



IMPORTANCE OF COHESION POLICY

for the future of the EU

Problem:

- Again the **necessity** and the **benefit of the EU cohesion policy** are questioned just as the **EU promotion of all regions**. Sectoral Policies are often favoured.
- The **disparities** remaining in the EU (income, employment, labour productivity) are **not only** recognisable **between states but also at regional level**.
- Regions characterised by **structural weaknesses** and **limited competitiveness** are not only found **in the cohesion** areas, but also in other regions that are struggling to attain lasting economic growth (lack of infrastructure, labour skills and social capital, missed structural change).
- Important **challenges** (rapid economic and social change, restructuring, globalisation, the shift towards a knowledge-based economy and society, the ageing population, youth unemployment, growing immigration, labour shortages in key sectors, and so on) concern all **EU Member States and regions**, not only the least developed regions.
- Currently, a too slow implementation and delays in the flow of EU funds are criticised. Increased effectiveness is needed.

I. Answers:

- In times when the EU is growingly questioned, the European **cohesion policy** proves not only to be an **instrument** for **economic development**, but also suitable to bring the **EU closer to the people**.
- It **reduces economic, social and territorial differences** (European solidarity as an essential element of the EU policy).
- It contributes substantially to a successful TEN-T network, to innovation, competitiveness, a more efficient EU environmental policy and particularly to territorial cooperation.
- Cohesion policy is a structural policy, which promotes **growth and employment in all regions** of the EU (according to the targets of the Europe 2020 strategy) and allows **investments in the real economy**.
- It **supports a polycentric development** of the EU territory with balanced opportunities between agglomerations / metropolitan areas and rural areas.
- **Cohesion policy**, together with the Single Market and Monetary Union, is one of the **pillars of European policy**. It is an important instrument for the realisation of the Monetary Union.
- As “**horizontal EU policy**” it explicitly addresses economic, social and territorial cohesion.
- It should therefore serve as a **framework for sectoral policies** enabling a **better coordination** which is often claimed.
- It is not a **passive policy** (e.g. one that redistributes income), but rather a **dynamic one** that seeks to create resources and exhaust unused potential.
- **The EU cohesion policy** (Art. 158 EU Treaty) serves the interest of the entire Community, and it is not only a financial support for the poorest regions. Therefore a **cohesion policy for the entire EU and for all regions** is necessary and not only a shifting or concentration of financial means. Sectoral policies cannot offer this.
- The cohesion policy can act as a catalyst, helping to **mobilise national and regional policies and resources** to meet current challenges.

II. Cohesion and regional policy as an European strategy

- A coherent and long-term **EU policy from 2020** onwards must include **all** essential areas of **policies** and guarantee a **better coordination** between them than in the past.
- In view of the **consequences of the European integration and globalisation**, this policy must promote more **polycentric development** of the community territory. Cohesion policy is perfectly suitable for this.
- Therefore, cohesion policy should **remain visible throughout the EU** while entailing **two approaches**:

- Promoting and anticipating regional change

Long-term development strategies, programmes at the regional level will help to address the problems faced by urban and rural areas related to economic restructuring and other handicaps.

- Responding territorial characteristics

Particular severe and permanent natural or demographic handicaps (as stated in article 174 TEC) intensify development problems, especially in the outermost regions of the Union, border regions, many islands, mountain areas, in regions with very low population density where problems faced by cities are concerned.

- A **concentration** of the cohesion and regional policy **only on growth and employment** bears considerable **dangers**:
 - The **political consensus** on the necessity of a European cohesion policy would be **questioned**, if we only speak about convergence between states and not between regions.
 - Measuring **economic development and growth** only at national level and not also **at regional level** does not meet the European diversity. It is an unproved assumption to believe that growth at national level would induce sooner or later also automatically growth in marginalised regions.
 - **Approaches** for a future-oriented European Regional and Cohesion Policy which had been elaborated with the EU Commission in numerous meetings **would be bypassed**.

- The **impact of agriculture** on the environment, the generation of income and the care of the landscape and nature in rural areas is neglected without indicating necessary alternatives.
- The **danger of a re-nationalisation** of certain policies increases in order to create the necessary compensation for marginalised regions.
- A potential of a **political conflict in the society** arises as to the acceptance of such an orientation of the EU.
- Therefore, following the results of the **Luxembourg Presidency**, Cohesion Policy is necessary and has to be strengthened.

III. Conclusions

Cohesion- and **Regional policy** have turned out to be a very **suitable, long-term policy** for the achievement of **EU objectives**. **Criticism** regarding its implementation and the **flow of funds** mean:

Not the **Cohesion-** and **Regional policy**, but the **instruments** have to be modified and improved.