Special Session Proposal

Cohesion Policy, innovation, twin transitions, territorial competitiveness and divide

Dr Andrea Conte, European Commission, Joint Research Centre, Seville
Dr Anabela Marques Santos, European Commission, Joint Research Centre, Seville
Dr Eugenia Shevtsova, European Commission, Joint Research Centre, Seville
email: anabela.marques-santos@ec.europa.eu

Abstract

More than a half of the EU funding is channelled through the European Structural and Investment Funds. The main goal of these funds is to promote job creation, and sustainable and healthy economic development across Europe. More specifically the funds aim to: (i) promote more balanced economic development of different EU regions (e.g. European Regional Development Fund); (ii) invest in European human capital and promote various employment-related projects; (iii) promote economic convergence across EU member states by investing in the infrastructure of the lagging regions (e.g. Cohesion Fund) *inter alia*. Furthermore, due to the shared management principle, the funds synergically combine the development objectives of the beneficiary member states and those of the European Commission (Marin, 2019).

Given the size of the financial contributions, over time European Structural and Investment Funds (ESIFs) have become one of the most important instruments with which European Union operates and one the most used by the member states. At the same time, due to their high importance ESIFs require a non-negligible amount of financial and institutional effort and monitoring, required to ensure high rates of absorption and efficient use of financing by the receiving member states. Furthermore, to ensure the most efficient use of the ESIFs financing the national governments have to strategically identify the areas where the absorption rates would be higher and the ones that would result in a stronger impact on local economic development, and productivity and innovation potential.

At the same time, literature up to date does not provide a clear consensus on the efficiency of European Funds. Some studies have shown that European Structural and Investment Funds have a positive impact on economic growth (Mohl and Hagen, 2010; Bouvet, 2005; Cappelen *et al.*, 2003), while others have reported only a weakly positive and not statistically significant impact (Esposti and Bussoletti, 2008; Dall'Erba and Le Gallo, 2008). More research needed to improve policy coordination and achieve greater effectiveness. In particular, the following research areas remain underexplored: (i) the impact of the EU funds on structural change and transition (Lolos, 2009); (ii) the effect of synergies among various funding instruments; (iii) the assessment of the effectiveness of the European Structural and Investment Funds in reducing economic and innovation divide among EU member states and regions (Cabrer-Borras and Serrano-Domingo, 2007; Aiello and Pupo, 2009)

Hence, the aim of this special session is to bring together research contributions from different fields that would cover the following topics: (i) the role of the European funds in supporting the twin green-digital transition; (ii) better understanding of the determinants of synergies between the EU funds (e.g. ESIF and H2020) and the regional impacts of these synergies; (iii) assessing the effectiveness of structural funds in reducing innovation and economic divide among the EU regions and member states.

References

Aiello, F., Pupo, V. (2012). Structural funds and the economic divide in Italy. Journal of Policy Modeling, 34(3), 403-418.

Bouvet, F. (2005). European Union regional policy: Allocation determinants and effects on regional economic growth. Department of Economics, University of California, Davis.

Cabrer-Borras, B., Serrano-Domingo, G. (2007). Innovation and R&D spillover effects in Spanish regions: A spatial approach. Research Policy, 36(9), 1357-1371.

Cappelen, A., Castellacci, F., Fagerberg, J., and Verspagen, B. (2003). The impact of EU regional support on growth and convergence in the European Union. Journal of Common Market Studies, 41, 621-644.

Dall'Erba, S., Le Gallo, J., 2008, Regional convergence and the impact of European structural funds 1989–1999: a spatial econometric analysis. Papers in Regional Science 82 (2), 219–244.

Esposti, R., Bussoletti, S., 2008, Impact of Objective 1 funds on regional growth convergence in the European Union: a panel-data approach. Regional Studies 42 (2), 159-173.

Lolos, S. E. (2009). The effect of EU structural funds on regional growth: assessing the evidence from Greece, 1990–2005. Economic Change and Restructuring, 42(3), 211-228.

Mohl, P., Hagen, T. (2010). Do EU structural funds promote regional growth? New evidence from various panel data approaches. Regional Science and Urban Economics, 40 (5), 353-365.

Marin, F. (2019). The Problems of Absorption of the European Structural and Investment Funds Related to the Cohesion Policy during the Programming Period 2014-2020. Revista de Management Comparat International, 20(5), 530-543.