

World Economy

Regional and Local Development in the EU

Regional policy as part of the economic policy

The historical development of regional policy

EU regional policy

Comparison of the development of inter-regional differences of the countries of the EU

- Regional policy as part of the economic policy represents a set of objectives, measures and tools to reduce too large differences in socio-economic level of individual regions.
- The Existence of differences in the economic development of the regions is considered to be one of the main reasons justifying the needs of state interference in the economy through regional policy.

The European Union's regional policy seeks to reduce structural disparities between EU regions, foster balanced development throughout the EU and promote real equal opportunities for all. Based on the concepts of solidarity and economic and social cohesion, it achieves this in practical terms by means of a variety of financing operations, principally through the Structural Funds and the Cohesion Fund. For the period 2007-2013, the European Union's regional policy is the EU's second largest budget item, with an allocation of €348 billion. The objective of economic and social cohesion was introduced in 1986 with the adoption of the Single European Act. The policy was finally incorporated into the EC Treaty itself (Articles 158 to 162) with the Maastricht Treaty (1992).

The motives of the existence of regional policy

- economic,
- ecological,
- social,
- political.

From a theoretical point of view, it is possible to define two main groups of instruments and tools of macroeconomic and micro-economic tools regional policy.

Among the significant theoretical tools of macro-economic regional policy it is possible to sort by, in particular:

- fiscal policy,
- monetary policy
- protectionism.

Micro-economic instruments of regional policy can be defined as a tool on the positioning behavior of individual business entities in a given region.

The focus of the microeconomic tools it is possible to navigate on the solution to the situation on the regional labour market having a concrete form in stimulating the movement of labour.

The second type of tools focused on movement of capital is theoretically defined as a tool to direct support of the new jobs in the regions.

The practical form of this instrument can be provided subsidies to companies in the regions, reductions in tax rates.

■ exogenous regional policy

■ endogenous regional policy

History of the policy - Regional Policy - Mozilla Firefox

Soubor Úpravy Zobrazení Historie Záložky Nástroje Naposledá

History of the policy - Regional Policy

ec.europa.eu/regional_policy/what/milestones/index_en.cfm#1

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European Commission

REGIONAL POLICY - INFOREGIO

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What is regional policy?

Overview

Financial crisis

Territorial cohesion

Europe 2020 strategy

Cohesion policy 2014-2020

History of the policy

Glossary

History of the policy

1957 - 1987

Robert SCHUMAN
Treaty of Rome

or as a composite whole,

- 1957 – regional policy finds its origins in the Treaty of Rome founding the European Economic Community.
- 1968 – Directorate-General for Regional Policy of the European Commission was created.
- 1975 – creation of the European Regional Development Fund

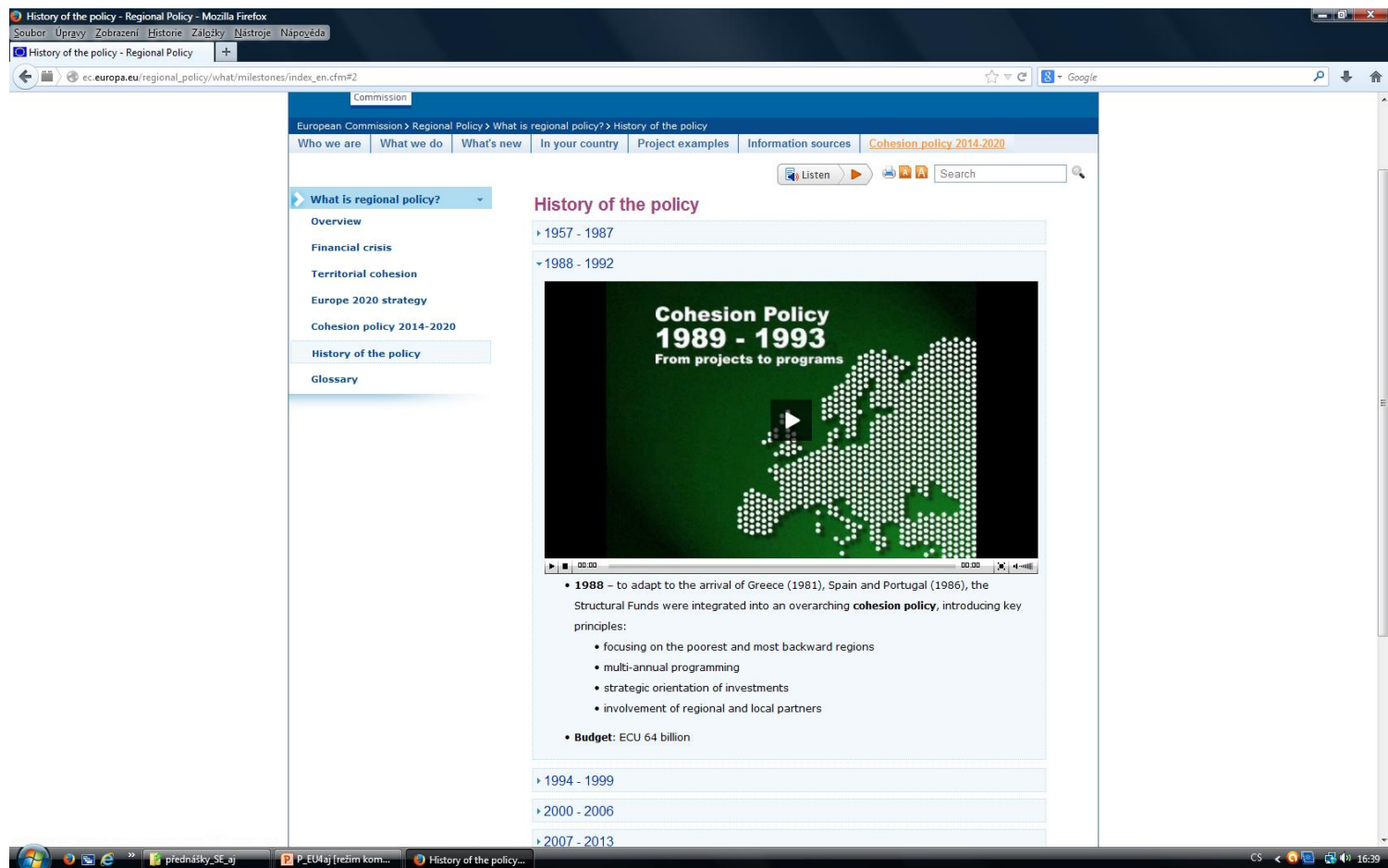
1988 - 1992

1994 - 1999

2000 - 2006

2007 - 2013

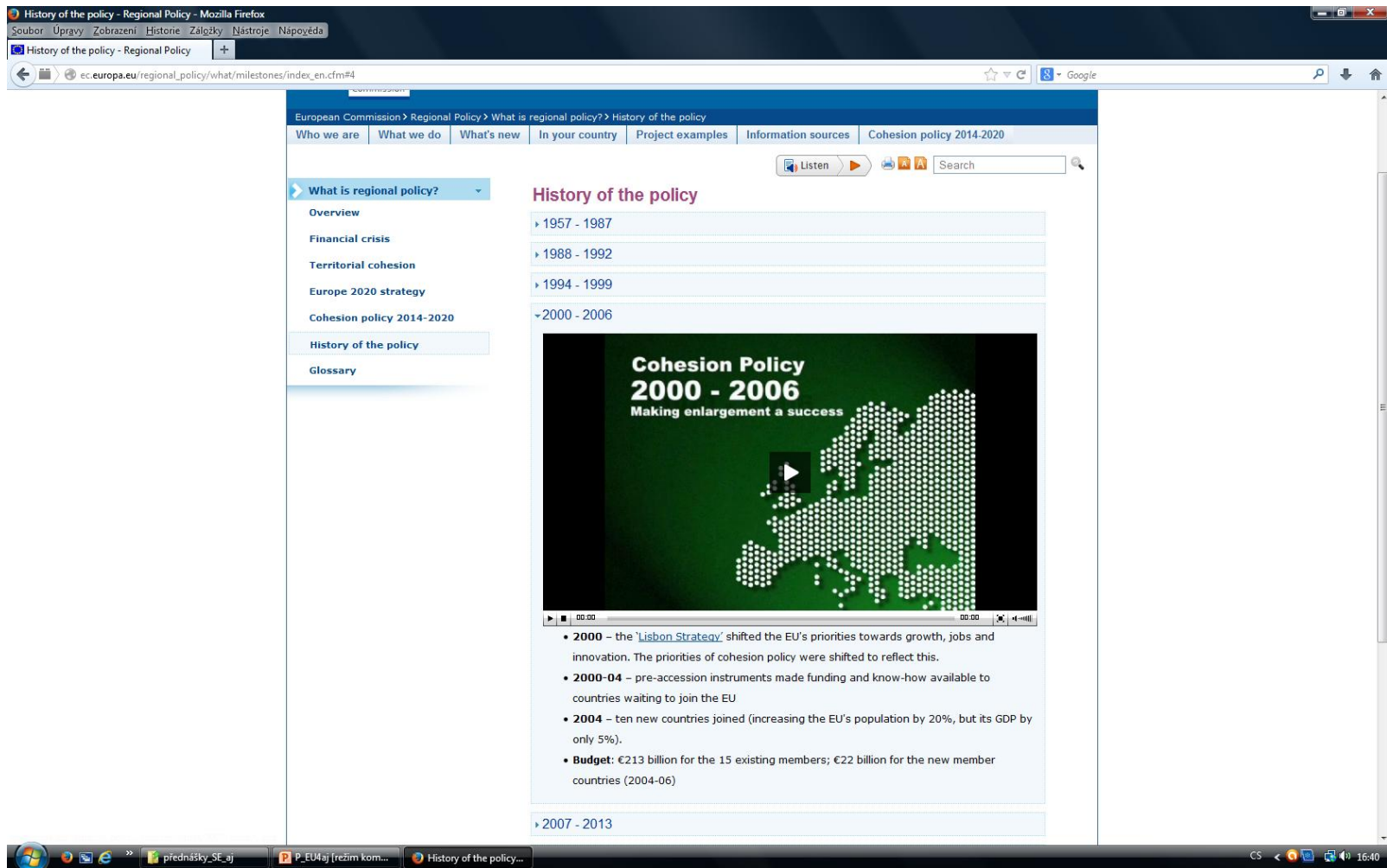
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The principles of regional policy

- Solidarity
- Subsidiarity
- Concentration
- Programming
- Additionality
- Monitoring and evaluation

Cíle regionální politiky

The objectives of the regional policy of the European Union as part of the structural policy, it is possible the split into 3 periods:

- 1988 – 1999,
- 2000 – 2006,
- 2007 – 2013.

2007 – 2013

The EU's regional policy covers all European regions, although regions across the EU fall in different categories (so-called objectives), depending mostly on their economic situation. In the current 2007–2013 funding period, EU regional policy consists of three objectives:

Convergence,

Regional competitiveness and employment, and

European territorial cooperation.

Regional policy interventions to reduce disparities and promote economic convergence are spread through 3 funds:

ERDF: European Regional Development Fund

ESF: European Social Fund

Cohesion Fund (applies to MS with <90% average GNI and covers the new member states as well as Greece and Portugal. Spain is eligible on a transitional basis)

The Convergence

Convergence means that the difference between two or more variables over time decreases and becomes negligible – converges to zero.

real convergence

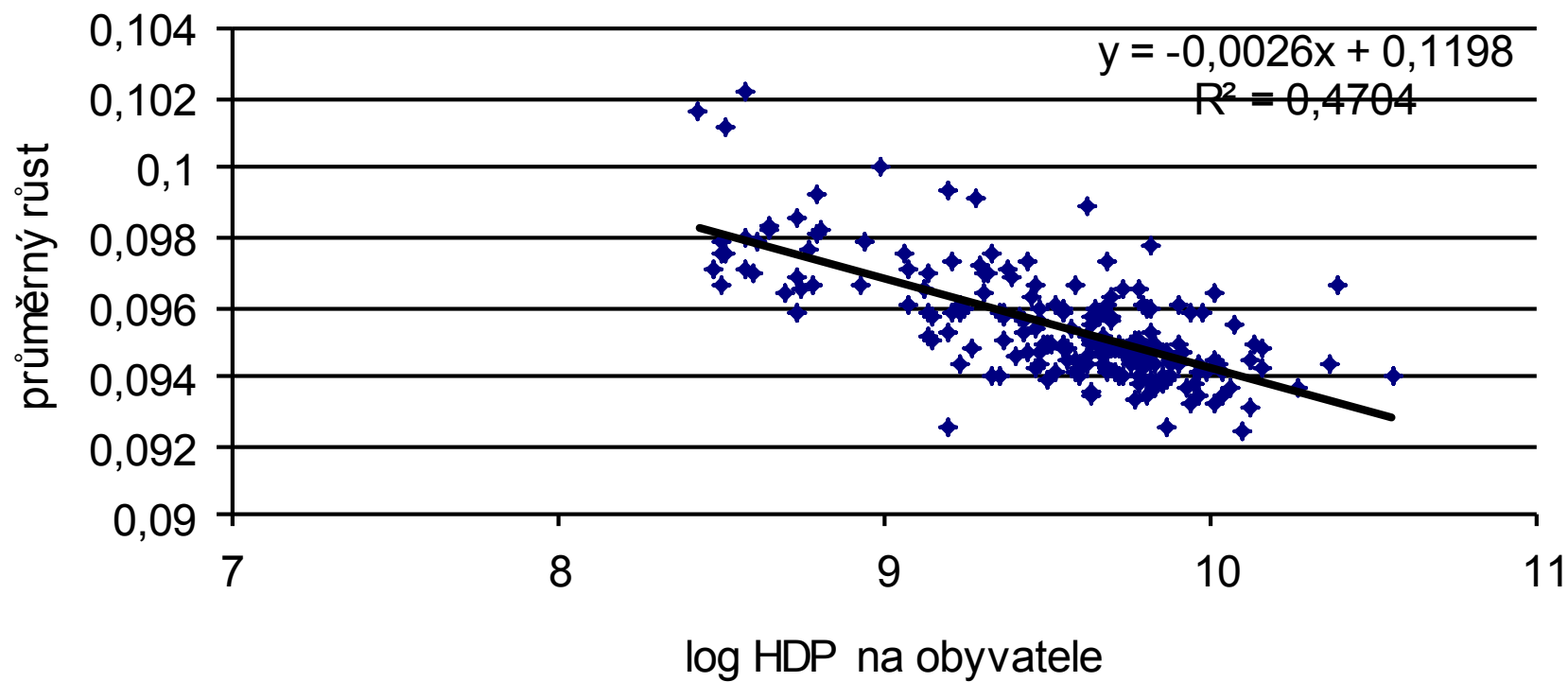
nominal convergence

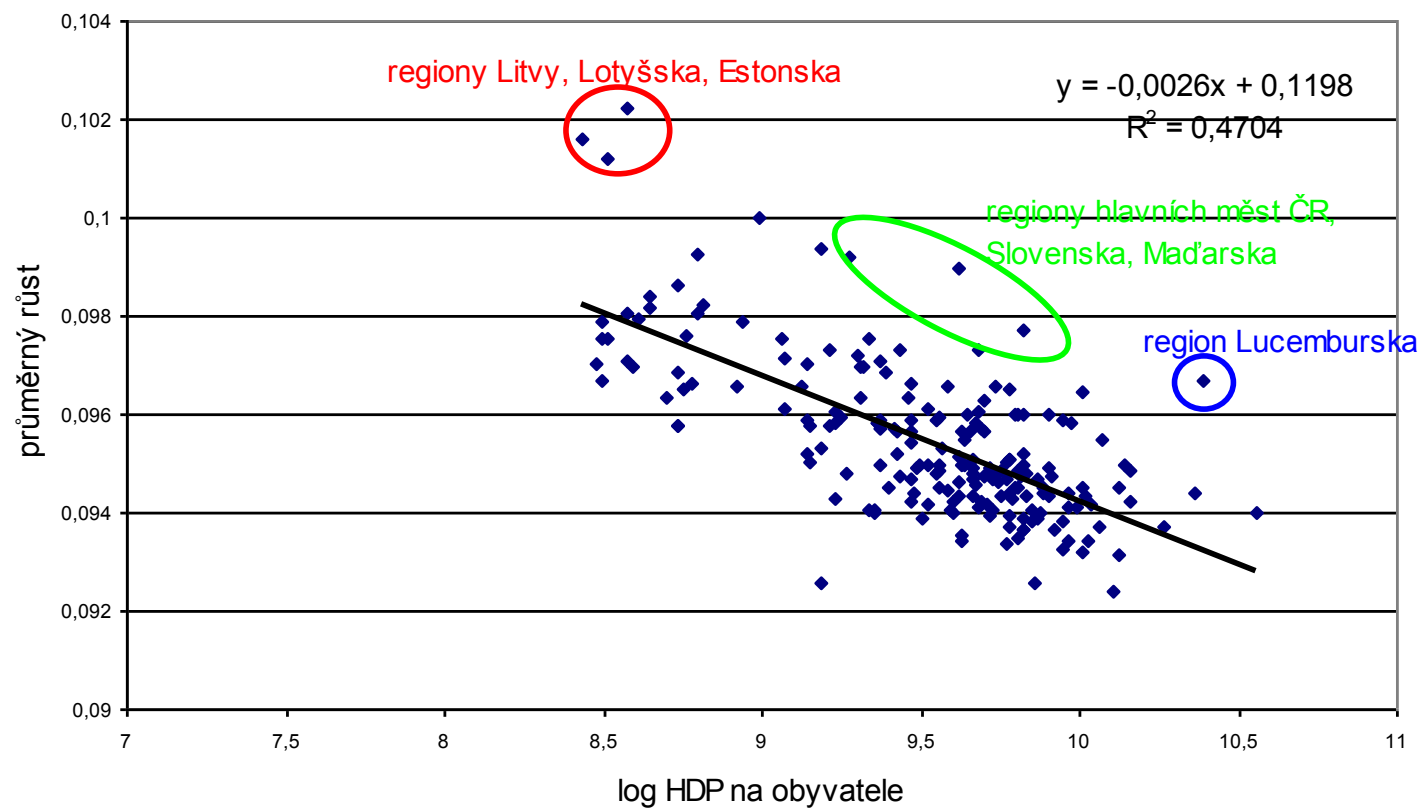
beta convergence

beta konvergence

Beta convergence can be understood as a situation when the country (regions) with a lower GDP per capita grow faster than countries (regions) with a higher GDP per capita. Convergence is understood as a reduction of the difference between these quantities.

$$\frac{1}{T} \cdot \log \left(\frac{y_{i,T}}{y_{i,0}} \right) = \alpha + \beta \cdot \log y_{i,0} + u_i$$





Typology of regions

- 1) Immature peripheral regions
- 2) Regions affected by industrial decline
- 3) Central region
- 4) technopolis

The **Nomenclature of Territorial Units for Statistics**¹ is a [geocode standard](#) for referencing the [subdivisions](#) of [countries](#) for statistical purposes. The standard is developed and regulated by the [European Union](#), and thus only covers the [member states of the EU](#) in detail. The Nomenclature of Territorial Units for Statistics is instrumental in the European Union's [Structural Fund](#) delivery mechanisms.

For each EU member country, a hierarchy of three NUTS levels is established by [Eurostat](#); the subdivisions in some levels do not necessarily correspond to [administrative divisions](#) within the country. A NUTS code begins with a two-letter code referencing the country, which is identical to the [ISO 3166-1 alpha-2](#) code (except *UK* instead of *GB* for the United Kingdom). The subdivision of the country is then referred to with one number. A second or third subdivision level is referred to with another number each. Each numbering starts with 1, as 0 is used for the upper level. Where the subdivision has more than nine entities, capital letters are used to continue the numbering.

Level	Minimum	Maximum
NUTS 1	3 million	7 million
NUTS 2	800,000	3 million
NUTS 3	150,000	800,000



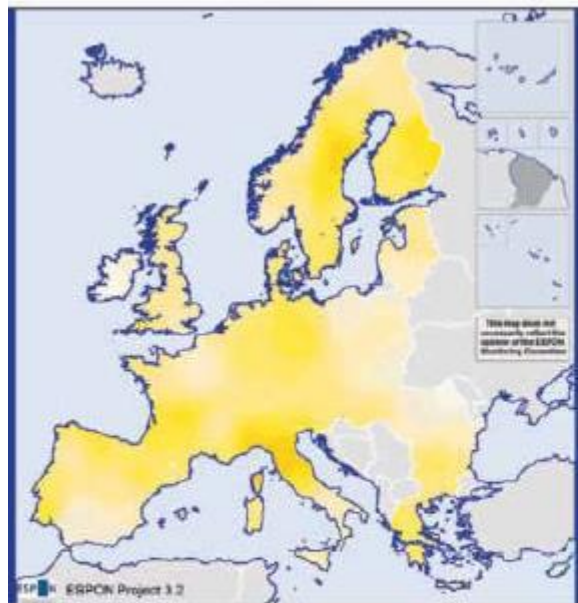
The future of EU regional policy after 2013

Europe 2020 Strategy (identified potential threats)

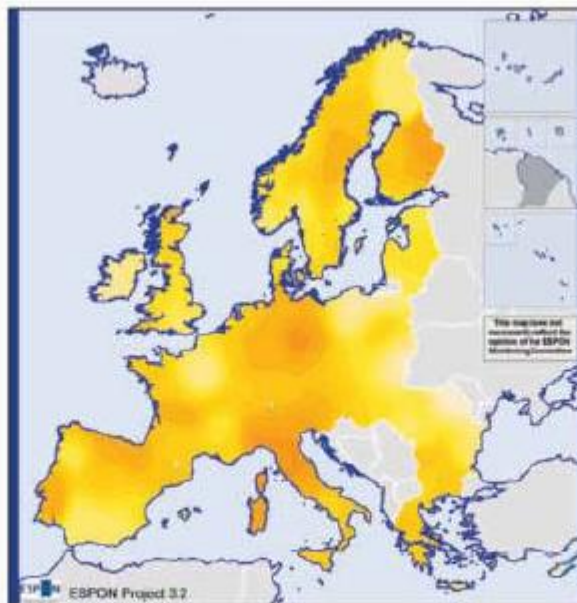
globalization, demographic developments, energy

Barcova report – [An Agenda for a reformed cohesion policy](#)
[Orientation paper](#) - Pawel Samecki

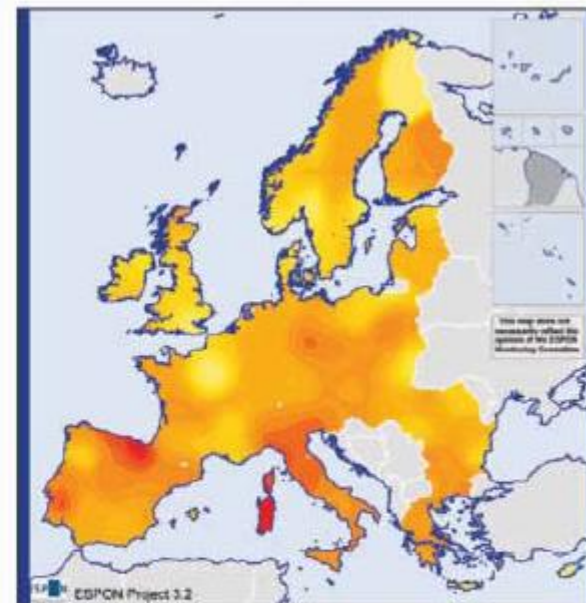
2000



2015



2030



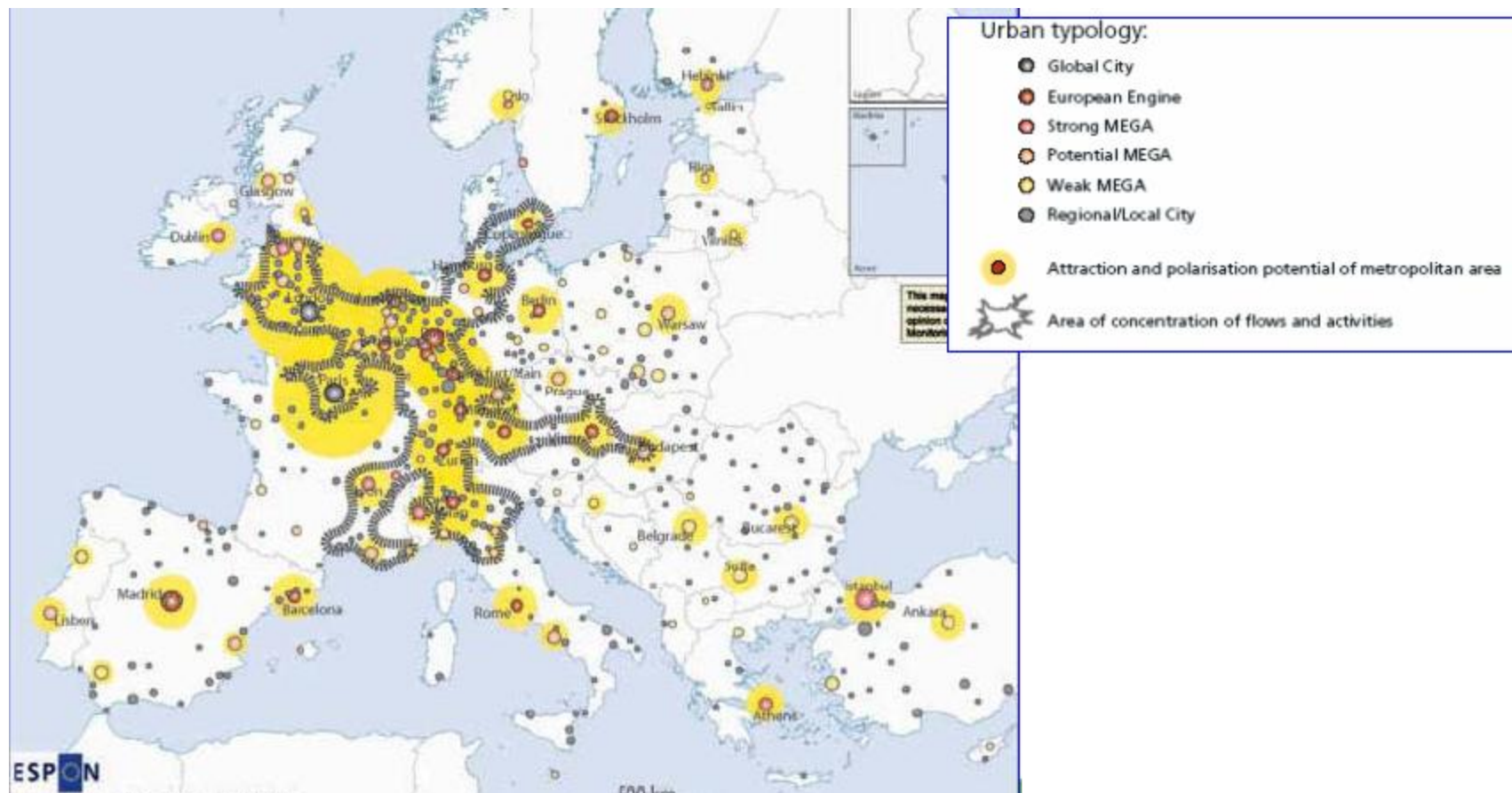
Median age (years)



no data

Projections based on data from UNPP 2004, ESPON database 2005 and ULB 1991
© EuroGeographics Association for administrative boundaries

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