

EU Cohesion Policy in the Czech Republic

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The structure of the presentation

- Overview of frameworks, selected parameters and the statistics of EU Cohesion policy in Czechia
- Discussion of Policy implications, and achievements
- Retrospective reflection of the text „EU Cohesion policy and the role of the regions: investigating the influence of Structural Funds in the new member states“ (J. Bachtler and I. McMaster, 2008)

My relation to the topic

since 2005



present

- Official, administrator – CzechInvest
- Lecturer, professional assistance
- User, project manager (designer)

Understanding the Policy, frameworks, principles



„Lost in details“, technical operative



EU Cohesion Policy Sources of Information in Czechia

- Predominance of technical reports, statistics, PR materials,
- Lack of academic critical reflections, evaluations, absence of comprehensive academic discussion
- General context, aspects of European/Czech regional policy – Jiří Blažek
- Regional governance, cross-border networks – Martin Špaček
- ITI (Integrated Territorial Investments)– Tomáš Sýkora
- Regional case studies, knowledge of specific projects, regional networks – Petr Rumpel, Ondrej Slach (Moravian Silesia region), UJEP (Northwest Bohemia),...



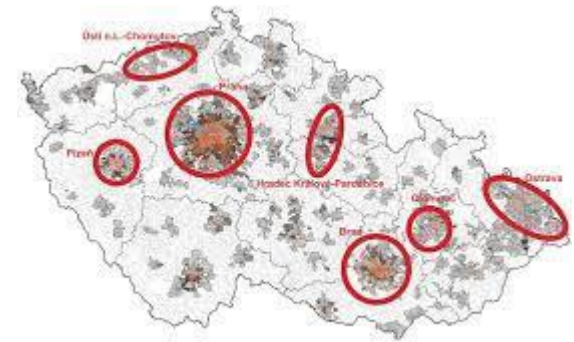
Basic overview – by programme periods

- „Velvet Revolution“ and shortly after – „previously limited or nonexistent regional policies, and weak regional economic development institutions,... an administrative vacuum' between the powerful central government ministries and the local government authorities“ (Bachtler et al, 2000).
- Preaccession EU funding programmes, from the early 90s – PHARE, SAPARD, ISPA, „warm up“, „shaping new institutional frameworks“, EU had „gate keeping role“
- 2004–2006 – „getting on a regular and fast train“, standard institutional and organisational design, shortened time for the use of operational programmes and project implementation, allocation 2,6 billion EUR

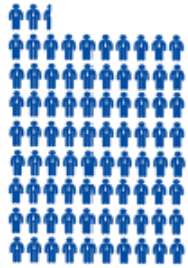


Basic overview – by programme periods

- 2007–2013 – the first standard-long period, Regional Operational Programmes (7) had been included in the Operational Programme scheme (17), allocation 26 billion EUR
- 2014–2020 – period still in progress, 10 Operational Programmes, integration of Regional Operational Programmes into one state-managed programme, significant strengthening of ITI elements, allocation 24 billion EUR
- 2021–2027 – the specifications are still being discussed, including Just Transition Fund and Modernisation Fund, allocation 21 billion EUR



Benefits of the Structural Funds and the Cohesion Policy for the Czech Republic



128 400
newly created jobs



647
bln. CZK
had been disbursed
since 2013



> 30%
of roads of national
importance had been
built and repaired



1/3 of all newly
constructed sewage
treatment plants



1/3 of product innovations
was created from 2013
onwards

49 000
projects were implemented
since 2013



38%
of jobs originated
in the area of research
and development

Figure 1: Impact on real GDP - basic scenario (% of real GDP)

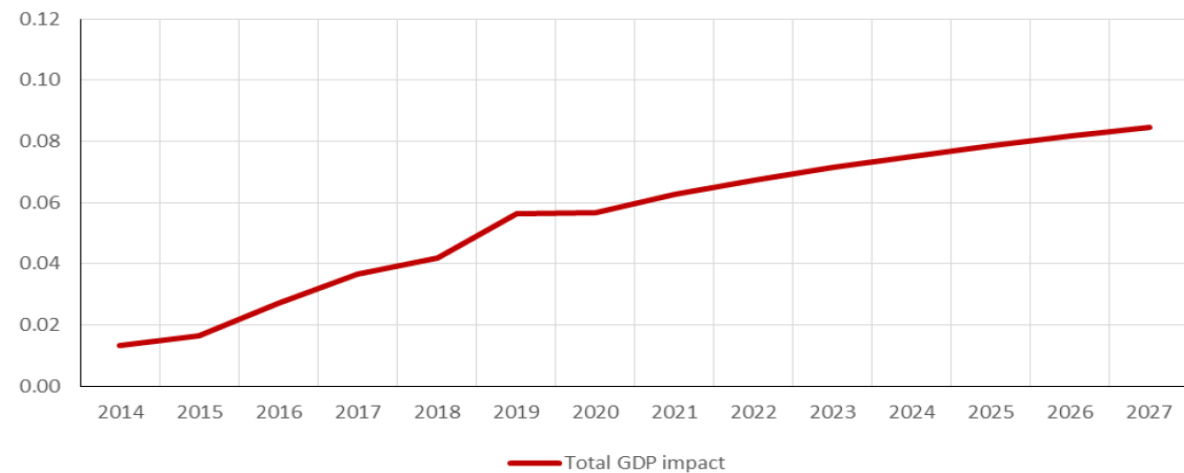


Figure 4: Impact on employment – basic scenario (% of employment)



Source: Office of the Government of the Czech Republic

Is the Policy achieving its objectives?

- Hard to say 😊, the EU Cohesion Policy definitely has its benefits, it has its costs....we don't have a parallel world where we can evaluate developments without its existence
- Objectives are changing and developing (from convergence to competitiveness...)
- Czechia confirms the general rule: differences among states are decreasing, but at the intra-national (regional) level we observe divergence
- How much divergent Prague would be from other regions without the existence of the Policy??
- Molle (2007): the effectiveness of the European funds must be considered in terms of plausibility rather than in terms of evidence

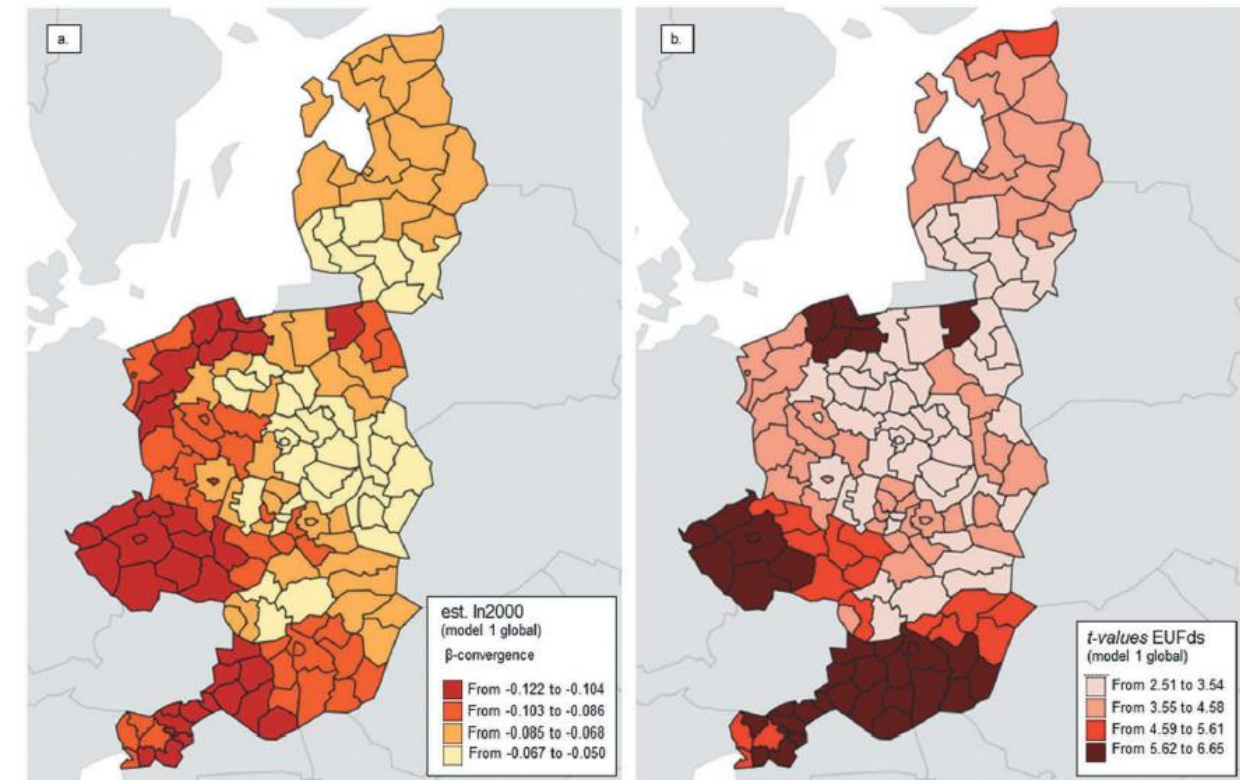
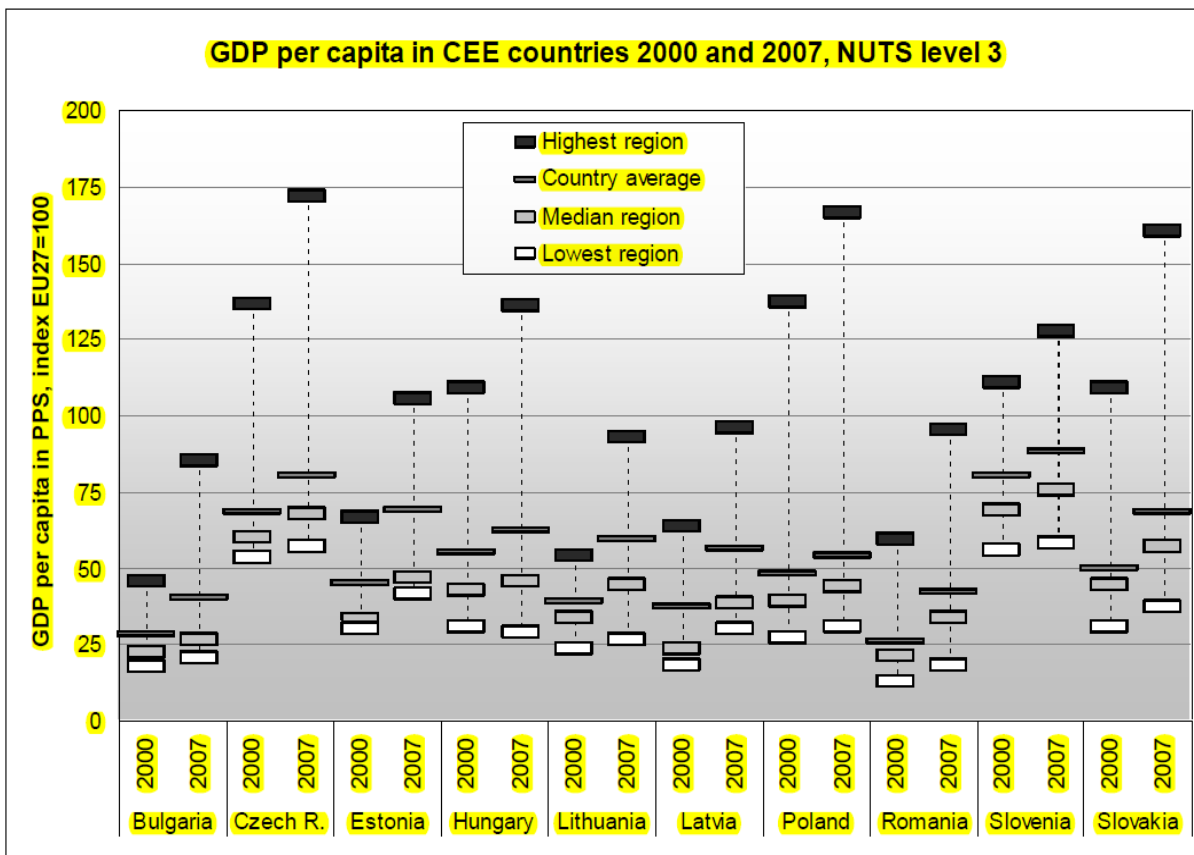


Figure 3. Spatial variations in the influence of European funds on regional growth (Model 1 global).

T. Lang (2011): Regional development issues in Central and Eastern Europe: shifting research agendas from a focus on peripheries to peripheralisation? In: Eröss, Agnes; Karacsonyi, David (eds.): *Geography in Visegrad and Neighbour Countries*.

S. Bourdin (2019): Does the Cohesion Policy Have the Same Influence on Growth Everywhere? A Geographically Weighted Regression Approach in Central and Eastern Europe, *Economic Geography*,

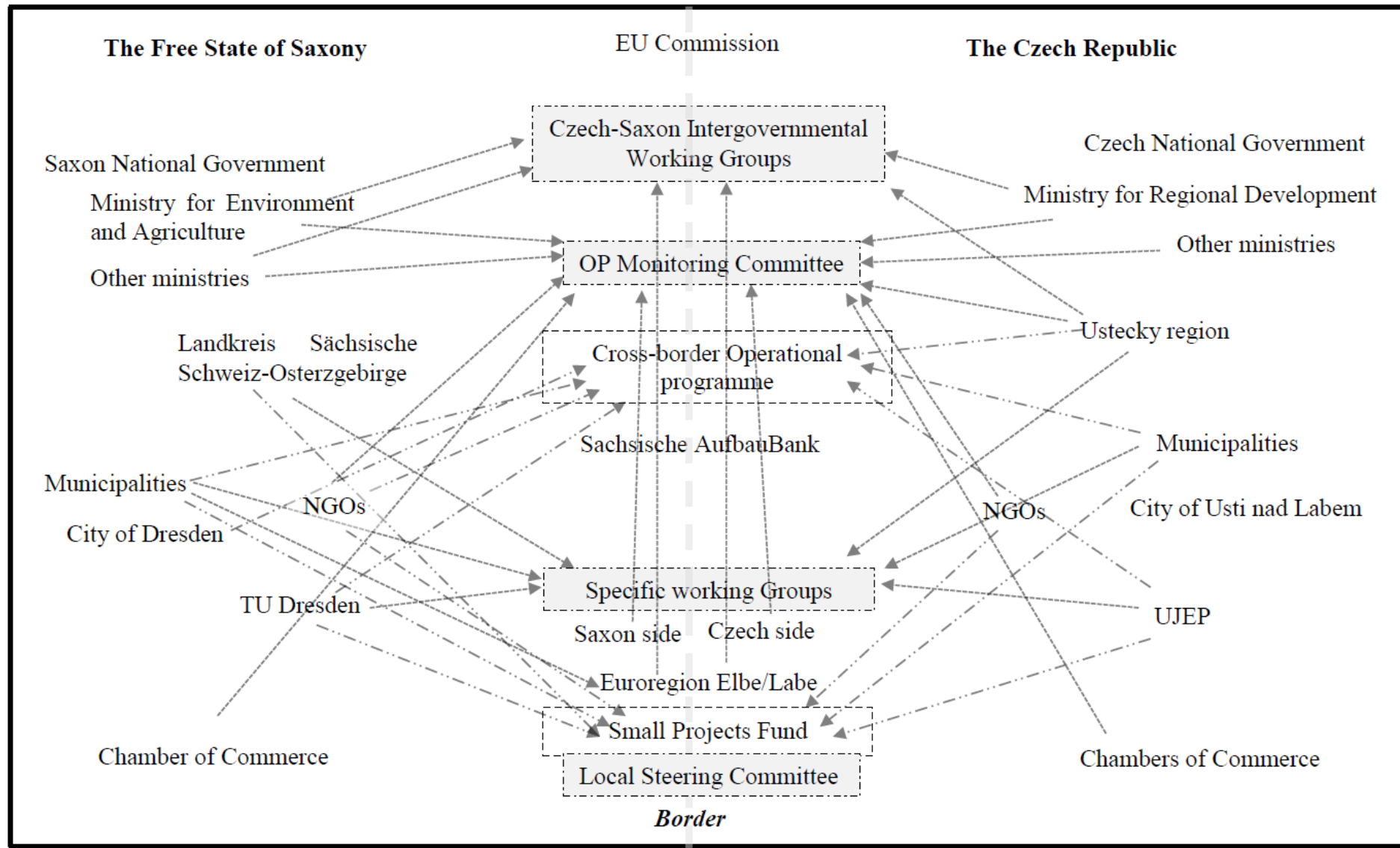
J. Bachtler, I. McMaster – key notes (2008)

- „...In fact, it is possible to **question whether Structural Funds have led to 'stronger regions'** by contributing to the development of legitimacy, institutional framework, and capacity at regional level.“
- „The paper argues that there is **no guarantee** that the Structural Funds will necessarily promote the role of regional authorities or regionalisation.“
- „EU Structural Funds have **not automatically ensured** a strong role for regions and regionally based development initiatives.“
- „Organisational arrangements **will change in the future**, as regional institutional frameworks stabilize and their **experience grows**.“

EU Structural Funds lead to 'stronger regions'...

- Mixed regional institutional arrangements:
institutions „independent“ of the EU Cohesion policy (local authorities),
institutions directly created to implement the Policy (regional branches of the Centre for Regional Development)
- Diverse importance, positions and performance of the regional governments (councils)
- The EU Funds themselves are not the key driver:
where there had been a development culture and capacity (Brno, Pilsen), they are **an accelerator**
where institutional capacity had been weaker, the available finance brought **many challenges** (The Ustí Region))

Figure 7: Main Actors Involved in Cross-Border Cooperation in the Case Study Region



Source: Martin Špaček, PhD Thesis

The story of the Regional OPs

- „From the state, back to the state“:

2004–2006 Joint Regional Operational Programme

Pressure on **bottom up** actors' decision-making



2007–2013 seven „**independent**“ Regional Operational Programmes

Informal institutions in particular were „not ready enough“, „not sufficient“

The case study: ROP Northwest, the ongoing lawsuit of 27 accused politicians, officials, businessmen



2014–2020 one **state-managed** Integrated Regional Operational Programme

Thank you!
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