

Crises and territories: what impacts of the European cohesion policy?

COESIONET

EUROPEAN COHESION AND TERRITORIES RESEARCH NETWORK

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Aim & Methodology

Aims

- ▶ Analyze the impact of the current crisis on 3 representative Italian regions;
- ▶ Role of European Cohesion Policies on local development and on the overcoming of the crisis.

Methodology

- ▶ Descriptive data on socio-economic context;
- ▶ Interview local actors.

Outlook

1. **The “subjects” of the case studies:**

- Veneto;
- Apulia
- Calabria

2. **A comparison between regions:**

- Socio-Economic Context;
- Local Challenges.

3. **Policies Implemented & Respondents’ Evaluations**

- Veneto;
- Apulia;
- Calabria.

Geographic Location

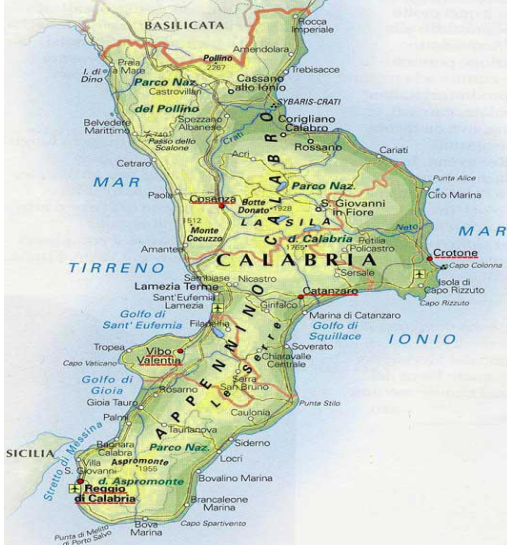
Veneto



Apulia



Calabria



Socio-Economic Indicators: comparison between Regions

	GDP*	GDP per capita*	Incidence of Poverty (H)**		Incidence of Poverty (I)**		Deprivation Index (H)***		Gini Index***		Unemployment Rate****	
	'09-'08 (%var.)	'09-'08 (%var.)	2009	Trend	2009	Trend	2008	Trend	2007	Trend	III Trimester 2010	Trend
Veneto	-5.9	-4.9	4.4	=	5.4	=	9.9	↑	0.26	↓	5.2	↑
Apulia	-5.0	-3.5	21.0	↑	21.9	↑	25.3	↓	0.29	↓	12.2	↑
Calabria	-2.3	0.0	27.4	↑	29.6	↑	26.1	↑	0.32	↓	11.1	↑
Italy	-5.0	-3.7	10.8	↓	13.1	↓	15.8	↑	0.31	↓	7.6	↑

*Source: Main regional economic indicators, ISTAT 2009

** Source: Survey on family consumption, ISTAT, various years

*** Source: Survey on income and living conditions, ISTAT & EU-SILC, various years

**** Source: Labour force survey, ISTAT, various years

Regional Main Challenges

- ▶ Veneto: face the risk of loss of competitiveness;
- ▶ Apulia: promote full convergence in terms of grow & employment;
- ▶ Calabria: convergence with the EU average development level.

Need differentiated approaches in order to enhance economic development and social cohesion.

Strategic National Plan (2007-2013)

- ▶ Four macro-objectives:
 1. Development of knowledge economics;
 2. Improve the quality of life;
 3. Improve the production system & its competitiveness;
 4. Modernization & Internalization of the production system.
- ▶ Macro-objective grouped into thematic priorities.
- ▶ Each priority has its own fund + European resources



The Veneto Region

European Policies

- ▶ Operational Programme => Regional Competitiveness & Employment
- ▶ Main Expected Impact:
 - Reduction of greenhouses gas emission;
 - Increase of renewable energy consumption;
 - Reduction of air pollution;
 - Creation of new job in industry and R&D sector.

European Policies

Cohesion Fund by Priority Axis

Priority Axis	EU contribution	National Public Contribution	Total Public Contribution
✓ Innovation & Knowledge Economy	87,334,766	102,794,296	190,129,062 ←
Energy	31,190,988	36,712,249	67,903,237
Environment & Risk Prevention	32,022,748	37,691,242	69,713,990
✓ Access to Transport & Telecommunication services of general economic interest	43,546,372	51,254,717	94,801,089 ←
Interregional cooperation	9,478,307	11,156,105	20,634,412
Technical Assistance	4,366,739	5,139,715	9,506,454
Total	207,939,920	244,748,324	452,688,244

Source: Operational Programme for Veneto, 2007 - 2013

Regional Operational Plan (2007-2013)

Aims:

1. Promote research & innovation, to address the risk of loss of competitiveness;
2. Promote risk prevention, improving regional accessibility by enhancing relationships with neighbour territories.



Ad hoc measures to face the crisis

Grouped into 4 lines:

1. Active policies to favour access to labour market;
2. Identification and adoption of tools for reintegration in the labour market of unemployed workers (income support for single-income families, etc.);
3. Support to firms that innovate;
4. Protection & promotion of employability of individuals facing strong difficulties in entering the labour market (long-term unemp., individuals with disability, etc.)



Respondents' Policies Evaluation

European Level:

- Lack of “*common direction*”;
- EU intervention on competition focused within the European zone, without considering competition has moved on a global scale => Member States perceived themselves as competitors rather than partners.

National & Regional levels:

- Policies implemented worked well ‘till now BUT not sustainable in the long run;
- Criticism on the lack of structural policies.

Future scenarios: respondents' "hypothesis"

- The crisis fasten the change of the production/economic systems but DO NOT caused it;
- The crisis can be seen as a “turning point”, an opportunity to reorganize the production system;
- To do that it is necessary to:
 - ▶ focus the production system on individuals and their ability;
 - ▶ spread knowledge and be aware that long-run growing process requires the rest of the world grow with us.



The Apulia Region

European Policies

- ▶ Operational Programme => Convergence

- ▶ Main Expected Impact:
 - Reduction of greenhouses gas emission;
 - Increase in GDP;
 - Increase in the employment rate of both men and women

European Policies

Cohesion Fund by Priority Axis

Priority Axis	EU contribution	National Public Contribution	Total Public Contribution
Promotion & Dissemination of R&I for competitiveness	290,500,000	290,500,000	581,000,000
✓ Sustainable and efficient use of environmental & energy resources for development	454,000,000	454,000,000	908,000,000 ←
Social Inclusion & services to enhance the quality of life and the attractiveness of the region	285,000,000	285,000,000	570,000,000
Promoting the potential of natural & cultural resources to improve the attractiveness & development of the region	196,000,000	196,000,000	392,000,000
✓ Network & mobility links	525,000,000	525,000,000	1,050,000,000 ↙
✓ Competitiveness of productive systems and employment	551,000,000	551,000,000	1,102,000,000 ↙
Competitiveness & attractiveness of cities and urban systems	260,000,000	260,000,000	520,000,000
Governance, institutional capacity and competitive and efficient market	57,521,978	57,521,978	115,043,956
Total	2,619,021,978	2,619,021,978	5,238,043,956

Source: Operational Programme for Apulia, 2007 - 2013

Workshop CoesioNet, Paris, 28th of March, 2012

Regional Operational Plan (2007-2013)

Aims:

1. Increase the attractiveness of the region;
2. Promote innovation and development of knowledge economics;
3. Create better conditions for employability, cohesion and social inclusion.



***Ad hoc* measures to face the crisis**

1. “Requalification Programme” (upgrade skills):
 - ▶ Designed for individuals who should fully reintegrated into the productive process.

2. “Relocation Programme” (skills’ improvement):
 - ▶ Devoted to individuals expelled from the productive process.



Respondents' Policies Evaluation

European Level:

- Positive evaluation of measures adopted to prevent the risk of financial speculation;
- “*an occasion was lost*”: the crisis could have been the opportunity to develop a fiscal European policy

National level:

- Lack of countercyclical fiscal policy;
- Absence of recovery & structural policies able to overcome the crisis.

Regional level:

- Positive evaluation of measures for R&D;
- Employment policies risk to be useless if there is no labour demand.

Future scenarios: respondents’ “hypothesis”

- Lack of “rational use of scarce resources”;

- Lack of coordination between different governments’ levels;

- In the future:
 - ▶ Reduction of active firms;
 - ▶ Firms will focus on high added value products;
 - ▶ Increase in the employment of high skilled workers.



The Calabria Region

European Policies

- ▶ Operational Programme => Convergence
- ▶ Main Expected Impact:
 - Foster sustainable economic development;
 - Increase in GDP;
 - Increase employment level especially among women.

European Policies

Cohesion Fund by Priority Axis

Priority Axis	EU Contribution	National Public Contribution	Total Public Contribution
R&D, Innovation and Knowledge Economy	149,912,003	149,912,003	299,824,006
Energy	104,938,402	104,938,402	209,876,804
Environment	179,894,403	179,894,403	359,788,806
Quality of life & social inclusion	134,920,802	134,920,802	269,841,604
Natural and cultural resources and sustainable tourism	179,894,404	179,894,404	359,788,808
✓ Networks for mobility	239,859,204	239,859,204	479,718,408 ↙
✓ Productive Systems	209,876,804	209,876,804	419,753,608 ←
✓ Cities, urban areas and territorial systems	254,850,404	254,850,404	509,700,808 ↗
Technical Assistance and interregional cooperation	44,973,600	44,973,600	89,947,200
Total	1,499,120,026	1,499,120,026	2,998,240,052

Source: Operational Programme for Calabria, 2007 - 2013

Regional Operational Plan (2007-2013)

Aims:

1. Supporting the development and growth of the economy;
2. Improving the competitiveness of agriculture and forestry, protecting the environment and rural areas;
3. Increasing the productivity of workers and firms.



Ad hoc measures to face the crisis

Three types of actions:

1. Promote access to training for unemployed or long-term unemployed
2. Promoting access to labour market, self-employment and creation of new firms;
3. Promote qualified training programmes, differentiated according to the productive sector to which they are devoted.



Respondents' Policies Evaluation

European Level:

- Well-designed and focused on right goals;
- Do not take sufficiently into account the real potential of the regions => limited effectiveness.

National & Regional levels:

- Ineffective;
- Do not guarantee future development.



Future scenarios: respondents’ “hypothesis”

- Regional economic development hampered by:
 - ▶ Weakness and fragmentation of interests;
 - ▶ Lack of cooperation;
 - ▶ Prevalence of rent-seeking behaviours;
 - ▶ Inefficiency of public expenditure.

- Legal behaviours should be encouraged;

- Transfers should not be increased or reduced, there should be an increase in earmarking & higher attention on the monitoring and evaluation process.

Conclusions

- ▶ Differences between regions in designed policies due to differences in the level of economic development & socio-economic context;
- ▶ Economic & financial crisis forced policy makers to design *ad hoc measures* aiming at mitigating its impact;
- ▶ Measures essentially focused on labour market;
- ▶ Respondents' evaluation of policies => not really able to overcome the crisis and guarantee growing in the long-run.



Conclusions

▶ **European level:**

- Obstacles that hampered a rapid implementation of the programmes => efficiency in the administration of resources; changing in the role of financial control; economic & financial crisis

▶ **National & Regional level:**

- Lack of countercyclical policies;
- Measures basically focused on training programmes & income support;
- Lack of “long-run growing measures”

Thank You