

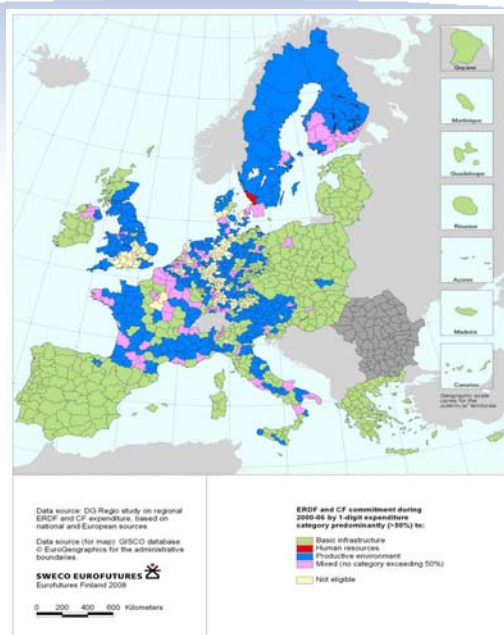
Economic Cohesion

- EU 25: regional disparities *narrowed*
- EU 15: *narrowed* in most EU15 countries (exception GR)
- EU 10: regional disparities *widened* (high growth capitals!)

Not possible to judge success of policy by observation of statistics – other factors at work!

- Approach adopted:
 - Was scale of funding big enough to make a difference?
 - Was it targeted at relevant factors?
 - Do macroeconomic models indicate positive effect on growth?
 - Is there concrete evidence of positive results?
- Answers to all questions positive:
 - Funding significant, esp. in Obj. 1: 2-3% of total fixed investment
 - Targeted at drivers of growth identified by theory, e.g. Enterprise investment & Infrastructure

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Cumulative net effect of cohesion policy on GDP (model: QUEST)

Percentage difference in GDP in end year as result of policy.
For approximate annual value divide by number of years.

All funds, Cohesion Fund included. Priority on Objective 1.

	2000-09	2000-15
EU 25	0.7	2.4
EU 10	3.7	10.2
EU 15	0.5	1.9

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Enterprise Support

Member States *report* creation of over 1 million jobs by enterprise support.

Estimate by counterfactual methods in E. Germany:

- Higher investment per worker -
€8,000 grant leads to €11,000 - €12,000 extra investment

Policy questions:

Should ERDF finance aid to large enterprises?

Need for more evidence on effectiveness of support to enterprises

What are the correct measures/indicators?

- Jobs safeguarded (now generally regarded as inappropriate)
- New jobs created (but are we always trying to create jobs directly and immediately?)
- Increased productivity (with longer term job creation)

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Social and Territorial Cohesion

- A third of ERDF in Objective 1 and 36% in Objective 2 was aimed at social objectives plus territorial balance rather than economic growth
- Mainly environmental infrastructure and 'planning and rehabilitation'
 - increase in households in deprived regions connected to supply of clean drinking water (+14 million inhabitants) or main drainage (+20 million inhabitants)
 - renovation and regeneration of villages, inner city areas, old industrial sites, heritage sites

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Social and Territorial Cohesion (2)

- Improvement in quality of life + territorial balance, but no indicators to measure this
- Limited effect on growth but strengthened conditions for sustainable development by reducing social + territorial disparities

Policy conclusion

- Achievements of Cohesion policy go beyond economic growth: *multiple objectives*
- Need to spell out clearer case for ERDF financing and link to regional development

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Particular case of Objective 2

- In Objective 2 regions, small scale of funding – under EUR 40 per head a year
- Contrasts with large scale and long-lasting problems in many regions targeted
- Objective 2 in many cases acted as a catalyst for development of a *long-term strategy* for restructuring
- Effectiveness reflected in growth performance – rate achieved at worst no lower than in regions with fewer problems

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Implications for future Competitiveness Objective

- Vision and commitment of regional policy makers more important than specialisation pattern
- Competitiveness Objective and regional strategies need to be aligned
- More exchange of experience across MS is needed
- Evidence needed – how funding used plus effects
- Competitiveness only objective?

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Implications for Future Policy

- Multiplicity of goals – social, environmental, economic
 - Needs to be recognised in design, implementation and evaluation
 - Priority attached to different objectives should be made clear when programmes determined
 - Indicators needed so as progress can be monitored
- Concentration of funding in each region
 - On limited number of policy areas and measures to ensure critical mass – does not mean concentrating on *one* objective
 - Policy measures cannot be specified *a priori* - should be in line with needs of region
 - Whatever choice – needs to be justified in light of EU strategies
 - More focus on results and effectiveness

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More Evidence on the Way...

- Ex Post Evaluations
 - Interreg & Urban: June 2010
 - Cohesion Fund/ISPA: Mid 2011
 - And results of a new expert network synthesising evidence on performance from 2007-2013 programmes in each Member States: early 2011
- All Published on INFOREGIO:
http://ec.europa.eu/regional_policy/sources/docgener/evaluation/rado2_en.htm

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