

# Implementing decentralisation and territorial reform in Eastern Europe

# Outline

- I. The huge challenges
- II. Asymmetries
- III. Successes and failures
- Conclusion

# I. The huge EU challenges

# Huge challenges because 1 :

- The regional policy took place within an **enormous flow of changes** (31 chapters) and claimed for absolutely **necessary pre-existing pillars**
  - Political
  - Economic
  - Social
  - Municipalities
- **But most of these pillars were missing in 1990.**
- **How to implement such a new policy without these pillars ?**

## **CHAPTERS OF THE ACQUIS**

- |  |   |
|--|---|
| <b>Chapter 1</b> Free movement of goods              | <b>Chapter 18</b> Education and training                                      |
| <b>Chapter 2</b> Freedom of movement for persons     | <b>Chapter 19</b> Telecommunications and information technologies             |
| <b>Chapter 3</b> Freedom to provide services         | <b>Chapter 20</b> Culture and audio-visual policy                             |
| <b>Chapter 4</b> Free movement of capital            | <b>Chapter 21</b> Regional policy and co-ordination of structural instruments |
| <b>Chapter 5</b> Company law                         | <b>Chapter 22</b> Environment   |
| <b>Chapter 6</b> Competition policy                  | <b>Chapter 23</b> Consumers and health protection                             |
| <b>Chapter 7</b> Agriculture                         | <b>Chapter 24</b> Co-operation in the fields of justice and home affairs      |
| <b>Chapter 8</b> Fisheries                           | <b>Chapter 25</b> Customs union   |
| <b>Chapter 9</b> Transport policy                    | <b>Chapter 26</b> External relations  |
| <b>Chapter 10</b> Taxation                           | <b>Chapter 27</b> Common foreign and security policy                          |
| <b>Chapter 11</b> Economic and monetary union        | <b>Chapter 28</b> Financial control   |
| <b>Chapter 12</b> Statistics                         | <b>Chapter 29</b> Financial and budgetary provisions                          |
| <b>Chapter 13</b> Social policy and employment       | <b>Chapter 30</b> Institutions  |
| <b>Chapter 14</b> Energy                             | <b>Chapter 31</b> Other   |
| <b>Chapter 15</b> Industrial policy                  |   |
| <b>Chapter 16</b> Small and medium-sized enterprises |   |
| <b>Chapter 17</b> Science and research               |   |

## 2. No “one model fits all”

- **States are sovereign** and have to decide by themselves about their own national institutional design.
- The EU refuses to deliver more details on what the regions should do and what the optimal regional institution should be
- The EU only indicates the fact that the regions, by respecting the subsidiary principle have the responsibility to manage the EU funds.
- **A lot of critics indeed blamed the commission for its formal and strictly judicial assistance, without concrete support.**

### 3. A « place-based policy »

#### The Barca report

- It restates the OECD invitation to consider the territorial development policy with an approach “that is place-based, multilevel, innovative and geared to different types of regions”.
- “On this basis we can define a “place based policy aimed at **social inclusion**” as follows : a **long-term, permissible and mobilizing, place-based (or territorial) strategy** aimed at **improving social inclusion** in a set of multidimensional outcomes **through the provision of public goods and services**, by firstly guaranteeing **socially agreed essential standards to all**, and then by improving **the well-being of the persons which are at least disadvantaged**”

# 4. The structural funds

The structural funds raise issues about :

- The **additionnality** (to the budget)
- The **complementarity** (of the strategies)
- The **partnership** (PPP)
- The **crossing priorities and measures**
- The management of the funds: **implementation and control**

## II. The asymmetries

# The Political, industrial and territorial disparities

- Centralized government and centralized polities
- Lack of decentralized units
- Heavy industry
- Economy deeply integrated to the Soviet market
- Subsidized economy
- Large energy consumption
- Huge Lack of
  - civil societies
  - private firms and lack of entrepreneurs
  - of innovation



Hence:

many conflicts emerge due to the asymmetry

- **Political:** Western decided / Eastern applied
- **Economic:** high developed vs low developed (lack of services)
- **Social:** no organized civil society (defense of the consumer)
- **Administrative:** no skilled people (strategic documents, implementation and control)
  - In the Regional institutions
  - In the municipalities

# Deep and hard conflicts

Duration of the negotiations of some chapters of the Acquis Communautaire

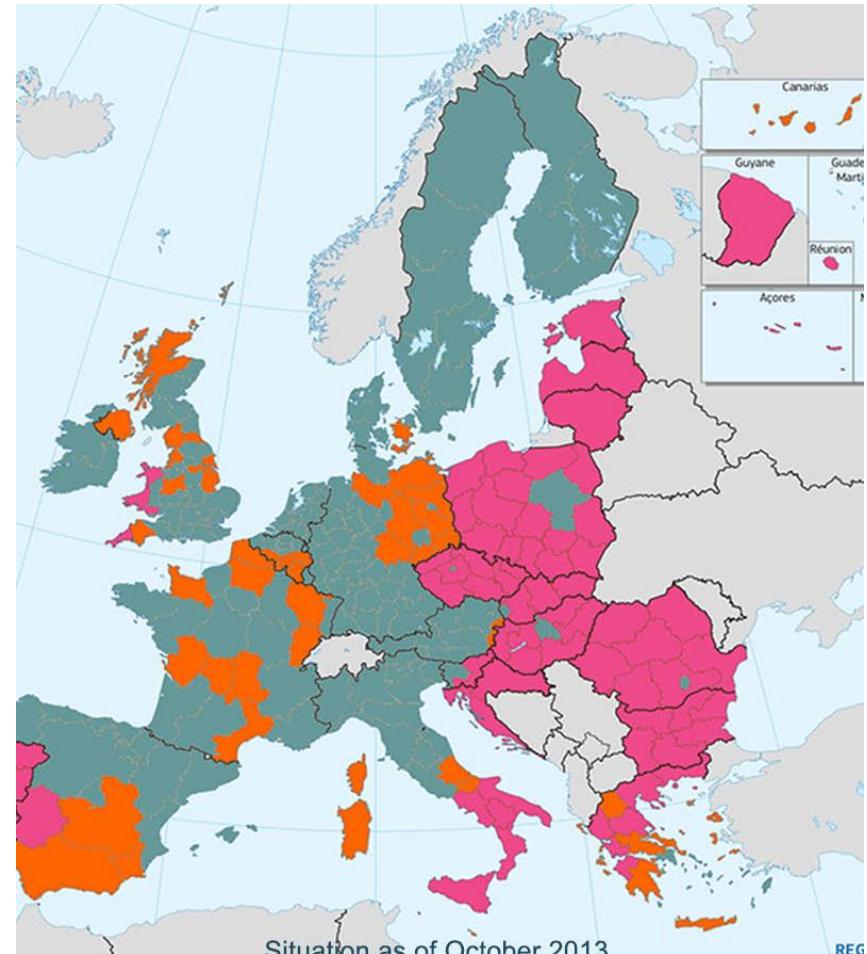
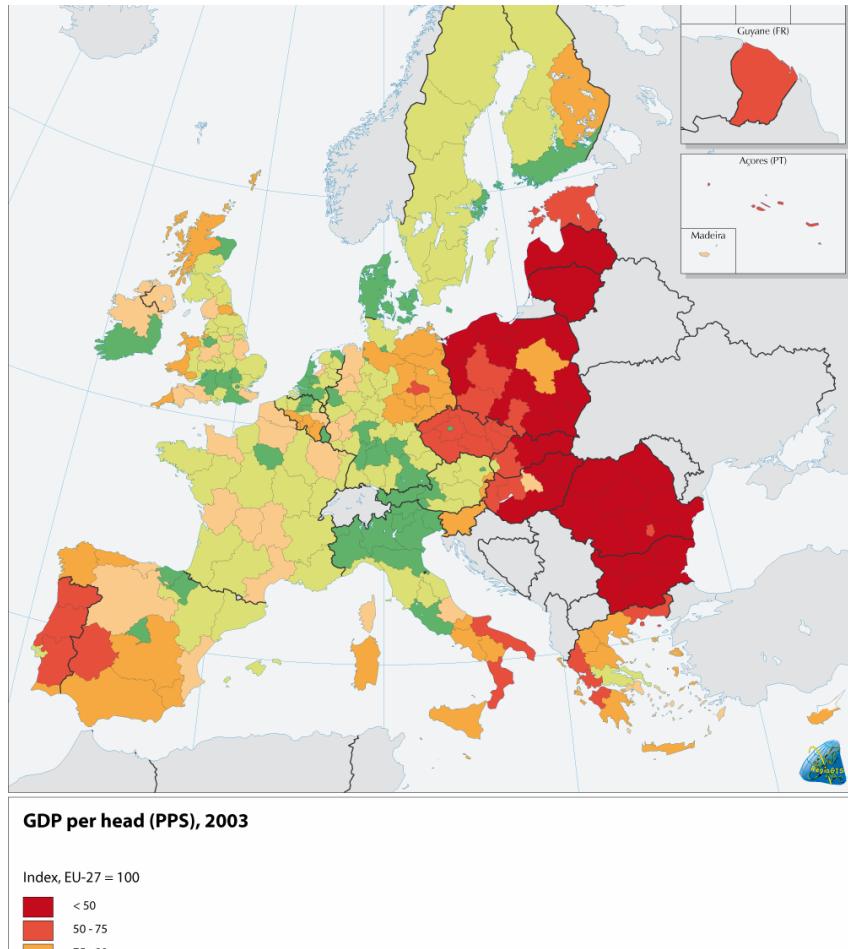
different sectors / Strong ecological interests / transforming process : adaptation / Conflicts can be positive

	Bulgaria	Czech Rep	Estonia	Hungary	Lithuania	Lituania	Poland	Romania	Slovakia	Slovenia
Freedom of goods	8	17	24	13	0	5	19	21	0	19
Concurrency	39	41	30	43	18	18	43	49	29	30
Agriculture	33	30	30	30	18	18	30	25	18	30
Taxation	10	25	31	19	13	10	28	20	9	25
Employment and social policies	6	20	13	14	16	4	18	6	3	14
Regional Policy	31	24	26	27	15	15	32	29	15	27
Environment	23	18	18	18	6	7	22	31	8	16
Justice and home affairs	28	19	23	18	12	10	14	32	12	19

# III. Successes and failures

# The Cohesion policy

## 2007-2013      2014-2020

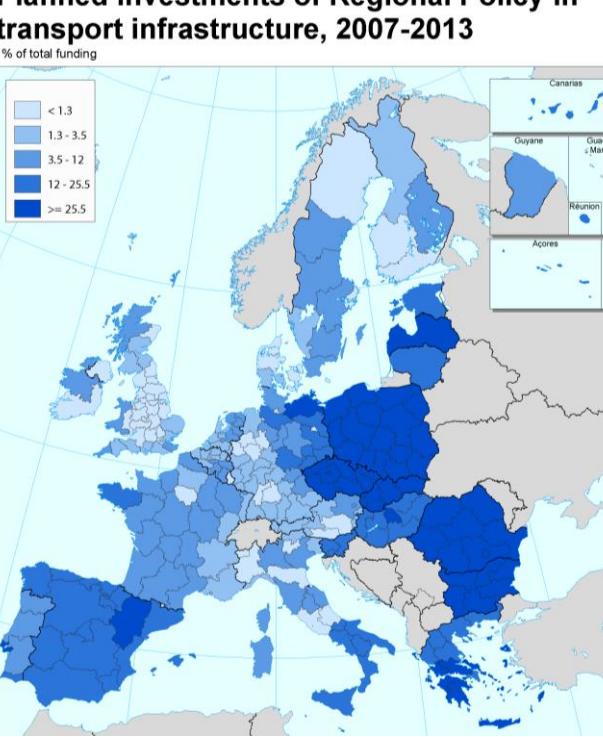


# The successes

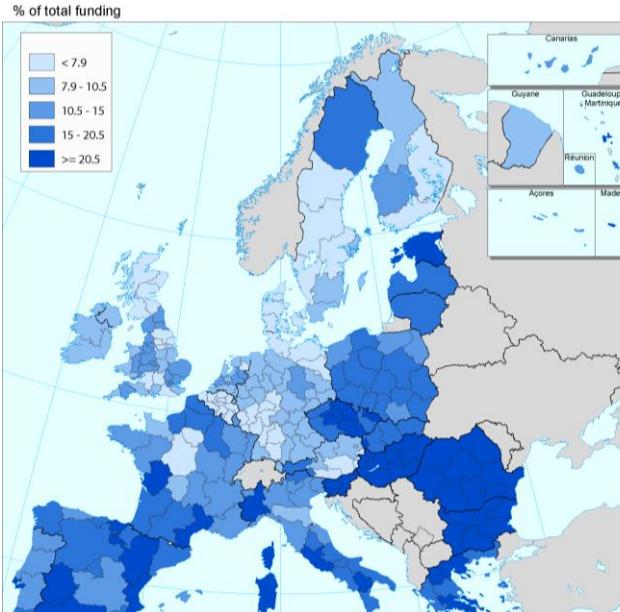
- The Cohesion policy has played a relevant part in the “**paradigm shift**” in regional development policies across the EU, **towards a more place-based, knowledge-oriented, participatory and integrated approach** to public investment based on multilevel governance.
- The Cohesion policy has provided a **common framework for policy management**, allowing for **institutional diversity while facilitating cooperation and exchange of information across regions and places**.
- There is evidence of cohesion policy **strengthening the role of administrative Regions and local governments**, as part of the regionalisation process in some parts of the EU
- **An evaluation culture has been promoted across the EU**, encouraging awareness, capacity-building and methods for assessing regional development in countries and regions where this was previously limited or non-existent

# Cohesion policy has improved connectivity And access to clean water and urban waste water

- 2,000 km of motorways built
  - the construction of 4,000 km of rail, including high-speed
  - Future focus should be on greener modes, urban public transport and inter-modal links and on motorways only outside the EU-15
- ## Water access
- An additional 20.5 million inhabitants are served by waste water projects to EU standards, but more is needed
  - An additional 14 million inhabitants have been served by water supply projects



environment, 2007-2013

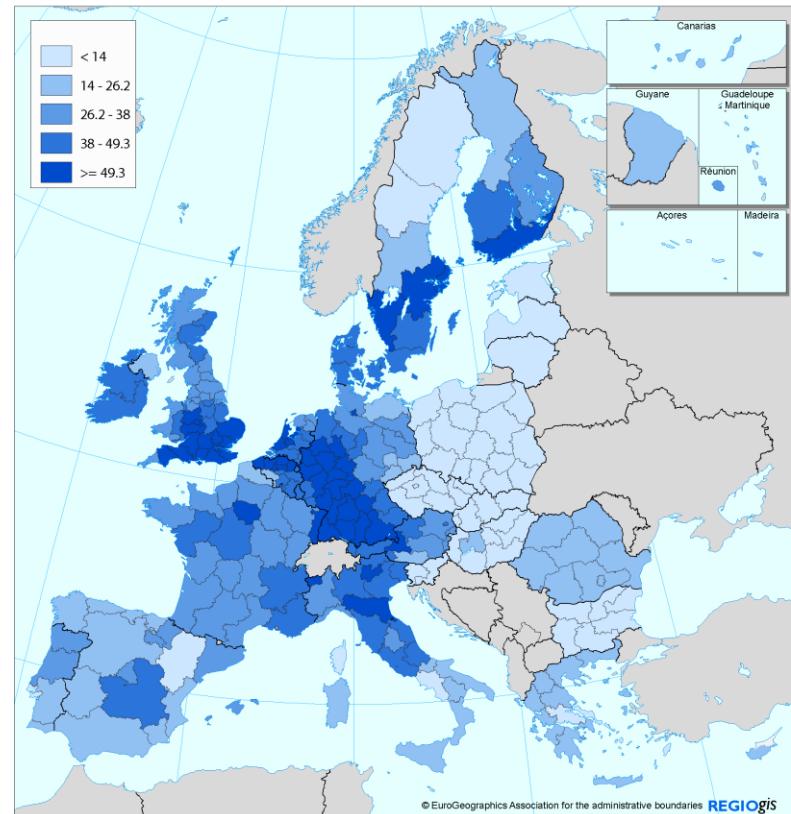


# Promoting employment, education and inclusion

- 40% of the unemployed trained have found a job
- Funded one third of Active Labour Market Policies expenditure
- targets specific vulnerable groups such as youth, women, minorities, low-skilled, long-term unemployed...

**Planned investments of Regional Policy in human capital, 2007-2013**

% of total funding



# But important failures

- Often lack clear-cut objectives and a justification of how planned interventions should achieve them.
- Priorities are very broad, covering all possible areas of public action and cannot be identified with any European public good.
- The missing link between infrastructures and employment policies
- Business aid is less effective in poorer regions
- Insufficient attention paid to education and human capital
- Long term impact is weak beyond the programme period

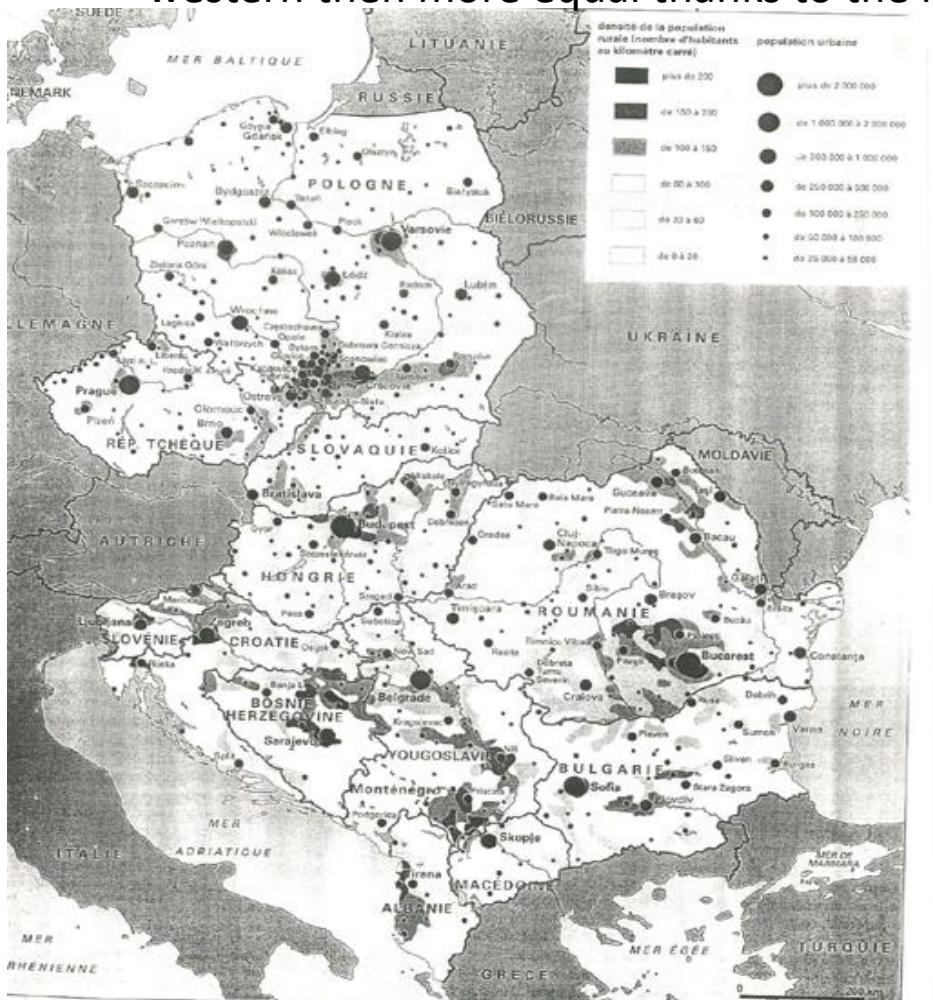
# Conclusion

# Industrial and territorial development

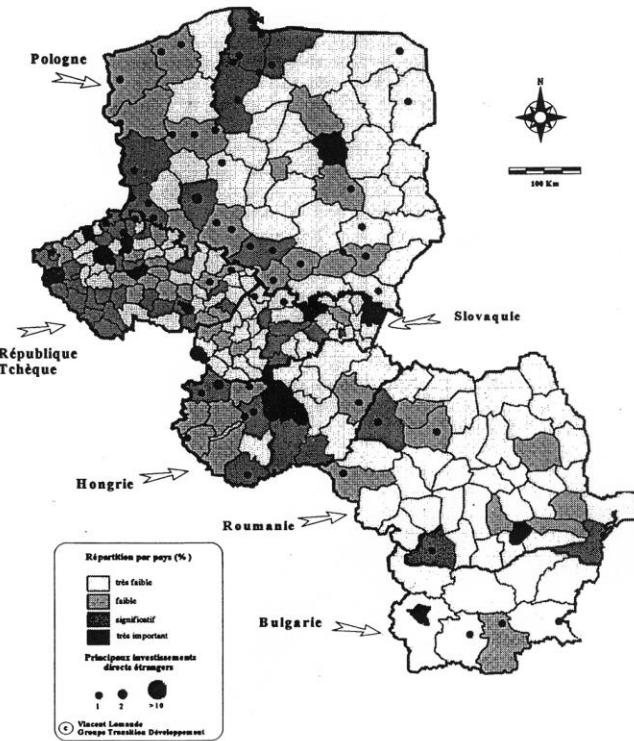
< 1990

> 2000

1. Old and heavy industrial basin then
1. E to W (history) 2. capital cities 3. western then more equal thanks to the redistributive policies

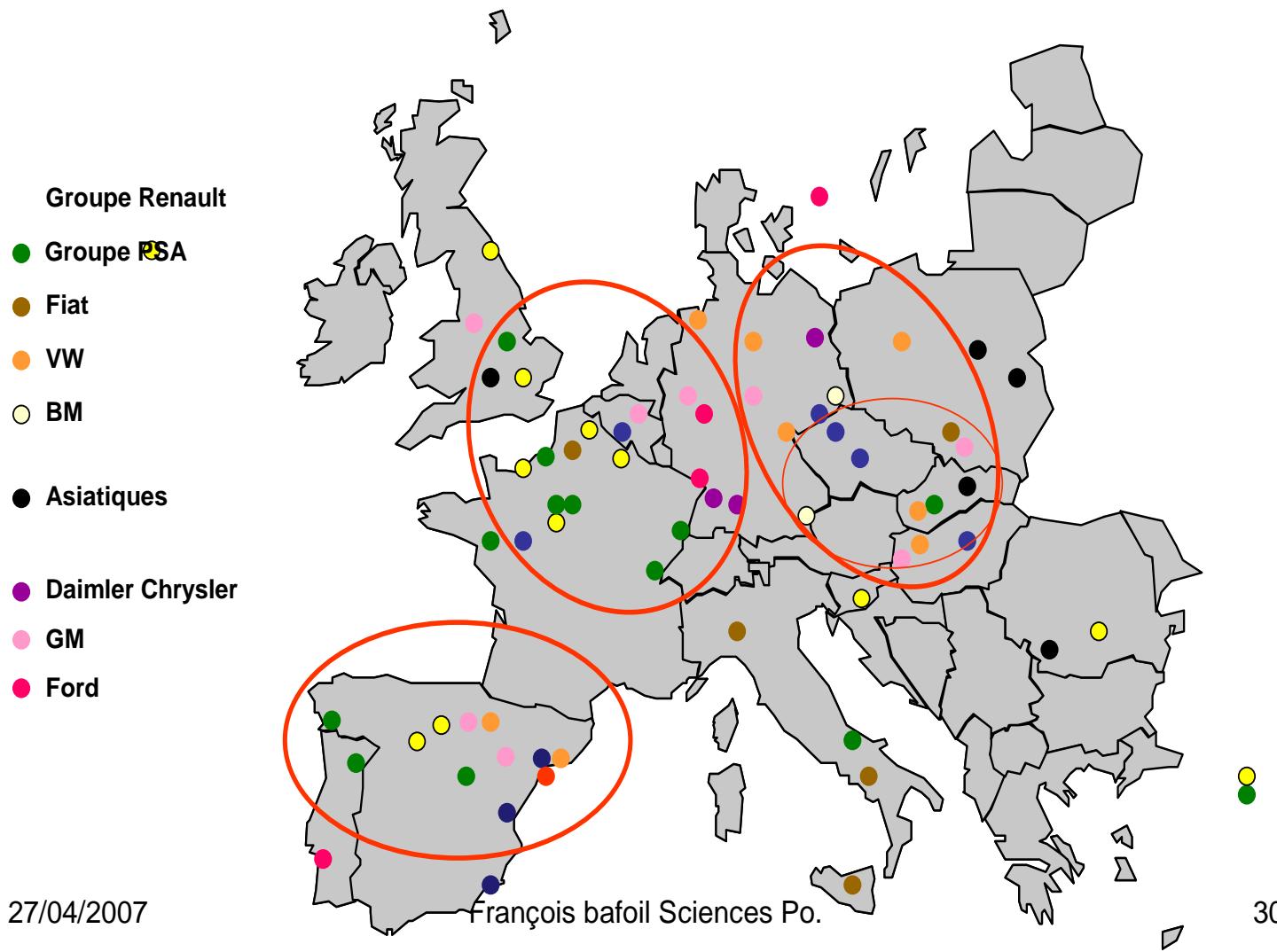


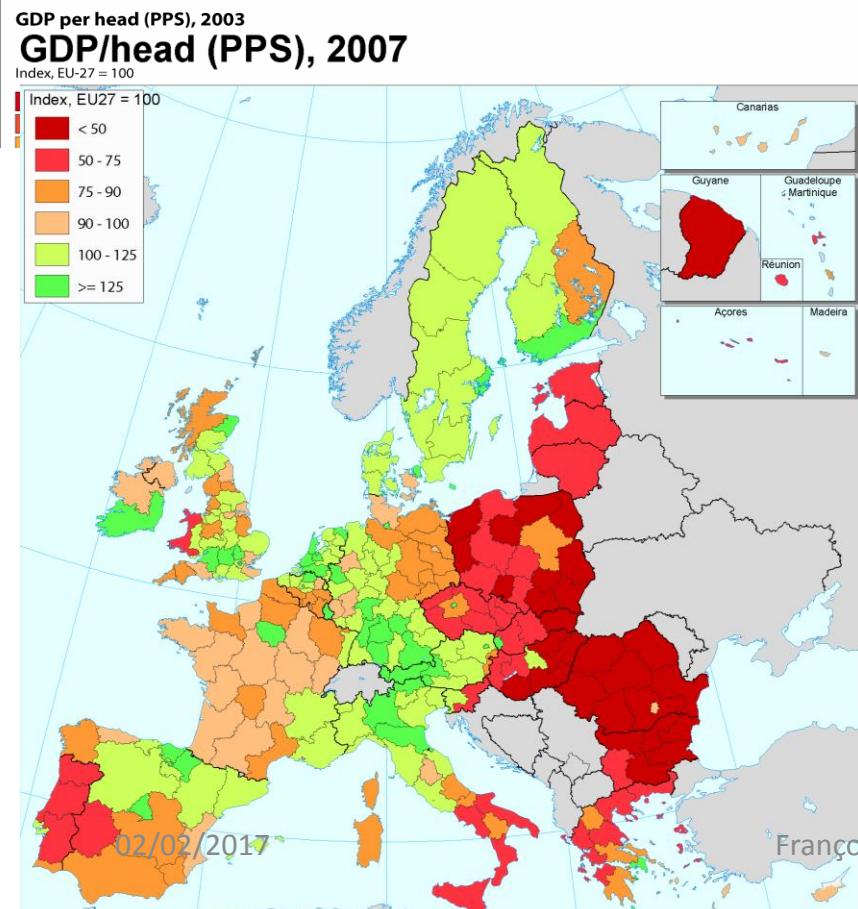
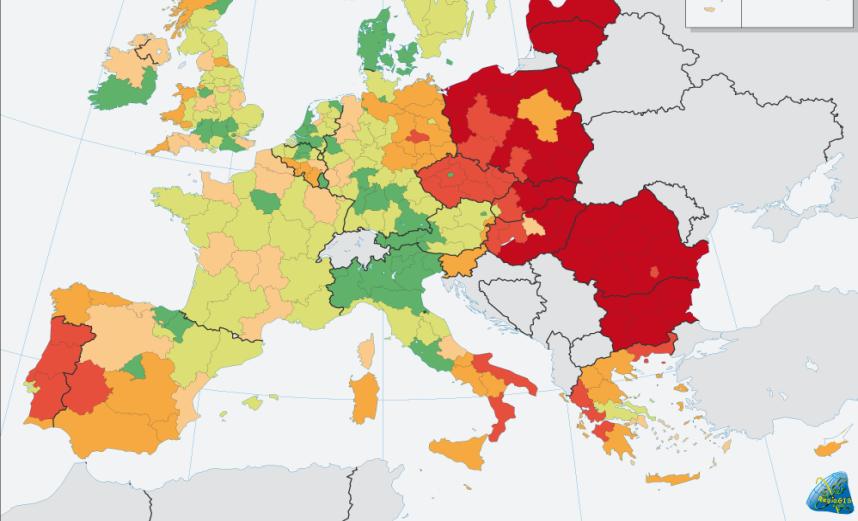
Répartition des IDE en Europe Centrale



# The European automotive industry

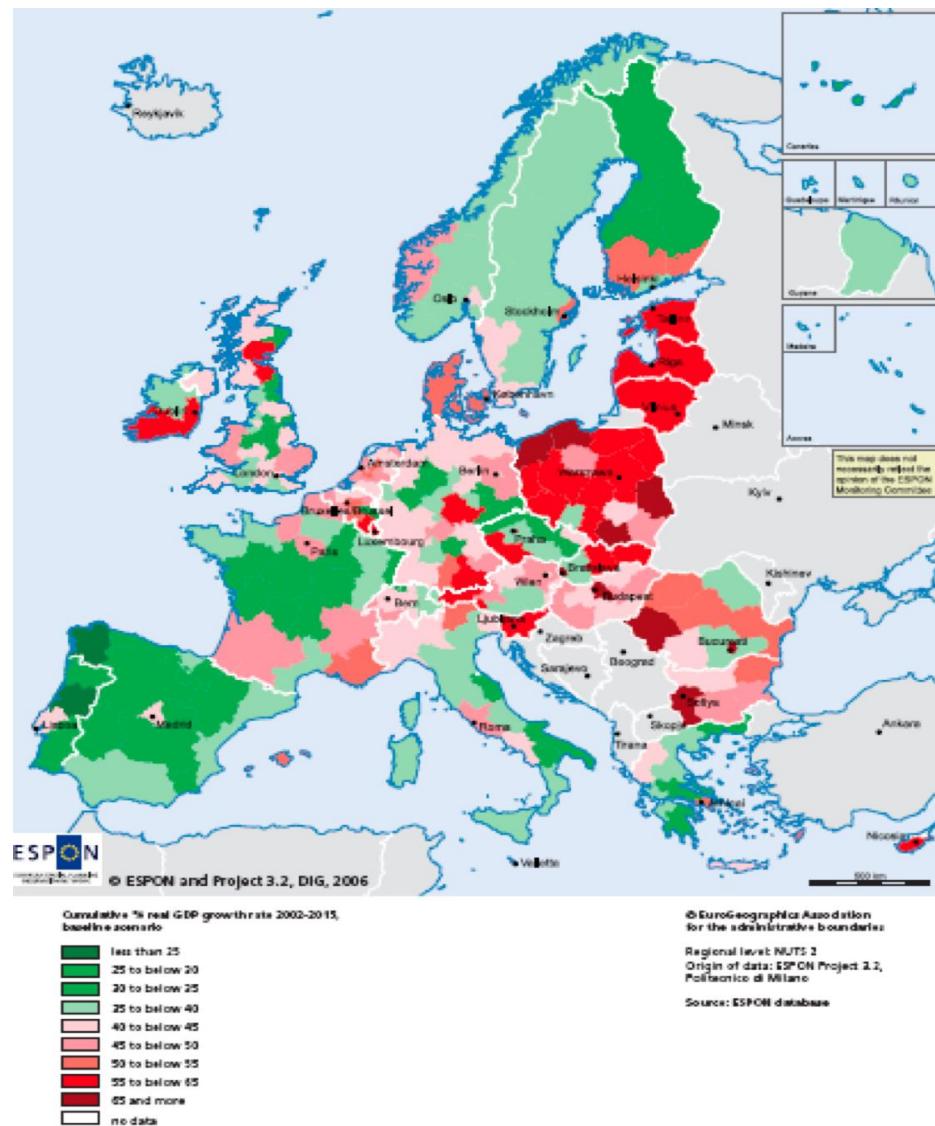
200 km<sup>2</sup> 1. History (former developed places, skills and ind. Culture) 2. SEZ (national / regional) 3. the EU with the infrastructures





# GDPGrowth Period 2002 – 2015

Development is 1. growth + redistributive policies  
= the central state and the local actors + money



# Thank you