

EU Regional Policy and Regionalism in the EU

Jean Monnet Module

“European Standards of Local Self-Government and EU Regional Policy”

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OUTLINE OF THE CLASS

1) THE EU AND NATIONAL REGIONS

European Committee of the Regions + direct/indirect participation

2) EU REGIONAL POLICY

European Regional Development Fund

European Social Fund

Cohesion Fund

3) REGIONALISM THROUGHOUT THE EU

1) The EU and national Regions

- INITIAL BLINDNESS
- Founding States: BELGIUM, FRANCE, GERMANY, ITALY, LUXEMBOURG, THE NETHERLANDS

• Then:

European Committee of the Regions (1994)

Direct Participation

Indirect Participation

EUROPEAN COMMITTEE OF THE REGIONS (1994)

- The European Committee of the Regions is a EU **advisory body** composed of locally and regionally elected representatives coming from all Member States.

TASKS:

- The Committee lets regions and cities have a say in EU law-making.
- The Commission, the Council of the EU and the Parliament **HAVE TO** consult it when drafting legislation on matters concerning **local and regional government** such as health, education, employment, social policy, economic and social cohesion, transport, energy and climate change.

What happens if this is not done? The Committee can bring a case before the CJEU.

- Once the Committee receives a **legislative proposal**, it prepares and adopts an **OPINION** and sends it to the corresponding EU institutions (it can also issue **opinions on its own initiative**)

COMPOSITION of the Committee

- All Members are **elected representatives serving in local or regional authorities.**
- Each country proposes its members
- 5-year terms
- The number of members per country depends on the size of that country's population.
- All Members from one country form the NATIONAL DELEGATION according to the political, geographical, regional and local balance of their country.
- Every year, up to 6 PLENARY SESSIONS take place.

- DIRECT PARTICIPATION: in the national delegation before the Commission and the Council of the EU (even replacement)
- + Offices in Brussels
- INDIRECT PARTICIPATION: within the elaboration of the domestic position on legislative acts of the EU

The instruments depend on NATIONAL CONSTITUTION AND LEGISLATION.

2) The EU REGIONAL POLICY

LEGAL BASIS

- **Preamble to the Treaty of Rome (1957):** necessity « to strengthen the unity of their economies and to ensure their **harmonious development by reducing the differences existing between the various regions and the backwardness of the less favoured regions** »
- **Article 174 Lisbon Treaty (2009):** « In order to promote its overall harmonious development, the Union shall develop and pursue its actions leading to the **strengthening of its economic, social and territorial cohesion**. In particular, the Union shall aim at **reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions** »

https://ec.europa.eu/regional_policy/en/policy/what/investment-policy/

What is a Region from the perspective of the EU?

- Eurostat's classification of territorial units for statistics (NUTS).
- “NUTS 1” 3.000.000-7.000.000
- “NUTS 2 regions” which have a population between 800.000 to 3.000.000. Currently there are **274** NUTS 2 regions in the EU.
- “NUTS 3” 150.000-800.000

The REGIONAL POLICY in the period 2014-2020 has represented 1/3 of the EU budget (1.082 billion euros)

- <https://ec.europa.eu/eurostat/web/nuts/background>

Late 60s/early 70s... New conception

- 1968: Establishment of the Directorate General for Regional Policy
- Jean Rey, President of the Commission, stated that: *“Regional Policy in the Community should be as the heart is in the human body...and should aim to reanimate human life in the regions which have been denied it”* (1968)
- 1971: Council Resolutions for providing incentives to regional development in agriculture and fostering the coordination of financial aids

2.1) The EUROPEAN REGIONAL DEVELOPMENT FUND

The ERDF covers *all Countries*.

- It has a focus on 4 key priority areas:

Research and Innovation

Digital Agenda

SME Competitiveness

Low Carbon Economy

It also funds cross-border, transnational and interregional cooperation under the Territorial cooperation objective.

https://ec.europa.eu/regional_policy/en/funding/erdf/

(Info on period 2014-2020, previous programs and 2021-2027)

One example of use of the ERDF

At least 5% of ERDF 2014-2020 had to be invested on SUSTAINABLE URBAN DEVELOPMENT at the domestic level.

- **Integrated urban development strategies were** developed by cities as part of the *Integrated Territorial Investment (ITI)*, a multi-thematic priority axis or a specific Operational programme.
- The projects were selected by the cities according the strategies of the ERDF.
- Urban-rural linkages had to be taken into account.
- The use of community-led local development approaches was favored, in particular the involvement of local citizens' organizations.

At the beginning of its implementation

- 1973: “Thompson Report” *...although the objective of continuous expansion (...) has been achieved, its balanced and harmonious nature has not...*
- 1975: European Regional Development Fund (ERDF) was envisaged for a 3-year test period.
- Its aim was to correct regional imbalances due to:
 - *predominance of agriculture*
 - *industrial change*
 - *structural unemployment*

Main actions:

- 1) investments in small enterprises creating at least 10 new jobs;
- 2) investments in infrastructure related to point 1;
- 3) infrastructure investments in mountainous areas, which also had to be eligible under the agriculture guidance fund.

ENLARGEMENTS CREATED MORE REGIONAL DISPARITIES

Entry of GREECE, SPAIN, PORTUGAL (80s)

1988:

- The European Council devoted 64 billion to Structural Funds over 5 years
- The Council adopted the 1st regulation integrating on the Structural Funds

4 key principles:

- *CONCENTRATION: focus on the poorest regions*
- *PARTNERSHIP: involvement of regional and local partners*
- *PROGRAMMING: multi-annual programming*
- *ADDITIONALITY: EU expenditure must not substitute national*

Entry of Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia (2004)

- Planning over 7 years for the 3 Structural Funds and the Cohesion Fund
- + 2000-2006 Pre-accession instruments: **Phare: €10.9 billion (capacity building); SAPARD: €3.6 billion (rural development); ISPA: €7.3 billion (environment + transport)**

Then the “EUROPE 2020” Strategy

- Launched in March 2010 as a follow-up to the Lisbon Agenda (2000 and 2005).
- The European Commission committed to “smart, sustainable and inclusive growth” to be achieved over the following 10 years
- *Smart agenda*: innovation; education; digital society.
- *Sustainability agenda*: climate, energy, and mobility.
- *Inclusive agenda*: employment and skills; fighting poverty and social exclusion.

2.2) The EUROPEAN SOCIAL FUND

- “The main instrument for investing in people. It helps people find employment or create businesses, supports disadvantaged groups, improves education and makes public services more efficient.”

4 thematic objectives:

- 1) promoting employment and supporting labor mobility;
- 2) promoting social inclusion and combating poverty;
- 3) investing in education, skills and lifelong learning;
- 4) enhancing institutional capacity and an efficient public administration.

+ other objectives such as supporting the shift towards a low-carbon, climate-resilient and resource-efficient economy; enhancing the use of information and communication technologies; strengthening research, technological development and innovation; and enhancing the competitiveness of small and medium-sized enterprises.

<https://ec.europa.eu/esf/home.jsp>

2.3) The COHESION FUND

- Open to Member States with a Gross National Income (GNI) per inhabitant lower than 90 % of the EU average.
- Objective: reduce economic and social disparities + promote sustainable development.
- Now the same rules of programming, management and monitoring as the ERDF and ESF (Common Provisions Regulation) are applicable.
- 2014-2020 countries: Bulgaria, Croatia, Cyprus, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia and Slovenia.

ACTIONS:

- trans-European transport networks and infrastructure;
- Environment, supporting projects related to energy or transport, enhancing energy efficiency, use of renewable energy, developing rail transport, supporting intermodality, strengthening public transport, ...

https://ec.europa.eu/regional_policy/en/funding/cohesion-fund/

IMPORTANT CLASSIFICATION OF REGIONS

Every European region can benefit from ERDF and ESF.

DISTINCTION:

Less developed regions: (priority for cohesion policy, with the aim of helping them catch up with long-term sustained efforts) regions whose Gross Domestic Product (GDP) per capita is less than 75% of the average GDP of the EU-27.

Transition regions: regions with a GDP per capita between 75% and 90% of the EU-27 average.

More developed regions: regions whose GDP per capita is above 90 % of the average GDP of the EU-27. They also face important challenges, such as global competition in the knowledge-based economy and the shift towards the low carbon economy.

REGIONAL DEVELOPMENT AND COHESION 2021-2027

Five main objectives for the investments :

- **Smarter Europe**, “through innovation, digitization, economic transformation and support to small and medium-sized businesses”
- a **Greener, carbon free Europe**, “implementing the Paris Agreement and investing in energy transition, renewables and the fight against climate change”
- a more **Connected Europe**, “with strategic transport and digital networks”
- a more **Social Europe**, “delivering on the European Pillar of Social Rights and supporting quality employment, education, skills, social inclusion and equal access to healthcare”
- a **Europe closer to citizens**, “by supporting locally-led development strategies and sustainable urban development across the EU”

2021-2027: Towards a “personalized” approach??

- **The Regional Policy as a whole still invests in all regions**, on the basis of the 3 categories (less-developed; transition; more-developed).
- The allocation is still mainly based on the **GDP per capita**. **BUT New criteria are added** (youth unemployment, low education level, climate change, and the reception and integration of migrants) to better reflect the reality of each territory.
- **LOCAL ATTENTION**: the Regional Policy supports locally-led development strategies and empowers **local authorities** in the management of the funds. **The 6% of the ERDF is dedicated to sustainable urban development**, and a new networking and capacity-building program for urban authorities, the **European Urban Initiative**.

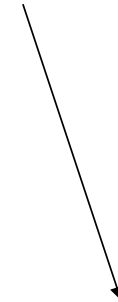
3) REGIONALISM THROUGHOUT THE EU

Unitary vs. decentralized Systems



UNITARY

Only central government has legislative power

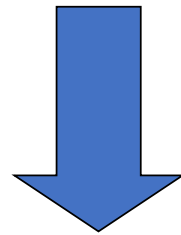


POLITICALLY DECENTRALIZED

Sub-national entities also have legislative power
(Federal, Regional, Devolution)

Federalism, regionalism and devolution

are all forms of territorial organization



Vertical separation of **powers** between **central government** (central State, federation) and **subnational entities** (member States, Regions, *Länder, Comunidades Autónomas*)

Typical features of federal States (GERMANY, AUSTRIA)

1. Existence of a federal legal system with a Constitution and laws
2. Legislative competences allotted to the Federal State and to the member States by the Constitution
3. Bicameral Parliament
4. Existence of a Constitution in every member State

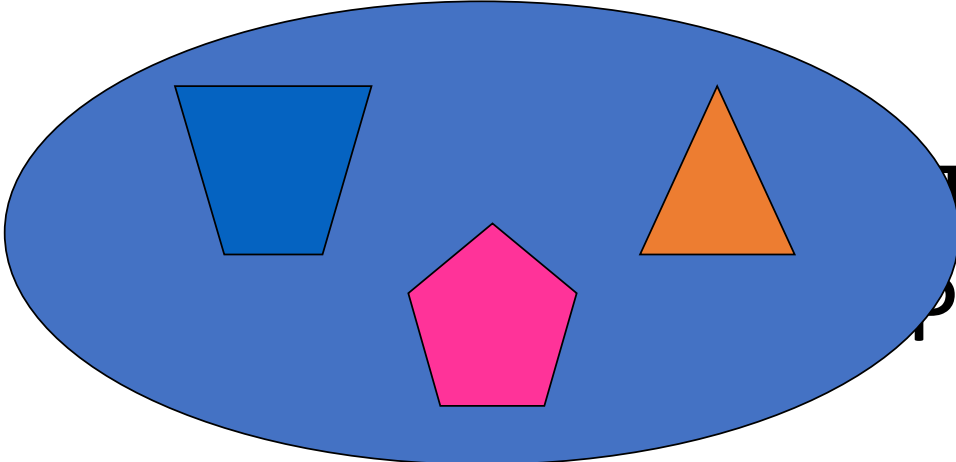
Potential features:

5. Participation of the member States in the amendments of the federal constitution
 6. Existence of a separate judiciary in the member States
- +
7. **Origin:** union of independent states??

FEDERALIZING PROCESS

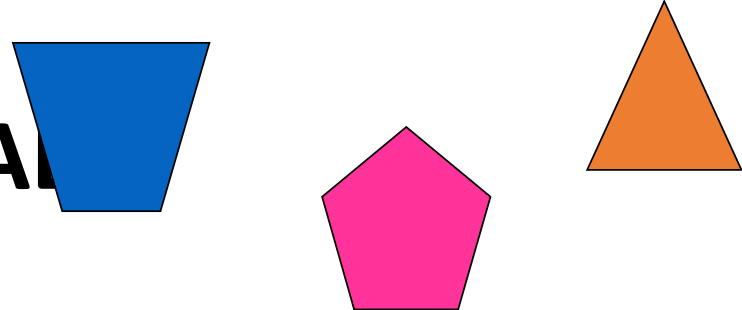
• Usually:

FEDERATION

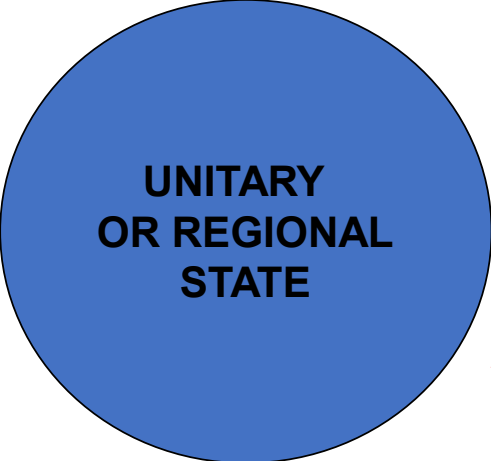


ATOM-UP
PROCESS

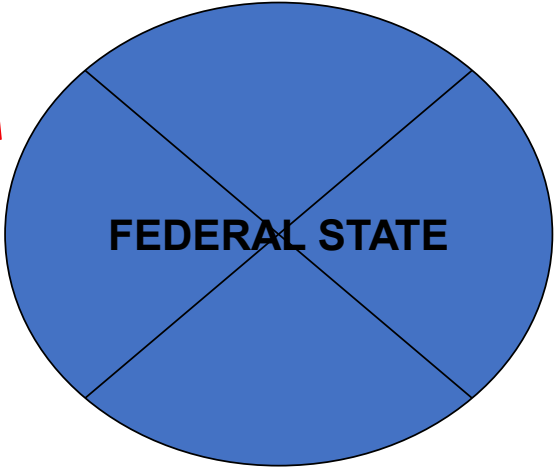
**ORIGINAL
STATES**



BUT... • More recently:



• Ex.: Belgium



TOP-DOWN
PROCESS

Basic features of regional States:

1. The Regions are regulated in the Constitution
2. Each Region has a statute of autonomy (but not a Constitution)
3. The legislative competence is shared between the State and the Regions
4. There is no second chamber representative of the Regions

3 examples of States that have a decentralized system based on POLITICAL AUTONOMY

But are not federal:

- 1) Italy (1948) → “regional State”
- 2) Spain (1978) → “State of autonomies”
- 3) United Kingdom (1997) → “Devolution”

ITALY

Territory: [km²](#) 301.000 ;

Population: 60.000.000



Constitutional/legal context

- Constitution of 1948
- Two kinds of Regions: special and ordinary listed in the Constitution
- Statutes of autonomy, different according to each kind (regional law/constitutional law)
- 5 special Regions (existing in the 40s) - 15 ordinary Regions (created in the 70s)

Main differences between special and ordinary: a) Financial regime

b) Legislative competences

THE EU REGIONAL POLICY IN ACTION.... The Italian case

- 2014-2020, approx. **50 operational programmes** under EU Cohesion Policy:
 - **Around € 22 billion** for less developed regions (Campania, Puglia, Basilicata, Calabria and Sicilia)
 - **Around 1.3 billion** for transition regions (Sardegna, Abruzzo and Molise)
 - **Around 7.6 billion** for more developed regions (Valle d'Aosta, Piemonte, Lombardia, Liguria, Veneto, Provincia di Bolzano, Provincia di Trento, Friuli Venezia-Giulia, Emilia Romagna, Toscana, Marche, Umbria, and Lazio)
- +€ 1.1 billion** for European Territorial Cooperation
- +€ 567.5 million** for the Youth Employment Initiative
- Of this, the ESF in Italy will represent a minimum of **€ 10.5 billion** in light of the specific challenges the country needs to address in the areas covered by the ESF.

United Kingdom

Territory: 244 820 [km²](#) ;

Population: approx. 67.000.000



Legal context

- No written and rigid Constitution
- The devolution process is regulated by LAWS/ACTS
- It works like a delegation of powers from the Government
- Asymmetric...

- Scotland Act 1998: creation of the Scottish Parliament
- Government of Wales Act 1998: creation of the Welsh Assembly (with mainly administrative functions)
- Northern Ireland Act 1998