

No Friends of Cohesion. How Eastern Enlargement changed the EU's regional development policy

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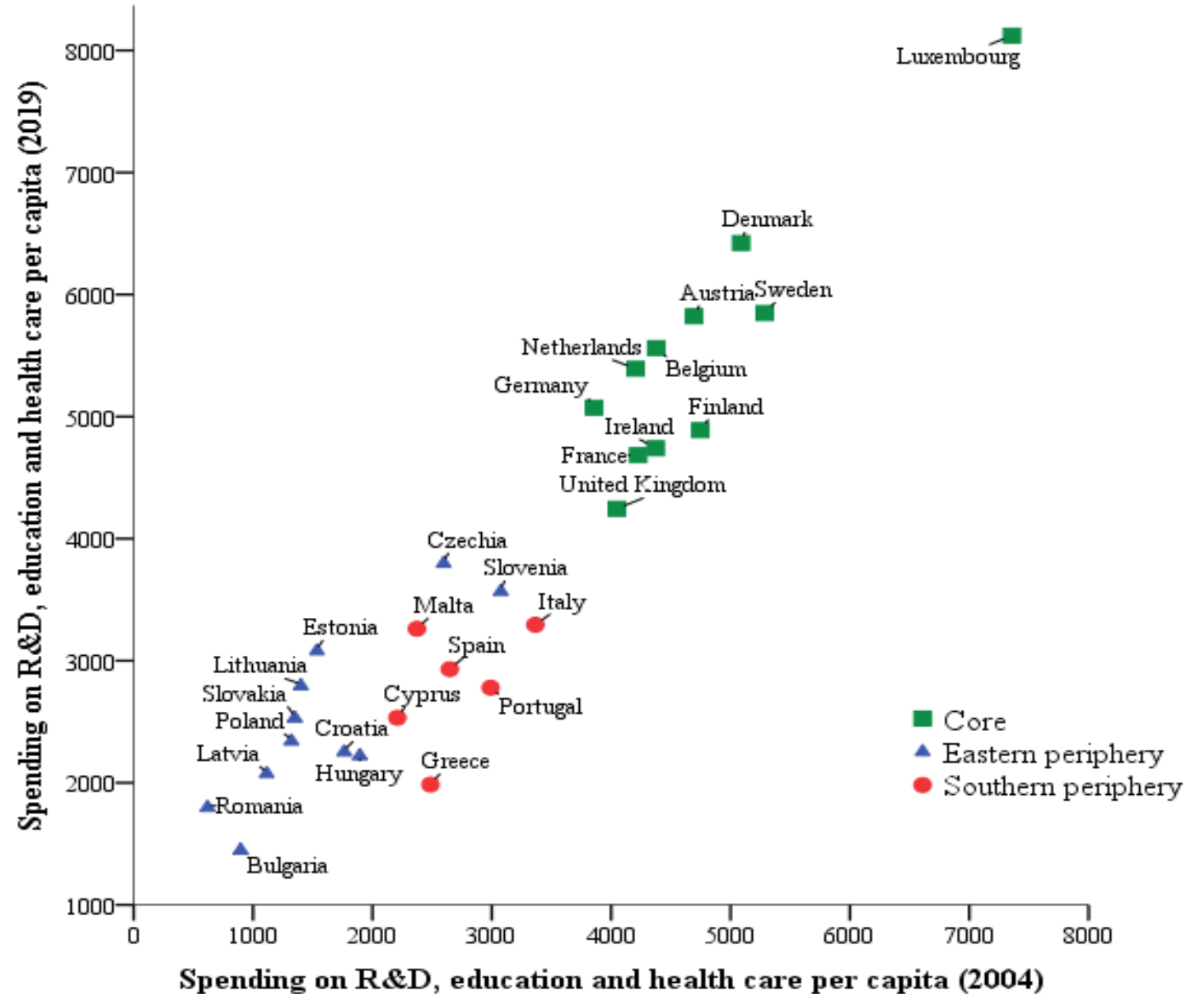
Motivation for the paper

- How did the EU Cohesion Policy change? Why did it become vulnerable to abuses by central authorities?
 - => especially changes in territorial emphasis, partnership principle
- How did the Eastern enlargement change the EU?
 - => seemingly not at all, but we're having second thoughts

What is at stake?

Persistent core-periphery **inequality** in the EU in investment in future growth:

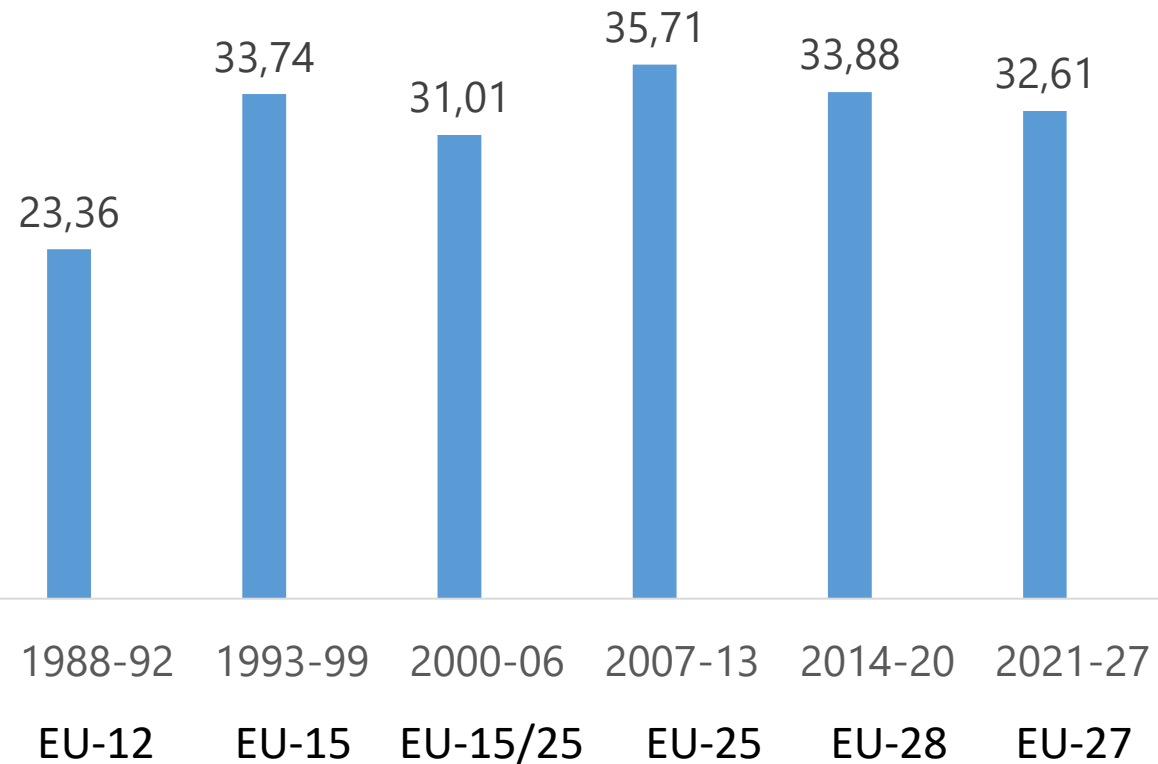
total per capita spending on R&D, education and health care in 2004 and 2019 in the EU core and periphery



Findings

- **Document discursive changes in the approach to cohesion**
 - cohesion => competitiveness
 - solidarity => transactionalism
- **Trace policy changes (concentration, programming, partnership)**
 - concentration => diluted
 - programming => 'Lisbonization'
 - partnership => weakening
- **Analyse the political process behind it, especially the impact of enlargement**
 - passive => defensive adjustments
 - active => direct contribution to policy change

Share (%) of Cohesion Policy budget from total EU budget



The multiannual financial frameworks and Cohesion Policy budget (in bn ECU/EUR)

	1988-1992	1993-1999	2000-2006	2007-2013	2014-2020	2021-2027
Cohesion Policy budget	61,724	199,958	213,010	348,415	366,791	394,933
Total EU budget	264,213	592,622	686,900	975,777	1,082,555	1,210,894

Growing EU heterogeneity, decreasing share of cohesion policy

Change in eligible population and aid intensity by category of region

Category of region	Eligible Population (% of EU)		Annual Aid intensity (€ per head)	
	2007-13	2014-20	2007-13	2014-20
Less-developed	31.7	25.4	188	180
Transition regions	7.3	13.5	101	66
More-developed	61.0	61.0	21	22
Cohesion Fund	34.3	25.8	60	62
Total			100	84

Source: Bachtler, John, and Fiona Wishlade. 2015. Prospects for Cohesion Policy in 2014-20 and Beyond: Progress with Programming and Reflections on the Future. Report. Glasgow: University of Strathclyde. Table 2 p. 15

'Lisbonization' of Cohesion Policy: Shifting focus from territorial to horizontal objectives

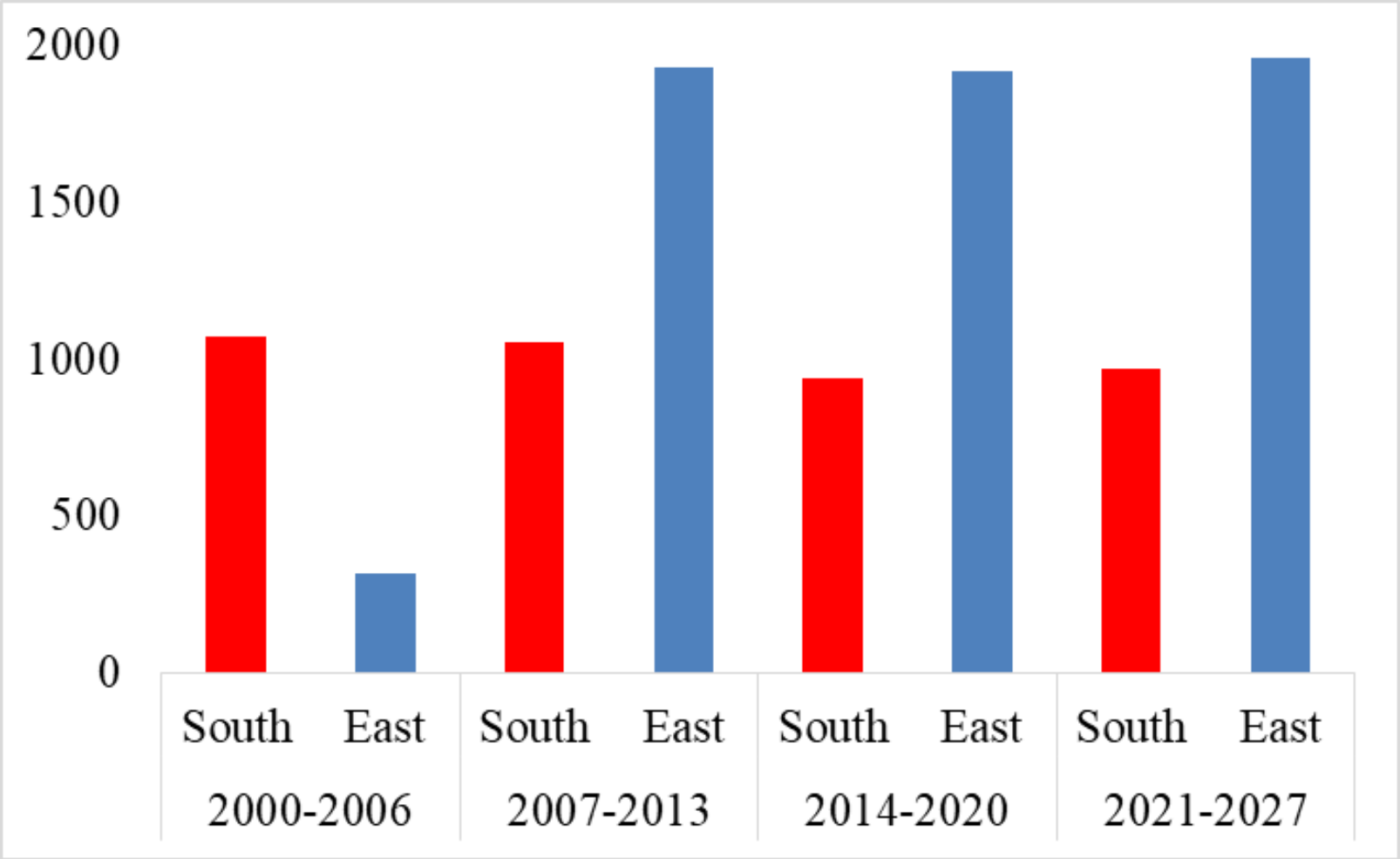
1988-1992	2014-2020	2021-2027
<p>Territorial:</p> <p>Objective 1: promoting the development and structural adjustment of regions whose development is lagging behind (GDP per capita between < 75% EU-27 average);</p> <p>Objective 2: converting regions seriously affected by industrial decline;</p> <p>Objective 5: (a) speeding up the adjustment of agricultural structures and (b) promoting the development of rural areas.</p> <p>Horizontal:</p> <p>Objective 3: combating long-term unemployment;</p> <p>Objective 4: facilitating the occupational integration of young people</p>	<p>Territorial:</p> <p>less developed regions (GDP per capita between < 75% EU-27 average)</p> <p>transition regions (GDP per capita between 75% and 90% EU-27 average)</p> <p>more developed regions (GDP per capita > 90% EU-27 average)</p> <p>Horizontal:</p> <ol style="list-style-type: none"> 1. Strengthening research, technological development and innovation 2. Enhancing access to, and use and quality of, information and communication technologies 3. Enhancing the competitiveness of SMEs 4. Supporting the shift towards a low-carbon economy 5. Promoting climate change adaptation, risk prevention and management 6. Preserving and protecting the environment and promoting resource efficiency 7. Promoting sustainable transport and improving network infrastructures 8. Promoting sustainable and quality employment and supporting labour mobility 9. Promoting social inclusion, combating poverty and any discrimination 10. Investing in education, training and lifelong learning 11. Improving the efficiency of public administration 	<p>Territorial:</p> <p>less developed regions (GDP per capita between < 75% EU-27 average)</p> <p>transition regions (GDP per capita between 75% and 100% EU-27 average)</p> <p>more developed regions (GDP per capita > 100% EU-27 average)</p> <p>Horizontal:</p> <ol style="list-style-type: none"> 1. a more competitive and smarter Europe 2. a greener, low-carbon transitioning towards a net zero carbon economy 3. a more connected Europe by enhancing mobility 4. a more social and inclusive Europe 5. Europe closer to citizens by fostering the sustainable and integrated development of all types of territories

Disappearing Regional Operational Programmes (ROPs) in the Eastern members

Country	2004-2006	2007-2013	2014-2020
Bulgaria	-	1	1
Czechia	2	8	2
Hungary	1	7	1
Poland	1	16	16+1
Romania	-	1	1
Slovakia	1	2	1

Except in Poland, regional authorities are no longer managing authorities of ROPs → creeping centralization

Total EU funds per capita in euro in the previous four budgetary periods



Pre-enlargement top beneficiaries preserved their level of funding after enlargement.

Pre-enlargement conflict between net beneficiaries and candidates over Structural Funds ceased to exist after enlargement: now they share a common interest of preserving the level of funding and national control over them

South: Greece, Italy, Ireland, Portugal, Spain, Cyprus, Malta

East: the Eastern EU member states

Source: the authors' own calculation