

8th

Evaluation
Conference
in Prague

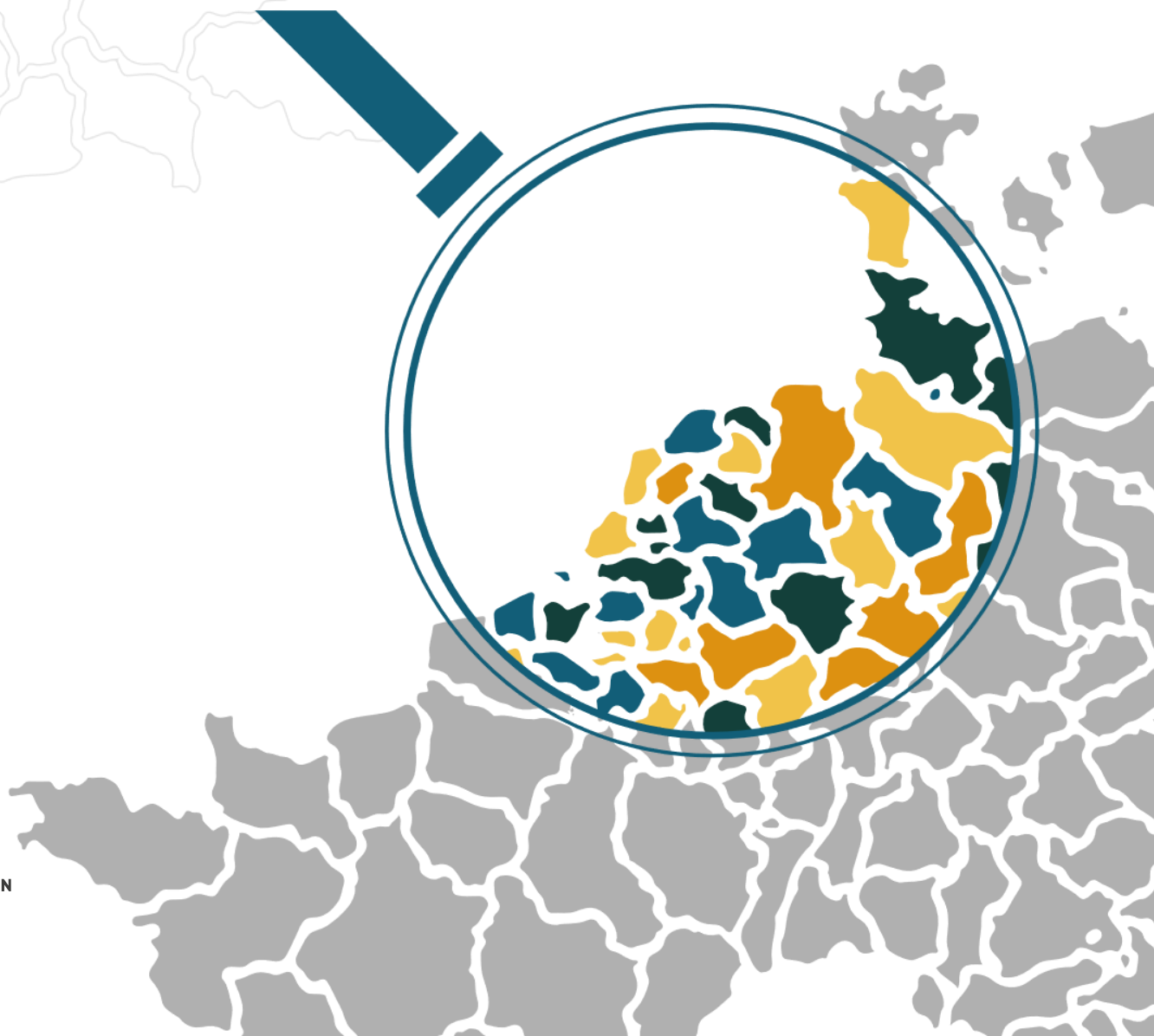
Is Cohesion a Matter of Percentage?

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MINISTRY
OF REGIONAL
DEVELOPMENT CZ



A community challenging the nature of capitalism

Leonard Cohen

„Everybody knows
the fight is fixed,
the poor stay poor,
the rich get rich,
that's how it goes,
everybody knows”

Treaty on the EU

„In particular,
the Union shall aim at
reducing disparities
between the levels
of development
of the various regions.”

Is it a problem that the rich get richer?

- Europe is in a severe competition with the US and East Asia.
- Closing the gap between regions would mean the rich ones should grow slower than the poor ones.
- But we need globally competitive regions and cities, otherwise we slowly decline, and will not have enough money for Cohesion Policy.
- Thus, keeping the status quo in the EU among regions while increasing global competitiveness is already a great achievement.

Is it really the percentage that we want?

We take two hypothetical regions with identical population.

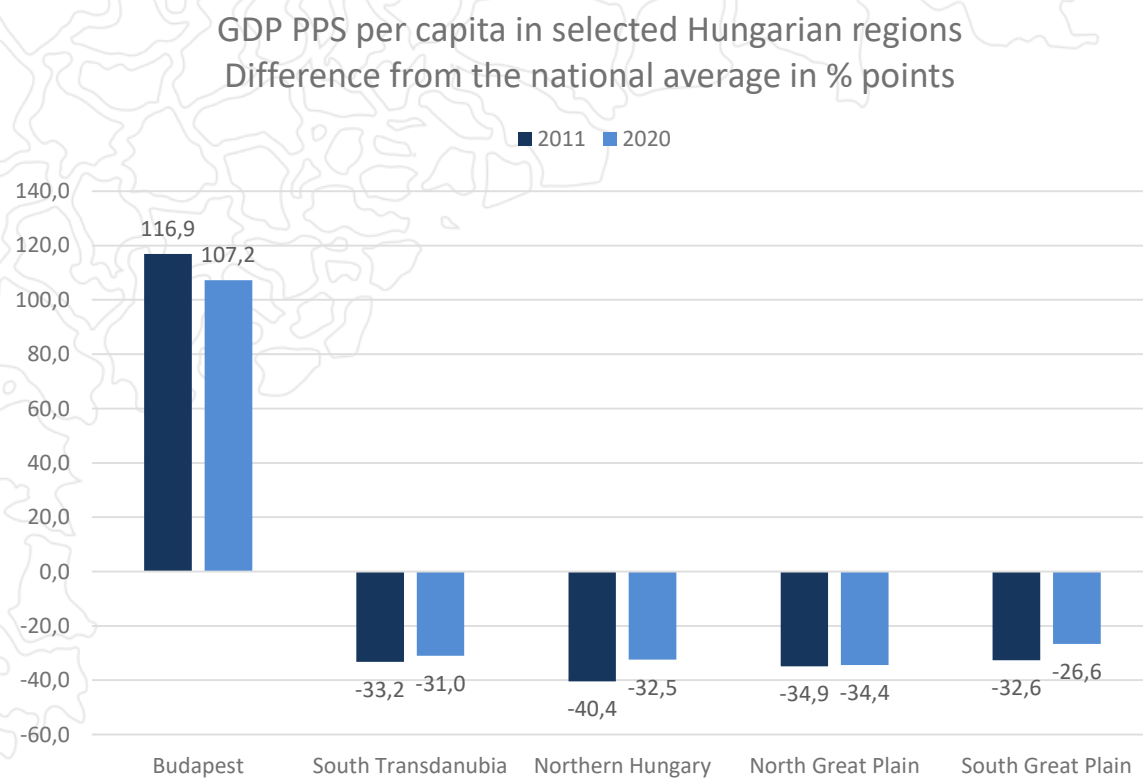
The poor region grows twice as fast as the rich one,

- so they converge in percentages,
- but still diverge in absolute differences.

Region	Initial GDP value	Initial GDP %	Growth rate	New GDP value	New GDP %
Region A	150	150%	5%	157.50	148.2%
Region B	50	50%	10%	55.00	51.8%
Average	100			106.25	
Difference	100			102.50	

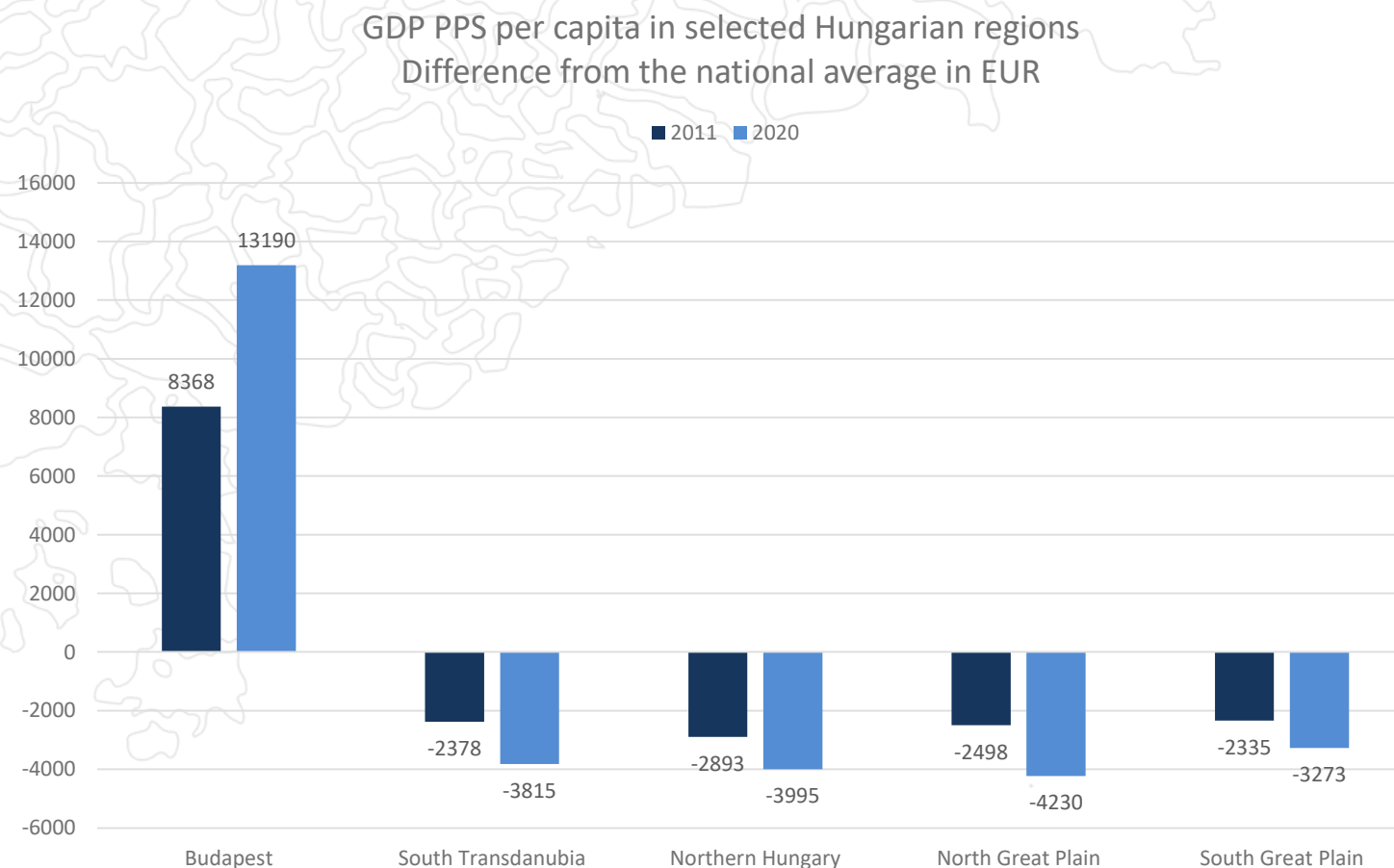
Examples from Hungary I.

Regions converged to the national average in percentages (2011-2020)



Examples from Hungary II.

Regions diverged from the national average in euros (2011-2020)



Conclusions – How to reframe the evaluation of Cohesion Policy impacts on territorial cohesion?

- Establishing a set of indicators with target values as requirements for the European minimum standard of living
- Binding cohesion aims to these target values – setting aside the comparison to the EU average
- Evaluating cohesion policy by its contribution to reaching these targets
- Getting an objective picture about the impact of Cohesion Policy on territorial development.

Thank you for your kind attention!

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