



Introduction

The European Institute of the Regions (EIR) is an international non-profit and no-political association and has been founded in 2014 in Brussels, Belgium.

The main objective of EIR is to contribute to the identification and implementation of sustainable and inclusive solutions to economic and social challenges faced by European Regions and municipalities and to boost confidence in their potential and expertise.

NEWSLETTER

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European Institute of the Regions
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<http://www.eir-eu.eu/>

News from European Institutions and Regions

European Institute of the Regions:

EIR started its activities on October 14th with a general assembly in Ploiesti.

It appointed a board of management with 4 heads of department:

- EU Funds - chair Ph.D. Ionica Oncioiu
- Mobility, Transport and Environment – chair Mrs. Michaela Plonquet-Strakova
- Justice and anti-corruption - chair Mr. Nelu Neacsu
- Regional Development - chair Mr. Louis Delcart

In order to become acquainted with its future members, EIR organised in January and February 2015 three „Coffees of the region“, informal meetings where interested regions and board members could get to know each other and look for common grounds.

For reports of the meetings read further: <http://www.eir-eu.eu/>

Committee of the Regions:

Finnish Markku Markkula was elected President of the Committee of the Regions.

Does your region has an entrepreneurial vision? Apply until 16 March 2015 for the European Entrepreneurial Region (EER) More informations: www.cor.europa.eu/eer

European Commission:

Launch of the 2015 RegioStars Awards by the European Commission's Directorate General for Regional and Urban Policy. Further information can be found on the RegioStars website. Read more:

http://ec.europa.eu/regional_policy/index.cfm/en/regio-stars-awards/

European Parliament:

European Union Cohesion Policy 2014-2020: Overview of the legislative package by the Regional Development Committee. Read more:

<http://www.europarl.europa.eu/document/activities/cont/201407/20140728ATT87362/20140728ATT87362EN.pdf>

Events

Coffee of the Regions

Tuesday 13 January 9 – 10 h
COR, rue Belliard 99, Brussels 1040
Info: www.eir-eu.eu

Financial Instruments 2014-2020 under European Structural and Investment Funds (ESIF)

19 January 2015 - 20 January 2015,
Brussels - Charlemagne, GASPERI - Brussels (Belgium)
Jobs, growth, investments in Europe's regions and cities
19 January 2015, 13:00-14:30
Committee of the Regions, Jacques Delors building, room JDE 51

Coffee of the Regions

Tuesday 21 January 9 – 10 h
COR, rue Belliard 99, Brussels 1040
Info: www.eir-eu.eu

Coffee of the Regions

Tuesday 27 January 9 – 10 h
COR, rue Belliard 99, Brussels 1040
Info: www.eir-eu.eu

Meeting of the Board of Directors of EIR

February 10, 2015 @ 10:00 am
COR, rue Belliard 99, Brussels 1040
Info: www.eir-eu.eu

Coffee of the Regions

Tuesday 26 February 9 – 10 h
Presentation by L.Delcart: IS A EUROPEAN REGIONAL APPROACH FRUITFULL WHEN IT COMES TO DEVELOPING ECONOMY AND EMPLOYMENT
COR, rue Belliard 99, Brussels 1040
Info: www.eir-eu.eu

Meeting of the Board of Directors

March 4, 2015 @ 9:00 am - 11:00 am
COR, rue Belliard 99, Brussels 1040
Info: www.eir-eu.eu

EUROPEAN REGIONAL APPROACH FOR DEVELOPING ECONOMY AND EMPLOYMENT?

Louis Delcart

31. 1. 2015 - published on LinkedIn Pulse

Recent literature shows skepticism when it comes to economically developing provinces, regions and cities in Europe through a regional approach. Many articles suggest that European regions will be overwhelmed by global forces and that regions that try to develop employment on their own, even with European aid, are wasting time and energy. (Strong areas such as Baden Württemberg, Bavaria, Emilia-Romagna, Switzerland, and Vienna are the exceptions to the rule). The key words for the successful areas have been flexibility and adaptability: regions have to be able to adapt constantly to new challenges and new market demands. The businesses within the region have to be convinced that a strategy is needed and that they have to adapt their activities towards that strategy.[1]

Is it indicated then that Europe continues to support regional development through its various Funds, such as the European Regional Development Fund (ERDF) or Interreg V? (The overall ERDF-budget for 2014-2020 amounts to 185 billion €, including 10,1 billion for Interreg, the European Territorial Co-operation). Critical voices deny any progress in that matter. The main argument is that the process of economic integration across Europe may be favouring the concentration of economic activity in the core of Europe, by fostering the formation of greater agglomeration economies in the core and leading to the concentration of high value-added scale-intensive activities in a few regions.[2]

A second argument points directly to development policy related issues. First, it may be argued that, since development strategies always have a medium to long-term effect, it may still be too early to accurately assess the impact of the reform of the Structural Funds. Secondly it is argued that, despite the increase in the volume of development funds, the funds available are still too scarce to have any significant impact on growth rates.[3]

In the camp of the believers, proponents say that business support is positively associated with higher employment growth in industries that are initially smaller than in those with higher growth opportunities. The results suggest that direct support to businesses by the European Cohesion Policy contributes to the growth process of employment in different industries.[4] The most recent changes in the European Fund allocation policy has been viewed as a serious step forward. This time it is not business as usual anymore, but attribution of funds based

upon real needs and upon previously stated conditions, whereas before investments were evaluated after the investment was already made.[5]

Stick to regional policies?

Not all countries are convinced about the enactment of regional policies for the development of economy and employment. Federalised countries such as Germany, Spain, Austria or Belgium have spread the decisions about European Structural Funds throughout their regional legal entities. But also France, Italy and Sweden have set up regions as a larger entity above their arrondissements or provinces, because they have a better perspective of the local situation and they can also more efficiently manage larger volumes of attributed money.

On the other hand Europe imposes investment targets based upon an overall strategy. This period's ERDF investment programme concentrates on four key themes: 1) innovation and research, 2) information and communication technologies (ICT); 3) support for small and medium-sized enterprises (SMEs); and 4) promoting a low-carbon economy. The types of investment therefore can be: in SMEs to create and safeguard sustainable jobs, in all types of enterprise in the fields of innovation and research, the low-carbon economy, as well as ICT where SMEs are involved, in infrastructure providing basic services in energy, environment, transport, and ICT, but also in social, health and educational infrastructure, and in development of indigenous potential.[6]

The critics on this scheme make a point: if everybody is investing in the same future, there is so much competition inside Europe, that nobody is able to derive any benefit from it. In other words, circumstances are so different, that one cannot describe the strategy for a continent in 4 key sentences. The future of Europe is not only in more efficient energy, more efficient transport and ICT in all sectors. The future of Europe in many places is also in efficient, healthy and qualitative agricultural products; beautiful, original, qualitative clothing and furniture; artistic features such as design; wood carving and metal working products and special fabrics; preservation, promotion and accessibility to our vast historic and cultural heritage; and recycling of 90% of our waste as new raw material for the above mentioned products.[7] These are goals for common people, with common ideas and skills and with the ambition to offer a healthy prosperous life to their family and maybe even some other people in their neighbourhood. That is also a regional approach to economic and employment development. And on some occasions, some of those local entrepreneurs have the potential to outgrow their regional context. They have to be fostered by regional authorities in

order to give them the necessary support to spread their wings, and preferably not as Icarus.

Not everybody is able and willing to move from one less developed place to another better developed place, like the high potential unemployed from the Mediterranean countries do nowadays. It is therefore necessary that a regional approach also requires input from the regions in the overall strategy development and policy making. Not every region or province has had a glorious past with successful entrepreneurs and creative universities. Sometimes things have to be created from scratch. Regional authorities have to create the circumstances and sometimes to interfere in an overall capitalistic scheme. Assisting SMEs to redevelop shopping streets in a city means also intervening in the burden of rental schemes for shops. Or in managing industrial zonings at cost price but with excellent services. Or in lowering taxes required from SMEs. In jointly promoting the offer from SMEs.

In the last Coffee of the Regions of Brussels based European Institute of the Regions, it was suggested by a Swedish representative to create a platform for regions and municipalities with the same features, enabling them to collaborate. Because regions and municipalities in remote areas, in locations with less dense or even scarce population have other needs than the ones located in the heart of the European Union, the so called blue banana. And of course: there exist best practice examples of that kind. But the fact that these areas collaborate are often thanks to casual, personal contacts of active mayors or regional representatives, and not thanks to the objective, transparent search criteria is nice but also striking and requires a more professional input in the future.

And of course there are beautiful examples of what has been achieved in the past, but they need more dissemination, and conclusions. Regions and municipalities often consider themselves as different from the others, or even in unique circumstances. They see too much the differences in location, social development, legislation, political context, rather than seeing the opportunities to extrapolate features from success stories into their own environment. That is what the European Institute of the Regions stands for: find common denominators, extrapolate, bring people together working within similar circumstances, but willing to collaborate within a Europe that wants to promote cohesion and development.

Louis Delcart - Head of Department Regional development - European Institute of the Regions www.eir-eu.eu

[1] Globalization, Institutions, and Regional Development in Europe, edited by Ash Amin and Nigel Thrift, Oxford University Press

[2] Regional integration, scale economies and industry location in the European Union, Brülhart M Torstensson J 1996, CEPR Discussion Papers 1435, Centre for Economic Policy Research, London

[3] Unbalanced development strategies and the lack of regional convergence in the EU by Andrés Rodríguez-Pose and Ugo Fratesi,
<https://www.lse.ac.uk/geographyAndEnvironment/research/Researchpapers/rp76.pdf>

[4] The Effect of Business Support on Employment in Manufacturing: Evidence from the European Union Structural Funds in Germany, Italy and Spain, Massimo Florio & Luigi Moretti, European Planning Studies, Volume 22, Issue 9, 2014,

[5] Why Europe's New Cohesion Policy is Unlikely to Enhance the Effectiveness of EU Structural and Investment Funds., A.Chalmers and L.Dellmuth on Critcom, 12 dec 2014
<http://councilforeuropeanstudies.org/critcom/why-europes-new-cohesion-policy-is-unlikely-to-enhance-the-effectiveness-of-eu-structural-and-investment-funds/>

[6]
[http://ec.europa.eu/regional_policy/thefunds/regional/index_en.cfm/](http://ec.europa.eu/regional_policy/thefunds/regional/index_en.cfm)

[7] And this list is not exhaustive!