

24 - 26 | November 2021 | Madrid
XLVI Reunión de Estudios Regionales

International Conference on Regional Science

Full cities, empty territories

Universidad Autónoma de Madrid



ABSTRACT

Title: Where does the EU Cohesion Policy produce its impact? Simulations with a regional dynamic general equilibrium model

Authors and e-mails: Salotti, Simone (Simone.SALOTTI@ec.europa.eu); Monfort, Philippe (Philippe.MONFORT@ec.europa.eu)

Department: Knowledge for Finance, Innovation & Growth

University: European Commission, Joint Research Centre (JRC), Seville, Spain

Subject area: SS Joint Research Centre (JRC) - European Commission

Abstract:

In this paper, we investigate the macroeconomic effects of the 2007–2013 cohesion policy investments in the EU. First, we present a detailed overview of the EU budget and of the contributions of the Member States for the specific policy under scrutiny. Then, we use a dynamic spatial general equilibrium model to assess the overall impact of the policy both in the short run and in the long run. Finally, we focus on the spatial spillovers generated by the policy programmes and we highlight a number of policy-relevant findings with regard to the debate over the financing of the policy and the divide between its net contributors and net beneficiaries. Our main findings suggest that cohesion policy programmes had a positive and significant impact on the economies of the EU Member States and regions, particularly in the poorest regions of the EU. Spatial spillovers imply that the programmes implemented in the main beneficiaries of the policy also benefit its main contributors. For some of these Member States, spillovers even constitute the main source of benefits from cohesion policy.

Keywords: Cohesion Policy, general equilibrium, regional growth, regional disparities

JEL codes: C68, E27, R13