

[Home](#) > [Policies](#) > [Economics](#) > [Regional policy](#)

Cohesion or confusion?

By [Toby Vogel](#) and [Constant Brand](#)

20.04.2011 / 05:15 CET

There are grand plans for the future of regional policy, but also divisions over what the priorities should be.

As the European Union's regional policy is reviewed in preparation for the next multiannual financial framework, the rhetoric – both from the member states and from the European Commission, which is conducting the review – is of “reform” and an “ambitious agenda”. But the review is more likely to produce a tweaking of the policy than a complete overhaul as the Commission steers a course between competing demands.

One is for simplification. “We have to focus on a few priorities,” Johannes Hahn, the European commissioner for regional policy, has told European Voice. “That is a lesson we have learned from the Lisbon Agenda” – the EU's former blueprint for growth and competitiveness, now replaced by the Europe 2020 jobs and growth strategy.

That view is shared by Markus Pieper, a German centre-right MEP, who has written a report – currently before the European Parliament's regional development committee – recommending that regional aid policies should focus on the goals of Europe 2020. However, that could mean giving up on, or at least downgrading, some of the current policy's aims, above all the ‘catch-up’ element promoting the economic development of poorer regions.

“The EU is not entirely sure why it has a cohesion policy,” says Iain Begg, a professor at the European Institute of the London School of Economics and Political Science. The multitude of current priorities often produces confusion rather than cohesion, he says. “There's a whole lot of tension there since you have a single policy with multiple objectives.”

Regional funds, he adds, became the default source of funding for the Lisbon Agenda, and now the Europe 2020 strategy, because neither was given a dedicated budget.

Hahn denies that the two broad goals are in conflict. “At first glance there might be tension,” he says. “But at present 90% of [regional] spending is covered by Europe 2020 [priorities],” he says.

Danuta Hübner, a Polish centre-right MEP and Hahn's predecessor as commissioner for regional policy, agrees that there is “no contradiction” between cohesion policy objectives and the goals of the Europe 2020 strategy – tackling unemployment, poverty, low levels of education and carbon emissions, and increasing research and development spending.

The Committee of the Regions, however, warned in a report issued earlier this month that supporting the Europe 2020 strategy should not be the sole goal of regional spending.

Michel Delebarre, the mayor of the French city of Dunkirk, who drafted the report, says that spending priorities should be set by the regions themselves, as they are better placed to address local problems.

He says that the failed Lisbon Agenda shows that a one-size-fits-all strategy will not help regions bridge disparities. “Cohesion policy should not be reduced to a simple implementation tool,” says Delebarre.

Geographical issues

The tension between helping poorer regions ‘catch up’ and promoting innovation also has a geographical dimension: innovation, on the whole, is less likely to occur in remote rural areas than in urban centres (see Page 17).

But Hahn rejects the idea that urban and rural objectives might be misaligned. “We have to convince the less developed regions that it is not only infrastructure in the traditional sense in which they need to invest but also human resources, research laboratories, small and medium-sized enterprises and so on,” he says. According to the commissioner, the regions “have got the message”.

Hahn vigorously defends the track record of the EU's regional policy, a further indication that any reform will be limited. He says that 16 of the EU's 271 regions have moved from the status of a ‘convergence’ region under the 2007-13 programme, with a gross domestic product (GDP) per capita of less than 75% of the EU's average, meaning that 34 million people are now better off. Around 1.4 million jobs have been created through the restructuring of regional economies.

His main proposal, in addition to focusing on a smaller number of priorities, is to define an intermediate category in addition to the current “convergence” and “competitiveness” regions – those whose GDP per capita amounts to between 75% and 90% of the EU average. The Committee of the Regions backs this idea.

Hahn intends to put forward a new legislative framework for cohesion policy immediately after the Commission's budget proposal is presented in June. He wants the policy to have a real impact in Europe's regions with what is expected to be a smaller budget, at least in real terms. For that to happen, the policy needs greater focus on a smaller number of programmes. Thus far, the logic is unassailable. But the politics of regional funding are fraught with danger.

According to Begg, the main political role of regional policy is “keeping people on board”. “There is some pretty overt redistribution going on under the guise of regional policy,” Begg says.

In other words, even the Union's prosperous countries receive EU funding to co-finance domestic projects, which reduces their net contribution to the EU budget and helps ensure their support for regional policy.

The member states, Begg says, use regional policy as a way of “recalibrating” what they pay into the EU by using parts of it to fund domestic priorities.

The Netherlands, Sweden and the UK are eager to drop cohesion funding for richer nations and focus on poorer member states, primarily in a bid to reduce the EU budget. But “if the policy is limited to poorer countries, you risk losing support among the richer countries,” Begg says.

© 2011 European Voice. All rights reserved.