EU Cohesion Policy: what works and where?

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Key questions

• Is evaluation the only evidence of ‘what works’ and what not? How to make the best use of different sources?
• The examples on what works and what does not
• Did this evidence contribute to the design of the policy?
“Within our mandate, the ECB is ready to do **whatever it takes** to preserve the euro. And believe me, it will be enough.”

July 2012

Mario Draghi
President of the ECB
Is evaluation the only evidence of ‘what works’ and what not? How to make the best use of different sources?

Sophisticated diagnoses not matched by ‘well-tested medications’:

– Regions have been told (and very rightly so) to ‘invest more in innovation’, ‘increase and improve human capital’, ‘reinforce institutions’ etc.

– If all regions were good at this kind of thing, these problems wouldn't exist today!

– Generic recipes are good cover-ups for rent-seeking by local elites

– We have a fake news emergency in public policies!

– How to achieve these goals in practice given local conditions? What works? Where?
Does it work?

Identification

E.g. Mohl & Hagen, 2010; Becker et al., 2010; Accetturo & De Blasio, 2011; Bondonio & Greenbaum, 2012; Pellegrini et al., 2013.
Contextualisation

Where? Under what conditions?

E.g. Cappellen et al., 2003; Rodríguez-Pose & Fratesi, 2004; Ederveen et al., 2006; Dall’Erba et al., 2007; Esposti & Bussoletti, 2008; Bondonio & Greenbaum, 2012.
Contextualisation

Identification

What works?
Analyses of heterogeneous effects of policies and programmes in different contexts

Identification

Does it work?

What works?

Contextualisation

Where?

Under what conditions?

Analyses of ‘net’ policy impact by means of counterfactual methods (*identification approaches*)

Analyses of territorial contextual conditions and factors conditioning success and failure (*contextualisation approaches*)
Three examples

1. Impact of Cohesion Policy over decades and the entire EU (see Crescenzi & Giua 2018)
   - Does Cohesion Policy boost regional **growth and employment**?
   - Do regions in **ALL Member States benefit** from Cohesion Policy?

2. Evaluation of achievements and local transformation (see Crescenzi, Fratesi and Monastiriotis 2017)
   - Is expenditure aligned with local needs? What are the local objective and subjective **local achievements**?
   - Quantitative assessment of 15 selected regions with both **quantitative and qualitative information** on expenditure and local achievements

3. Ex-post evaluation of Smart Spec ‘Forerunner programme’ (see Crescenzi, De Blasio and Giua 2018)
   - What features of S-3 Programmes work best in the most disadvantaged areas of the EU?
   - What is the impact and 'value added' of some of the **new features** introduced into regional innovation strategies by S-3?
Does evidence contribute to the design of the policy?

- Smart Specialisation is key example: policy approach deployed in all regions of Europe with no prior evidence on ‘What works’
- Model exported in other countries and regions of the world
- Need to deliver or serious backlash on credibility of EU Policy model
- Solution: learn from rigorous evaluation of what has worked in the past, how and under what conditions
- Is this happening?
- Rent-seeking is against evaluation
- Evaluation is about learning and feedback NOT grading or judging
Priority for action? ... Impact, Impact, Impact

Brexit votes suggest that EU development money mattered only where it generated local impacts.

Areas in West Wales where: 
unemployment decreased more + 
human capital is higher 
voted Remain more 
(than control wards)

Source: Crescenzi, Di Cataldo and Giua (2019)