economic agents within the EU and openness to the outside world; decrease of transactional costs; supportive business environment.

Social Cohesion: enhancing horizontal and vertical social mobility through facilitating opportunities for education, training and professional advancement.

Territorial cohesion



Territorial cohesion: such a spatial arrangement of European territory that enables and supports achieving social and economic cohesion:

- removing transportation barriers (construct highways not everywhere, but where are needed);
- connecting major nodes of European space – metropolitan centres between themselves and these nodes with their regional hinterlands;
- developing networks of educational and research institutions and between R&D and businesses;
- defining territorial cohesion in this way - a chance for adding more European dimension and growth orientation to Cohesion policy of the EU;
- also a way to overcome the equity-efficiency dilemma.

Accepted as the standpoint of Polish government – seems to gain in academic circles and also within the Commission.

Evaluation – still to be improved

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- At the moment – separate evaluations of the ERDF (sometimes together with the Cohesion Fund) and the EFS.
- No evaluations of the CAP.
- But these multidimensional interventions do interact – sometimes in a conflicting way – within the territorial units!
- A down-to-the-ground empirical research needed in order to perform comprehensive, integrated evaluation of EU interventions in the local and regional units.
- Growing role of academic community in programming and evaluating the policies of the EU, as well as in proposing their reforms.