

## **POSITION OF THE ERIK NETWORK CONCERNING THE REFORM OF THE EU REGIONAL COHESION POLICY**

BRUSSELS, 4<sup>TH</sup> OF JUNE 2003

### **1 Lisbon objectives under threat**

*The European Commission's 2002 Competitiveness Report emphasises that productivity growth in the Union is still too slow. To become the world's most competitive knowledge-based economy by 2010, Europe must fully implement the strategy adopted by the Lisbon Council within the framework of the regional policies for community cohesion.*

- Knowledge, in its different forms, has today become the main productive resource, entering as a key factor in the generation of economic value and competitive advantages. It is important that the reform of the Regional policy for community cohesion aims at increasingly integrating knowledge in the regional productive systems, reinforcing its capacity for innovation and encouraging an increase in the qualified services offered, thereby supporting the development of the production processes, the environment and the quality of life.
- Despite continuous improvement of European human capital, skills shortages remain in various sectors. Demand for high-level skills has already exceed supply in most Member States. A better coordination in the intervention of the Structural Funds could lead to an improved integration of the economic and education policy.

### **2 The regional dimension of the innovation policy**

*Marked discrepancies remain between Europe's less-developed regions and the main centres of excellence in research and innovation. According to the analysis undertaken by Eurostat<sup>1</sup> the expenditure for R&D and for the intellectual property activities are still geographically concentrated in a few "centres of excellence".*

- A Regional approach in development policies is of strategic importance to Europe as a whole, which still lags behind the United States in terms of productivity growth and the investment in R&D.

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<sup>1</sup> Eurostat, Statistics in Focus, Science and Technology, n. 1/2002, "Patent activities in the EU: towards high tech patenting 1990-2000", e n. 2/2002, "R&D expenditure and personnel in European regions 1997-99".

- The exchanges of ideas and good practices for the management of the local development policy between regions are critical, for they allow the least developed to progress much more rapidly than they could on their own and the most developed to take on an increasingly more important role in the cohesion process.
- The response to the Innovative Actions and Interreg programmes calls for proposals demonstrates a strong demand for technological innovation from the regions, moreover several regions have already used mainstream ERDF programmes (ob. 1 and 2) to sustain the innovation process, with the result that today we have many complex regional innovation strategies that integrate the different operative instruments with the aim of directing the regional systems towards the knowledge economy.
- The DG Research and the DG Regional Policy must work in an evermore integrated manner in order to improve the regional programming activity so to include the different EC operative strategies, among which can be found the planning and the execution of the VI<sup>o</sup> FP.

**Increase the political awareness:** *Innovation, as a source of competitive advantage, must be even more rooted in the foundations of the regional development policy.*

- As the Communication from the European Commission "COM(2003)112def" states, it is necessary to go from the linear model of innovation to the systemic model: "in which innovation arises from complex interactions between individuals, organisations and their operating environment"; this imply that the innovation policies do not have to concentrate solely on enterprises or on the relation between innovation and research, but it should as well concentrate on the configurations that characterise the territorial and regional production system in which they intend to intervene.
- The attention to the territories as the key element of the development and innovation policies allows for a valorisation of the wealth of the relations between private and public actors, the institutional context as a means to regulate the local markets, and it can also serve to foster co-operation between the different stakeholders.

### **3 The subsidiarity in the management of the policy**

*In accordance with the objectives of the Treaty (article 158), the EU regional cohesion policy is aimed at european regions, not at the Member States.*

- **The EU regional cohesion policy can add value to national policies.** It implements a principle of solidarity among regions of different countries, which is one of the objectives of the European Union. It can also lead to two results: co-ordination between different national strategies; blending and dissemination of methods.
- For this reason we welcome the Commission proposals on the possibility of introducing “contracts” involving the Union, the Member States and the territorial authorities with the aim of associating as early and as much as possible, the regional levels in the implementation of Community decisions.
- We invite the Commission to, in co-operation with the Member-States and the regional authorities, **encourage transborder co-operation** at all levels. We would like to emphasise the fact that, at a regional level, the interregional and transborder projects are often considered extremely complex as regards their management - especially in relation to the limited financial resources available; we maintain, nevertheless, that the Interregional and transborder projects can produce a real added value, even considering the enlargement process and have to be continued even in the future.
- We ask the Commission to present concrete proposals aimed at **introducing a more flexible and simplified management** (for instance as regards the diffusion and the application of best practices) which can be adjusted more easily according to the transformations brought about by the acceleration of the on-going changes in society as a whole and, in particular, in local economic systems.
- Finally, We maintain that the **evaluation** must be, from the beginning, an integral part of the programmes, so as to contribute fully to the management, the monitoring and the control.