A policy for sustainable regional growth and reduced gaps
(The EU Commission’s public consultation on future EU cohesion policy)

Summary

• The Swedish Association of Local Authorities and Regions advocates a
general European policy for sustainable regional growth and competitiveness,
covering all EU regions. The reduction of welfare gaps through effective cohesion
policy is one of the most important goals of this policy.

• To create the prerequisites for dynamic regional development work by co-
ordinated measures at European, national, regional and local level.

• A sharper strategic focus where a European and national vision for
sustainable growth and competitiveness goes hand-in-hand with regional and local
capacity for action and knowledge of their own territorial conditions.

• A reinforced territorial dimension based on regional and local conditions,
which gives Europe’s regions increased responsibility for regional development
initiatives and the powers and resources to shoulder this responsibility.

• Improved prospects by reforming the national input at regional level with a
view to supporting development work in the regions. Relevant policy areas, such
as rural development and business sector development, should be co-ordinated to
support regional efforts for sustainable growth.

• Cross-border territorial collaboration must continue to be a strategic
priority and be given increased support.

• All regions must be able to participate in the work of sustainable regional
growth on equal terms. Compensation will continue to be made available to
extremely sparsely populated regions that have to cope with harsh climates and
long distances between population centres.

• European cohesion policy has made a strong contribution to a clearer
vertical allocation of roles in development work with local and regional elected
representatives having a leading role in regional development efforts. This
development must be consistently monitored and the roles respected and
supported accordingly.

• Cohesion policy has enabled the introduction of working methods which
make a crucial contribution to regional and local opportunities for working with
development-related issues. These involve a sharper strategic focus, the
partnership principle, scope for strong local and regional players, participation in
work with European and national priorities for sustainable growth, and an
enhanced territorial perspective. This progress needs to be confirmed and
developed.

- Increase efficiency by fewer and priorities that have proven to be effective,
greater focus on results, implementation capacity and learning.

A policy for sustainable regional growth and reduced gaps

Future cohesion policy must be underpinned by the following principles:

- The range and goals of cohesion policy must be more clearly linked to
sustainable growth and competitiveness in all regions of the EU

The gaps between Europe’s wealthier regions, nearly all of which are in EU15,
and the poorer regions in the new Member States are vast and will remain so for
many years to come. It may then appear natural to view cohesion policy primarily
as a method for transferring resources from wealthy to economically weaker
regions and for focusing growth-promotion measures mainly on the latter in the
name of solidarity.

The most effective way to achieve the two general objectives for Europe’s regions
must be, on the one hand, to mobilise the regions for sustainable growth and
competitiveness and, on the other hand, to reduce the gaps between these regions.
A prerequisite to achieve the goals of cohesion policy on convergence is thus a
broader policy focused on sustainable growth in all regions. This not only creates
resources for redistribution but also produces good examples, models and scope
for testing new ways of achieving sustainable growth.

The range and goals of cohesion policy must be developed and much more clearly
linked to a European policy for sustainable growth. Despite some progress,
regional growth in Europe is still largely an appendix to cohesion policy focused
on transferring funds from wealthy to economically weaker regions.

This in turn means that the European policy for growth and employment requires
a greatly reinforced regional dimension. Growth at regional level must be a
recognised area of European policy. Cohesion policy must be part of a more
comprehensive policy that aims to develop the capacity to act and the knowledge
of the strengths and resources available at regional and local level.
Create the prerequisites for strong regional development work

A European regional policy for sustainable growth, competitiveness and cohesion requires co-ordinated measures and policy at European and national level to support regional growth and establish frameworks and strategy. In Sweden, important steps have been taken towards a national strategy for regional competitiveness, entrepreneurship and employment. It is not without its shortcomings and there is room for improvement, but it nevertheless represents an important initial step. Important starting points are its strategic focus, recognition of the fact that growth is created at local and regional level by people in businesses in a bottom-up perspective, co-ordination with relevant policy areas and a vertical dialogue between the regional and national level within the framework of regional development work.

In a European perspective, this means that future cohesion policy must be guided by the following principles:

  o  **Strategic focus**

Cohesion policy must be linked to appropriate national policies in the Member States and be focused on measures that have a proven effect on growth and competitiveness. The development work of the EU, the Member States and regions should be inextricably linked. National policy should combine a national vision with the regional capacity to act and regional knowledge of territorial conditions.

  o  **Strong territorial dimension**

The new EU draft treaty emphasises territorial cohesion. The territorial dimension becomes more important and must be developed in cohesion policy. It must be imbued with a clear and consistently applied territorial perspective and be based on the regional and local “development capital”. Consequently, Europe’s regions will have greater responsibility for regional development efforts and the powers and resources to shoulder this responsibility. Structures must exist to allow for dialogue between the local, regional, national and European levels to synchronise perspectives and measures.

  o  **Synchronise policy areas for regional growth**

The narrow sector-oriented approach that tends to characterise many aspects of national policy and often have a bearing on both regional growth efforts and the
national level input at local and regional level needs to undergo reform. This applies equally to business sector development policy, rural development, infrastructure policy, environmental policy, parts of skills provision, parts of labour market policy, etc.

- Cross-border territorial collaboration

Cross-border collaboration is just one striking example of the value added by cohesion policy. During the current programme period, the role of cross-border territorial collaboration has been expanded and is specified as a strategic priority in Swedish national strategy. This focus must be retained and reinforced in future cohesion policy.

- Participating on equal terms

All regions should be able to participate in sustainable regional growth efforts on equal terms. Compensation shall continue to be provided to regions which have to cope with particularly difficult conditions, such as extremely sparsely populated areas and those with harsh climates and long distances between population centres.

- Clearer responsibility and allocation of roles and forums for dialogue with different levels of society

Participation in European cohesion policy has contributed in a crucial way to a clearer vertical allocation of roles in regional development work in Sweden. The European level formulates European strategies for European competitiveness and growth while the national level prepares national strategies and frameworks for regional development policy and establishes national priorities. Regional development programmes are produced for sustainable regional development based on regional conditions, which then serve as the basis for a dialogue on regional development between the regional and national level and as a basis for various initiatives.

This vertical allocation of roles must be retained and strengthened. The far-reaching responsibility of the regions for implementation must be respected consistently. Elected representatives at local and regional level have been given broader responsibilities, but this process needs to be completed.

Structural fund partnerships are important instruments for implementation of structural funds. It is also a prerequisite that local and regional political representatives who serve as chairpersons in these partnerships are given a formal
leading role. This has mostly been the case in Sweden, although the principle must be applied consistently throughout the country. Moreover, this leading role must be respected and a great deal of work will be required to give it substance and make adequate resources available to the partnerships.

- **Increased effectiveness by a greater focus on results, implementation capacity and learning**

During the 12 years that Sweden has been a member of the EU and participated in cohesion policy, a number of working practices have been introduced and these have played a crucial role in enabling Member States to work with development-related issues. These include a sharper strategic focus, the partnership principle, making players at regional and local level strong players in regional development activities, enabling them to participate in national initiatives regarding sustainable growth and in national priorities and a greater significance for the territorial perspective. The progress made in this area needs to be consolidated and developed.

At the same time, the implementation of cohesion policy needs to be made more rigorous. We would like to call for a clearer and more consistent focus on results with fewer priorities, performance indicators, monitoring and what are known as *sunset clauses* i.e. the possibility of discontinuing the financing of projects which do not produce results.

Finally, the Association notes that there are many good examples of successful projects and measures, but also that knowledge is generally unevenly distributed as regards cohesion policy and its tool, the structural funds, as an instrument in the work towards sustainable regional growth. Learning processes must have a higher profile in future cohesion policy. This does not just mean an account of good examples and the exchange of experiences, but rather refers to more target-oriented systematic and institutional learning, which is also evaluated and subject to strict demands regarding performance.