

# **EU Cohesion Policy: Social Market Economy - Solidarity or Competitiveness or Both?**

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**Oto Potluka**

*„The risk of wrong changes is high. The risk that no change will take place is also very high.“*

Barca (2009, p. VII)

# The social-market economy (and EU Cohesion Policy?)

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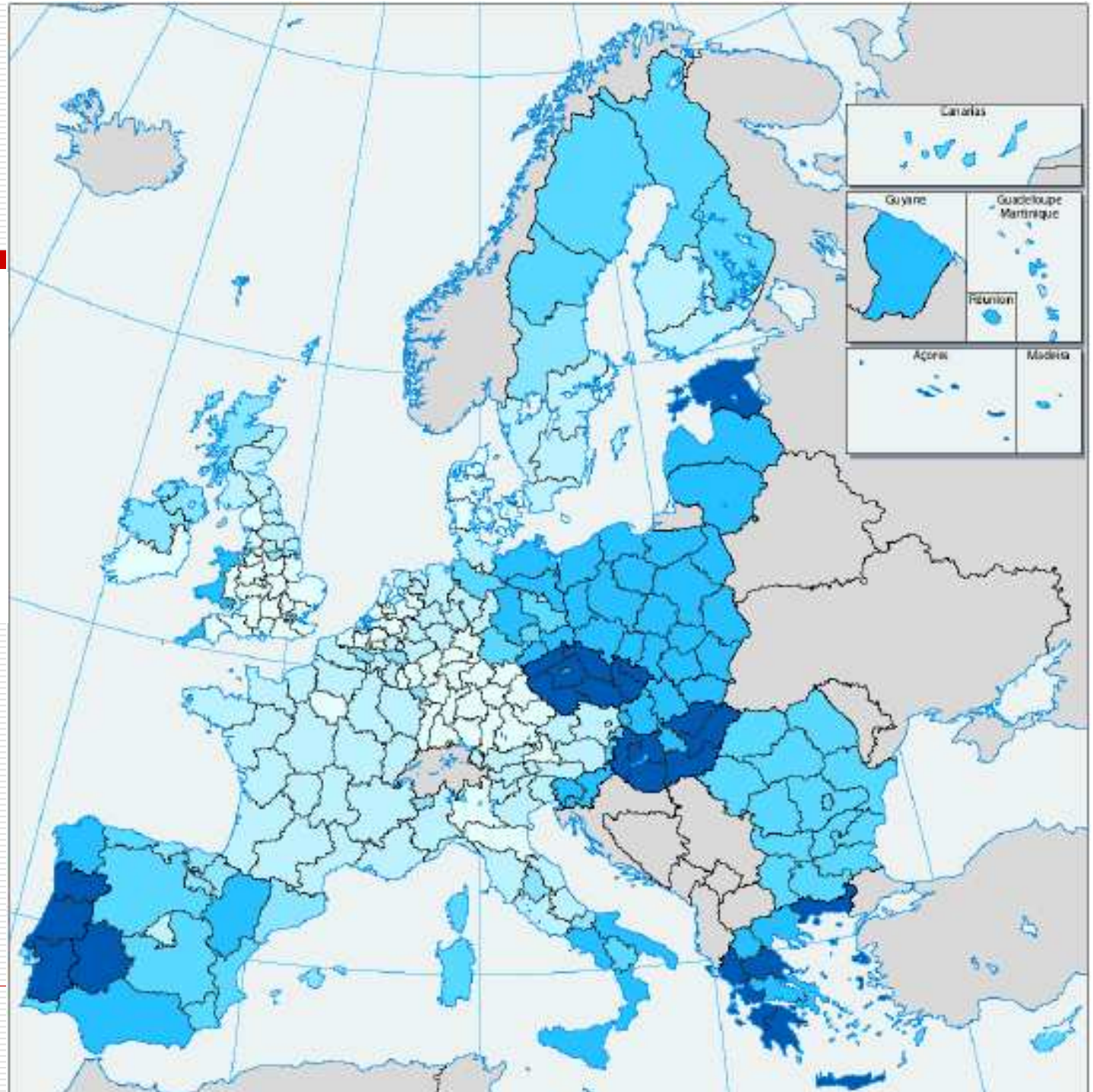
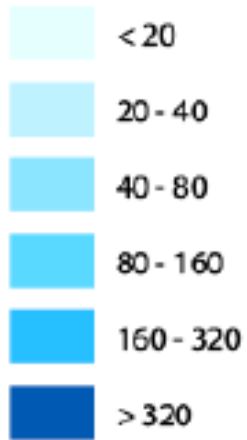
- ❑ A market economic system rejecting both socialism and laissez-faire: A system combining private enterprise with government regulation to establish fair competition
  - ❑ EU Cohesion Policy – supporting competitiveness by redistribution
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# The social-market economy (and EU Cohesion Policy?)

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- ❑ Collective bargaining at the national level – attempt to get social peace
  - ❑ Partnership principle in EU Cohesion Policy – reaction to the democratic deficit at the EU level?
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**Overall annual  
aid intensity  
2007 - 2013  
Euro/inhabitant**



Source: Barca (2009)

# Challenges for future of EU Cohesion Policy

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- ❑ Discussion has already started.
  - ❑ Support for poorer regions?
  - ❑ Support of the development poles?
  - ❑ Aiming at few core priorities?  
(innovations, climate change,  
children, migration, skills, ageing)  
Regions 2020 (energy, ageing,  
climate change, globalization) Barca's  
report
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# What future for EU Cohesion Policy?

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- ❑ What criteria to use? (GDP and beyond)
  - ❑ What are the effects in „new“ member states (including CEEC)?
  - ❑ European dimension?
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# Challenges for future of EU Cohesion Policy

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- ❑ The economic crisis and unemployment - some countries prefer re-nationalisation of resources.
- ❑ The possibility of reviewing of financial resource has triggered strong criticism from Eastern European member states.

# Barca report's recommendations

## 1-3/10

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- ❑ Concentration on core priorities (approximately 60 % of funds to 3 – 4 priorities)
- ❑ New strategic framework (dialogue between EC and MS – core priorities, indicators for assessing performance)
- ❑ Contractual relationship, implementation and reporting (aimed at performance indicators – MS to inform on results every year after the third year)

# Barca report's recommendations

## 4-6/10

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- ❑ Strengthening governance for the core priorities (including pre-implementation period)
  - ❑ Promoting additional, innovative and flexible spending (linkages to Stability and Growth Pact, contracting)
  - ❑ Promoting experimentalism and mobilising local actors (bottom-up initiative x acceptance of the political decision x local interest groups)
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# Barca report's recommendations

## 7-10/10

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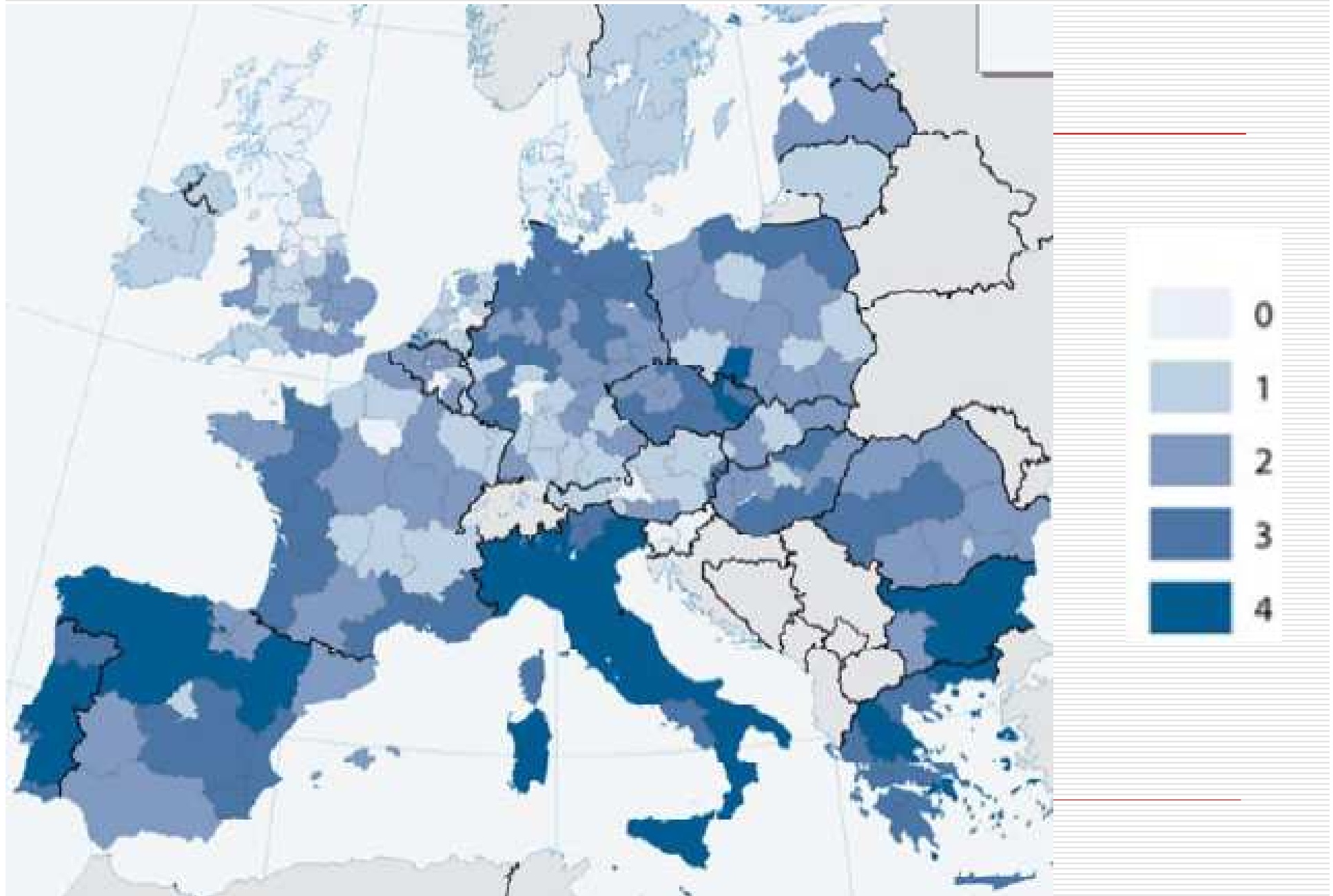
- ❑ Promoting the learning process (impact evaluations, counterfactual evaluations)
- ❑ Refocusing and strengthening the role of EC – centre of the competence (encouraging counterfactual methods, cooperation among DGs)
- ❑ Addressing financial management and control (especially for EC – clearer rules, higher efficiency)
- ❑ Reinforcing the high-level political system of checks and balances (EC, EP, Council)

# Regions 2020

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- Energy vulnerability
  - Climate change vulnerability
  - Demography vulnerability
  - Globalisation vulnerability
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# Number of challenges (Regions 2020)



# Negotiations

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- EC proposal to remove ESF from the EU Cohesion Policy?  
=> Strong criticism of the EC by the governments of CEEC
  - New Cohesion Report
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# Conclusions

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- ❑ Strong pressure on the Cohesion Policy to be European, not just for few countries with development lagging behind
  - ❑ Efficiency x Social inclusion
  - ❑ Strong political compromise is required
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Thank you  
for your attention

Oto Potluka

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