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IMPORTANCE OF COHESION POLICY

for the future of the EU

I. Description of the problem:

- Once 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 (and mostly addressed to a limited group of territories).
- Remaining **disparities** in the EU (income, employment, labour productivity) are **not only** recognisable **between states but also at regional level within many states**.
- 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).
- **Macro level challenges**, such as globalisation, Brexit, sanctions towards Russia and refugee questions, strongly **affect (external) border regions** in particular.
- Other important **challenges** (rapid economic and social change, restructuring, the shift towards a knowledge-based economy and society, the ageing population, youth unemployment, growing immigration, labour shortages in key sectors, plus growing nationalism and a weaker European sense of belonging, 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.

II. Our 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**. This has to be better communicated and thus supported by society. The Cohesion Alliance promoted by the European Committee of the Regions is a very good initiative in this direction.
- 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, 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 implementation 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.
- **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.
- **Cohesion and regional policy provides the relevant instruments to react** to macro level challenges smartly and quickly and **to create bottom-up solutions**.
- So the cohesion policy can act as a catalyst, helping to **mobilise national and regional policies and resources** to meet current challenges.

III. Cohesion and regional policy as a European strategy

- A coherent and long-term **EU policy from 2020** onwards must include **all essential policy areas** 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 a more **polycentric development** of the territory. Cohesion policy is perfectly suitable for this.
- Therefore, cohesion policy should **remain at least at the current level of funding**, and **visible throughout the EU** while entailing **two approaches**:

- Promoting and anticipating regional change

Long-term development strategies and 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, many island, cross-border and mountain regions, 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 by-passed**.

- 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 in particular the conclusions of the **Luxembourg Presidency** (2015), Cohesion Policy is necessary and has to be strengthened.
- Last but not least, Cohesion should remain a Policy for ALL EU regions. A similar approach should be kept in the ENP, IPA and other instruments addressed to neighbouring and pre-accession countries. The growing cohesion awareness of development programmes with third countries is very much welcome, as it also shows that cohesion approach is a good strategy for sustainable, integrated and smart development, in Europe and in other continents.

IV. Conclusions

Cohesion- and **Regional policy** have turned out to be a very **suitable, long-term policy** for the achievement of **EU objectives**, namely bottom-up integration processes with a stronger participation of local and regional authorities and civil society, the generation of authentic feelings of European citizenship based on trust across national boundaries, the promotion of partnership and networking for innovation and smart specialization, the involvement of most European territories in eligible calls, and further more than EU ones with the ENP, IPA and others, and many more reasons. **Criticism** regarding its implementation and the **flow of funds**, meaning that it is **not** about **Cohesion- and Regional policy**, but the **instruments**: they have to be modified and improved. In this sense, AEER has also prepared a position paper on the simplification of management and administration and other aspects related to cross-border cooperation programmes, such as the decentralization of future Interreg (operational programmes with sub-programmes) and the meaning of CBC in EU Cohesion and Regional Policies.