



Cohesion Policies and Displacement Effects: Challenges, New Ideas and Evaluation Methods

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Abstract

The urgency to react to recurrent (global or local) economic crises, and the need of transition to a different development path, have triggered a debate aiming at stimulating new functions for regional and cohesion policies. In particular, starting from the European period 2007-2013, we have learned to think about these policies in a *dynamic* and flexible perspective, less anchored to a pre-determined *static* seven-year programming: if emergencies occur, long-term objectives need to be adapted because it is often compelling to divert European and national funds towards contrasting exogenous shocks.

However, cohesion policy should primarily foster the structural growth of lagging regions, contribute to regional competitiveness and help to stimulate economic and territorial convergence. Indeed, scientific literature has started to question the potential new objectives of cohesion policy (see, among others, Molica et al., 2024). For instance, its use as short-term stabilization policy. Some of our recent work find a medium-run negative effect to the redirection of cohesion funds towards short-term needs (Mazzola and Gambina, 2024). A related stream of literature has addressed the impact of cohesion policy during downturns (see, among others, Arbolino et al., 2020; Di Caro and Fratesi, 2023).

The potential displacement of long-term goals by short-term objectives is one of the crowding-out effects that we investigated in our Research Project¹ and which inspired this Special Session. Other potential crowding-out effects may arise from the use of cohesion funds in place of ordinary domestic resources (lack of 'additionality principle'), spatial spillovers, the absence of mediating factors which may enhance funds' effectiveness, and so on.

This Special Session aims at providing a contribution to the debate on regional policies by stimulating the development of new tools for conceptual and empirical evaluations that use

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methods mainly relying on causal impact, to support the formulation of policy recommendations.

Work offering an innovative perspective on theoretical and conceptual frameworks, identifying new challenges for cohesion policy, and applying up-to-date evaluation methods are strongly welcome.

We warmly invite theoretical and empirical papers dealing with the following topics (the list is not exhaustive):

- Diversion of cohesion funds towards short-run and other different objectives compared to long-term ones;
- Interactions between EU cohesion funds and expansionary government fiscal policies, both national and European (such the Next Generation EU plan);
- Causal impact assessment of cohesion policy, especially, on specific relevant transition issues, such as human capital accumulation, sustainability and environmental protection, inclusive growth, SMEs' competitiveness;
- Investigation of the conditioning factors that mediate the impacts of cohesion funds, including social, economic, institutional and administrative context;
- Spatial assessment of cohesion policy for detecting spatial spillovers.

References

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