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Regional Convergence and Regional Policy in the European Union

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It has long been recognized that regional disparities in wealth across the European Union could have negative implications for the process of integration, in both political and economic terms. This paper examines national and regional disparities in wealth across the EU, and across time, to determine whether or not such disparities are being diminished. It also examines the role played by EU regional policy in this regard. The paper concludes that while some success has been achieved at the national level, this success hides a much more heterogeneous mix of convergence and dispersion at the regional level. Despite the increased funds that have been devoted to EU regional policy in recent years, it is argued that the impact of regional policy may be more political than economic; regional policy promotes the ideal of cohesion more than the reality of economic convergence.

INTRODUCTION

It has long been recognized by the European Union (EU) and by scholars of integration generally, that persistent disparities in wealth across the members of the Union could have negative implications for the process of integration. The Treaty of Rome explicitly articulated the view that successful integration could only be achieved by 'mitigating the backwardness of less favored regions.' This opinion was strongly reaffirmed within the Single European Act, the Treaty on European Union, and the

Treaty of Amsterdam, all of which underlined the EU's commitment to social and economic cohesion. Despite good intentions however, regional disparities persist and could place economic and political barriers in the way of deeper integration.

The existence of significant differences in prosperity across the Union has been blamed for undermining a number of EU economic goals. One of the principle objectives of the integration process is to increase European competitiveness, and thereby overall prosperity, by reducing the barriers to the movement of both goods and factors within the EU. Such liberalization should lead to gains in the overall level of Union welfare, yet persistent regional disparities in wealth can interfere with allocative efficiency and prevent an economy from achieving its optimum productive capacity. Within the EU, failure to address such problems as over-concentration and under-utilization of resources could therefore reduce productivity growth and absolute gains.

The political implications of persistent wealth disparities for the process of integration are equally significant. As early as 1973, the EC Commission recognized that questions related to distribution and redistribution could sabotage integration attempts then underway. The Thompson Report (CEC 1973) stated that:

no community could maintain itself nor have any meaning for the peoples which belong to it so long as they have different standards of living and have cause to doubt the common will of all to help each member to better the conditions of its people.

Underpinning this statement is the assumption that a link exists between the equitable distribution of the benefits from integration, and support for the process itself. Such a perspective is neither new nor unusual, for national governments have long

been aware that an uneven distribution of benefits within states can bring political costs regardless of whether the nation as a whole is increasing in prosperity. However, at the international level, where national pride combines with sovereignty, concerns regarding relative gains and losses may be all the greater. From this perspective, regardless of how successful the European Union is in achieving greater overall prosperity, the absolute, or even the relative losers in this process could threaten the cohesion of the system.

The purpose of this paper is to examine national and regional disparities in wealth across the European Union and across time. In order to do so, trends in the per capita income of member states is analyzed over a thirty year period, while trends in the per capita income of EU regions is examined over two decades.¹ Several questions are of interest: to what degree has economic convergence occurred among EU member states? Has the EU been successful in closing the wealth gap between its rich and poor regions? What has been the impact of EU regional policy with respect to economic convergence and cohesion?

THEORETICAL PERSPECTIVES

Economic Perspectives

The branch of economic analysis that focuses on the economics of international integration is of relatively recent origin. In an extensive study of the theory of economic integration, Machlup (1977) was unable to find a single instance of its use prior to 1942. However, when we examine the theory in terms of its component parts, its origins are obviously much older. Modern economic integration theory focuses on the process by which

¹National level data is derived from *European Economy* (1999); regional data is derived from Eurostat's *Regio* database.

separate economies are combined into larger economic regions through the removal of barriers to trade and by eliminating trade discrimination (Robson 1984). As a result, it utilizes orthodox theories of trade whose lineage is as old as the study of economics itself. Classical economists from Smith to Ricardo to Mill discussed at length the collective advantages that would accrue from liberalizing trade, primarily as a consequence of an international division of labor and comparative advantage. In a similar vein, neoclassical economists who have built on this earlier theory also emphasize the beneficial effects of free trade in terms of overall welfare.

The economic reasoning for proceeding down the road toward greater integration is allocative efficiency and economic growth. It is based on the belief that the potential level of welfare that can be achieved by forming an economic community is greater than the sum of the welfare levels available to countries following unilateral policies (El-Agraa 1989, 101). Orthodox theories of trade, customs unions and common markets are therefore generally unconcerned with distributional effects, focusing instead on absolute welfare gains for the community as a whole.

Although neoclassical theory has largely dominated the study of international trade, its theoretical assumptions have not gone wholly unchallenged. Faced with the reality of global economic inequities that appeared to be growing rather than diminishing (as anticipated by neoclassical theory), a number of writers developed models to attempt to explain this anomaly. Foremost among these works was a landmark study by Gunder Myrdal (1957). In contrast to neoclassical expectations, Myrdal contends that trade, and the movements of labor and capital, cannot by themselves counteract a natural tendency toward regional inequity. Rather "they are the media through which the cumulative process evolves—upwards in the lucky regions and downwards in the unlucky ones" (1957, 27). Myrdal describes this as the

“circular causation of a cumulative process” (1957, 12). Conclusions drawn from this model differ substantially from conclusions derived from neoclassical theory. Principally, cumulative causation theory postulates that the operation of market forces tends to increase rather than decrease inequality between rich and poor regions, as a consequence of their different economic starting points and resource endowments. The comparative advantage of rich regions lies in capital and research intensive products. The comparative advantage of poor countries lies in labor and land-intensive products.

Similar concepts have been applied to circumstances in Europe (e.g. Seers, Schaffer, and Kiljunen 1979; Carney, Hudson, and Lewis 1980). Seers and associates used a core-periphery metaphor to distinguish between rich and poor countries in Europe, when they identified an egg-shaped area near the center of Europe, which they called the “mega-core.”² The EU countries that fall unequivocally within this core are France, Germany, Denmark, and the Benelux countries. Completely outside the core lie Ireland, Greece, Spain and Portugal. Seers *et al.* (1979) discovered that the mega-core is a major supplier of capital and technology, and is home to nearly all of Europe’s transnational corporations, banks, and media. The periphery on the other hand, has an economy that retains a large agricultural sector, much of its local manufacturing is foreign owned, and it is more likely to experience outward migration. The EU Commission has also used this core-periphery metaphor, conceptualizing peripherality as being synonymous with geographic inaccessibility to economic activity (CEC 1988).

²Core-periphery models of development were advanced earlier by the “dependency school” (e.g., Dos Santos 1971) to explain uneven development at the global level.

Political Perspectives

Political scientists have also taken an interest in the effects of inequality on economic integration. However, unlike economists, they have tended to focus on the consequences rather than the causes of uneven development. With regards to the distribution of benefits obtained as a result of integration, several scholars have noted the potentially detrimental effects of inequity for the integration process. Schmitter argues that the attainment of common objectives in the integration process is made more difficult by "tension-producing conditions which are caused by the integration process itself" (1970, 840). Two of these conditions that are relevant here are 'equity' and 'envy.' The former refers to disagreements over perceived benefits once new productive and distributive forces are unleashed. The latter refers to a heightened sensitivity to the comparative performance of other members in the community, generated by higher transactions and available information. Similarly, others have argued that the success of integration depends on the perceptions of costs and benefits of those involved, and that these perceptions are influenced by both ideological factors and political expediency (Haas and Schmitter 1964). Nye (1971) describes the existence of such concerns as the 'politics of competition' and likens this aspect of the integration process to a zero-sum game in which the maintenance of status and rank is of primary importance.

As well as potentially aggravating competition between governments, the persistence of regional wealth disparities could also threaten popular support for integration. Populations in poor or declining regions may be less willing to go along with a further deepening of the process if they feel that integration has already brought them harm. This is particularly relevant when one considers the increasingly vocal demands of sub-national ethnic groups, and the growing legitimacy of territorially based initiatives within the EU which have together placed regionalism in

the ascendancy. Europe is ethnically and culturally diverse and these sub-national cleavages continue to have relevance for the integration process. As one French official put it the "reality of life here and throughout Europe (is that) regions are becoming new hubs of influence and strength" (Krause 1994, 22). Today most of the EU's regional authorities directly lobby in EU institutions in Brussels.

The EU is now faced with the twin challenges of convergence and cohesion. Convergence refers to the harmonization of macro-economic indicators and is closely tied to European Monetary Union (EMU). Cohesion refers to the raising of living standards for all, and represents a social solidarity among rich and poor member states alike. The paradox however, is that these two goals may be in some ways contradictory. In order to achieve convergence, governments may be forced to cut back on measures that bolster cohesion. They may for instance, have to reduce subsidies or other economic transfers within their own borders, which is likely to aggravate existing disparities. In addition, as member states increasingly lose their autonomy as a result of EMU, they become less able to deal with regional imbalances. In such circumstances the role of the EU in promoting cohesion becomes more important. Without some counter-vailing measures, the goals of convergence and cohesion may work against one another.

REGIONAL CONVERGENCE IN THE EUROPEAN UNION

The economic make-up of the EU has often been described in dichotomous terms: as comprising a core and periphery, or as being overdeveloped and underdeveloped (Clout 1981). In light of the economic distinctions that can be made between EU regions, these characterizations seem appropriate. The poorer peripheral regions of Europe can be distinguished across a number of socio-economic indicators. They are more likely to have a higher proportion of their workforce engaged in agriculture, to have a weaker industrial sector, and have more limited infra-

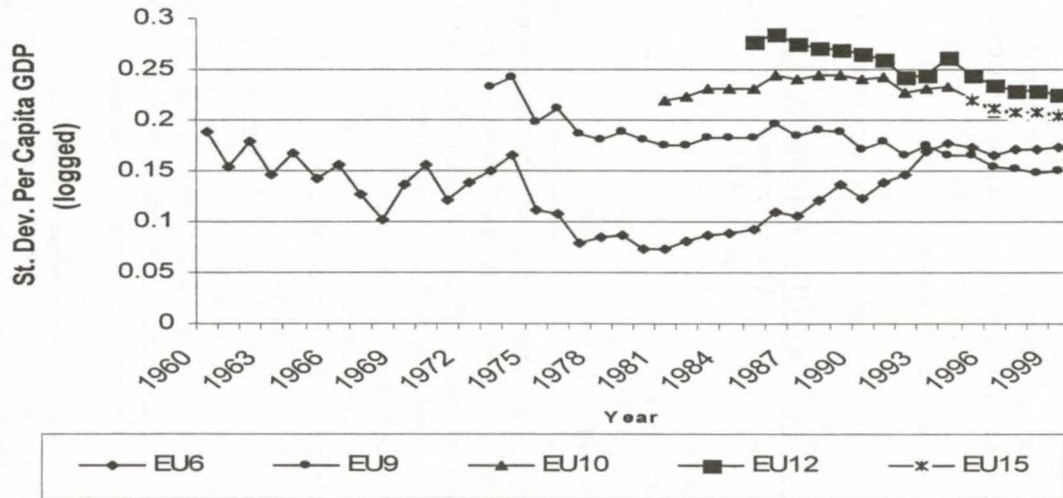
structure than elsewhere in Europe. The peoples of poorer regions are also more likely to have fewer of their children educated beyond high school. Poorer regions spend proportionately less of their GDP on research and development. Traditionally most of these regions have been located in Ireland, Greece, Portugal, and Spain, all of which joined the EU some years after its inception.

Adding these countries to the EU membership brought obvious consequences for overall levels of wealth disparity in the Union. Figure 1 traces the level of dispersion in per capita GDP found among member states during different stages of EU history. EU6 refers to the EU's original six member states.³ EU9 refers to EU6 plus Ireland, Denmark and the UK, which joined in 1973. EU 10 represents EU9 plus Greece, which joined in 1981. EU12 includes EU10 plus Spain and Portugal that joined in 1985. Finally, EU 15 refers to EU 12 plus Austria, Finland and Sweden that joined in 1995. The most striking detail depicted by the graph is the enormous impact that newer member states have had on wealth disparities in the EU. The level of economic disparity in the EU increased with virtually every expansion. Between 1972 (EU6) and 1985 (EU12) disparity levels almost doubled. The inclusion of Austria, Sweden, and Finland has helped to ameliorate this divergence only slightly.

The graph does however indicate that some progress has been made. With each successive expansion overall disparity levels increased, but they also began to decline fairly quickly. This is true with all expansions regardless of the period or the countries involved. The decreasing dispersion rates indicate that the gap between richer and poorer countries is beginning to close. Interestingly, during the 1990s dispersion levels increased only among the original six EU members. This anomaly is less surprising however when one considers that this period coincided with German re-unification.

³The EU6 countries are Belgium, Germany, France, Italy, Luxembourg, and Netherlands.

Figure 1
Member State Convergence in The EU



Success at the country level can also be illustrated with reference to Table 1, which highlights changes in per capita GDP in the EU's four poorest member states in relation to the EU average. The case of Ireland is particularly striking, moving from 56% of the EU average in 1973 to 108% of the EU average today. This strong economic performance means that Ireland will

TABLE 1
Per capita GDP as Percentage of EU Average

	On Accession to the EU	During 1999
Ireland (1973)	56%	108%
Greece (1981)	68%	66%
Portugal (1985)	56%	72%
Spain (1985)	74%	76%

likely become a victim of its own success and will no longer be eligible for payments from the Cohesion Fund when they are reassessed in 2003. Two of the other three countries have also converged toward the EU average, although to a lesser degree. Perhaps most worrying is the case of Greece, which, despite being an EU member longer than either Spain or Portugal has made no significant progress in converging to the EU average, and indeed, has diverged slightly.⁴

Success in reducing disparities at the national level should not obscure differences in wealth at the regional level. The economic performance of regions and countries are not synonymous; regions are economic entities in their own right. As one commentator noted, "many economic processes involving capital

⁴It should be remembered that in comparing national GDP to the EU average we are discussing only relative wealth. Greece may be improving its economic position in relation to past performance, but it is not doing so as quickly as other member states.

accumulation or the organization of labor operate at the sub-national level. These regional formations...have their own role in the national and international economy" (Williams 1987, 243).

Figure 2 illustrates how trends witnessed at the national level may not be translated at the regional level. In depicting the economic performance of the EU's five least wealthy regions in comparison to the EU's five wealthiest regions, Figure 2 shows that the gap between rich and poor regions has widened. In 1977 the EU's least wealthy regions were four times poorer than its richest; in 1996 they were over five times poorer. This may not appear to be a significant increase in disparity. However, to put it another way, the per capita income of the five richest regions increased from 206% of the EU average in 1977 to 224% of that average in 1996. While the per capita income of the EU's five poorest regions barely moved from 44.5% of the EU average to 44.7% of that average. These results indicate that across the EU, regional disparities are of greater magnitude between regions than between countries. Moreover, although it might be expected that the poorest regions would be found in the poorest countries, this is clearly not a linear relationship. All of the wealthiest regions are not, for instance, found in the wealthiest country. Rather there is considerable overlap between member states, with each incorporating relatively poorer and relatively wealthier regions.

Figure 3 outlines the within-country regional variation in per capita GDP for all member states. A cursory examination of the results reveals that the spread of disparity within member states is greater for some countries than for others. Although the EU's wealthiest region is found in Germany, that country's poorest regions are less wealthy than a majority of other regions across the EU, including regions in Spain and Ireland. Indeed, the German regions show the greatest level of dispersion ranging from a per capita income of 40,108 ECU in Hamburg to a per capita income of 12,661 ECU in Sachsen-Anhalt. A significant spread in disparity is also seen in France, which, although incorporating one of the

Figure 2
Poorest and Wealthiest EU Regions

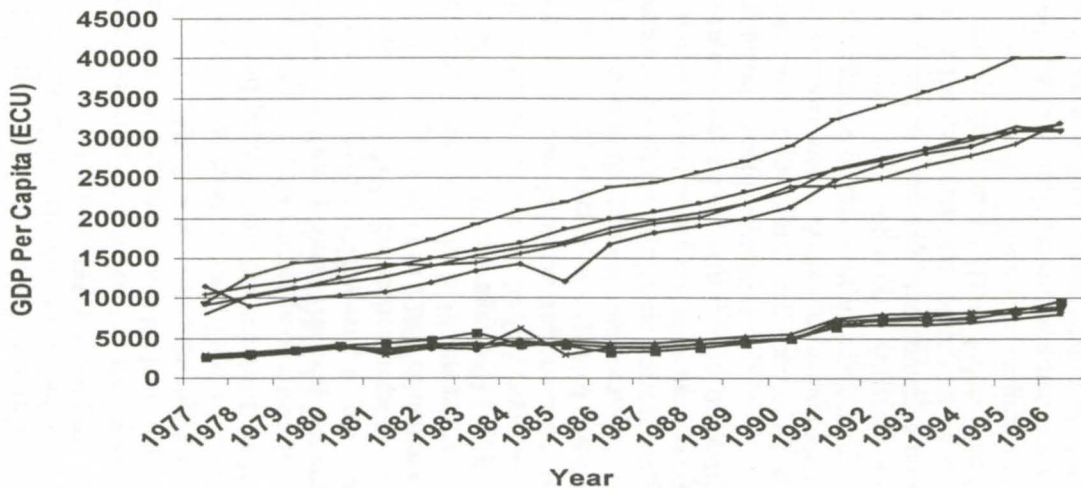
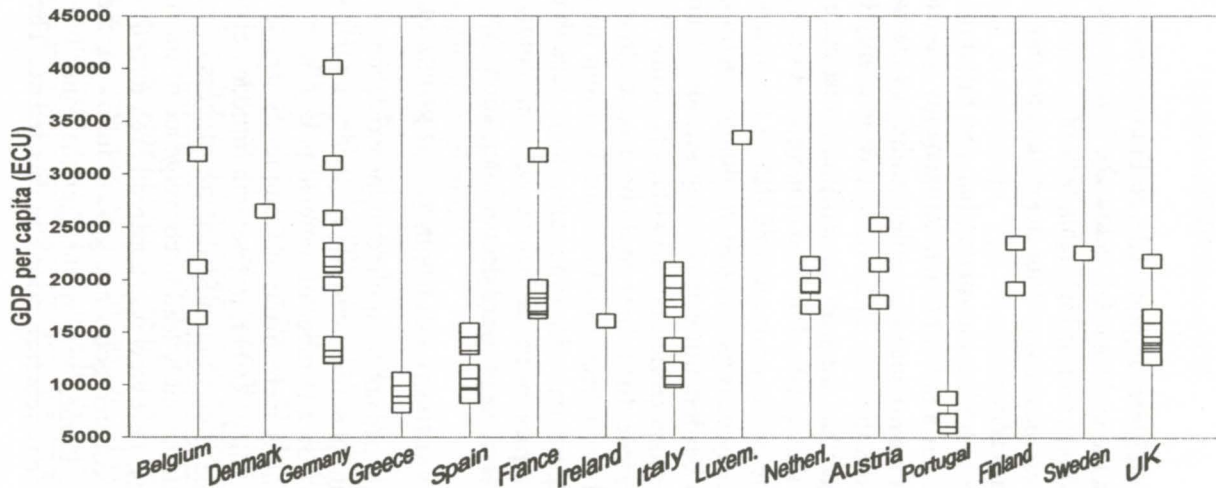


Figure 3
Regional Wealth Dispersion 1996



EU's wealthiest regions, Isle de France, also incorporates regions with incomes that fall below the EU average. The performance of Isle de France highlights how one region can distort the aggregate national figures, for it accounts for one fifth of per capita GDP in France.

These figures demonstrate that the member state level of analysis hides a much more heterogeneous sub-national mix and as a result may reduce our understanding of the nature of wealth disparities in the EU. By focusing solely on member states there is a danger that we may not only underestimate the degree of disparity that exists, but also underestimate its political relevance. It is entirely conceivable that in the aggregate, the member state may be improving its economic position, while regions within its borders are experiencing serious decline. If these declining regions coincide with ethnic or political cleavages then such economic difficulties could be used to strengthen separatist sentiment or ferment political unrest. From an economic perspective, persistent disparities are also undesirable for the EU in that they represent an inefficient use of economic resources, and may hinder moves toward deeper integration.

REGIONAL POLICY IN THE EUROPEAN UNION

The EU has not been blind to the existence of wealth disparities within its borders and has responded by introducing and expanding upon a number of regional policy instruments. Initially, no provisions were made in Community treaties for a separate regional policy. Rather, in line with orthodox economic thinking at the time it was believed that the process of integration itself would automatically lead to convergence of social and economic conditions. This view was apparently reinforced by both a period of unprecedented economic growth following the signing of the Treaty of Rome, and by the fact that only one country, Italy, made serious representations in this regard. The EU's first ex-

pansion in 1973 however, incorporating Ireland, Denmark, and the UK, brought greater economic diversity to the Community, along with the recognition that long term plans for economic integration would be strengthened if all involved had similar levels of economic development. The Community's first regional policy was established with the introduction of the European Regional Development Fund (ERDF) in 1975.

Subsequent membership expansions brought increased coverage of regional policy both in terms of geography and budget. At its inception regional funds accounted for less than 5% of the EU budget, this figure doubled in the following ten years. Today the ERDF forms part of the EU's Structural Funds, which also includes the European Social Fund, and funds related to agriculture and fisheries. Together these funds represent the second biggest item on the EU budget. In addition to the Structural Funds, the EU introduced the Cohesion Fund in 1993 in order to promote economic growth among the EU's poorest countries. The Cohesion Fund differs from the Structural Funds in that its focus is on countries and not regions. It applies to countries with a per capita GDP less than 90% of the EU average; currently Ireland, Spain, Portugal, and Greece are eligible.

The rationale for the introduction of the Cohesion Fund was both economic and political. On the economic front it was closely linked to the nominal convergence of national economies. In order to qualify for EMU member states had to meet a number of convergence criteria in terms of inflation, interest rates, public sector indebtedness, and monetary stability. It was believed that all of this would be more easily achieved with the establishment of an additional fund targeted at poorer countries. The Fund was also designed to lessen the impact of any austerity measures that these governments would have to introduce in order to meet convergence criteria. From a political viewpoint, the establishment of the Cohesion Fund can also be seen as an incen-

tive, or side-payment, awarded to recalcitrant countries to encourage them to concede to deeper integration.⁵ During negotiations for the Treaty on European Union, the Spanish government in particular argued forcefully for the inclusion of the Cohesion Fund.

Since 1988 the Structural Funds have been focused on six policy objectives that address both regional and Union-wide problems. Almost all of the measures (90%) have been taken on the initiative of member states, and members must co-finance the programs (COR Opinion 1997). Despite claims of some success, reform of the Funds became necessary when existing regulations governing their operation expired in 1999. An even more pressing reason for reform is the prospect of the EU's next expansion. The future accession of the countries from Central and Eastern Europe (CCEE) will represent an unprecedented expansion of the EU and could place tremendous strains on regional funds. Of the ten CCEE the wealthiest, Slovenia, is poorer than the EU's current least wealthy member, Greece. Together, the per capita GDP of the CCEE is three times less than the EU average.

To meet the expected additional burdens of the CCEE, the Union had the option of increasing required budget contributions from member states, or reducing the number of regions eligible for assistance. With little support for increasing contribution, the latter option was chosen. In its Agenda 2000 strategy document, the European Commission proposed three themes that would govern reform of the Structural Funds: concentration of assistance, simplification, and decentralization of management. The result has been a greater consolidation of the Funds and a greater targeting toward the most needy regions. The six priority objec-

⁵Moravcsik (1993) goes so far as to argue that since regional policies are "neither significant enough to provide major benefits for donors, nor widely enough distributed to represent a policy of common interest [they] are most plausibly interpreted as side payments extended in exchange for other policies" (p. 496).

tives were collapsed into three and eligibility was tightened. A comparison of the old and reformed Structural Fund objectives is displayed in Table 2. It remains to be seen how successful these reforms will be in alleviating the problem of regional wealth disparities, but the enormity of the problem should not be underestimated.

TABLE 2
Structural Fund Objectives

Objectives 1995-1999	Objectives 2000-2006
<i>Objective 1</i> : structural adjustment of regions lagging behind in development	
<i>Objective 2</i> : re-conversion of regions in industrial decline	<i>Objective 1</i> : regions where the GDP per capita is less than 75% of the EU average
<i>Objective 3</i> : actions to combat long-term unemployment	
<i>Objective 4</i> : actions to prevent unemployment	<i>Objective 2</i> : economic and social re-conversion of regions that are experiencing structural difficulties
<i>Objective 5a</i> : modernization of agricultural structures	
<i>Objective 5b</i> : economic diversification in rural areas	<i>Objective 3</i> : all actions promoting the development of human resources, outside regions that are eligible under <i>Objective 1</i>
<i>Objective 6</i> : development of scarcely populated regions	

THE IMPACT OF REGIONAL POLICY

The impact of a single policy on an organization as large as the European Union is difficult to measure, but by tracing trends in economic convergence and economic divergence over a number of years it has been possible to assess whether the EU's goals in this area are currently being met. The descriptive analysis in this study reveals that while significant progress has been made by some countries in closing the economic gap between themselves and the EU average, this is much less evident at the regional level. Data indicates that poor regions are becoming comparatively poorer, while rich regions are becoming comparatively richer. This has occurred despite substantial increases in the availability of EU regional funds in recent years.

Explanations for this apparent lack of success are varied and can be attributed to factors both within and beyond the EU's control.

Timing of Regional Policy Funds

Substantial increases in regional funds were made available only during the late 1980s and it is likely that it would take a number of years before they could impact convergence. In addition, the late 1980s brought a re-orientation of regional policy that replaced the goal of income redistribution with that of structural adjustment. Rather than attempting to entice external industries to relocate in poor regions, the EU has increasingly sought strategies that would promote indigenous economic growth. While this strategy is designed to improve regional competitiveness and provide a solid basis for future growth, it is necessarily long term in nature.

Size of the funds

Although funds for regional development have increased substantially over the years they still amount to less than a half per-

cent of EU GDP, so it is questionable just how much impact they can be expected to have. It could be argued that successes witnessed at the national level are attributable to factors other than regional policy. The most successful recipient country of Cohesion Funds is Ireland, which has closed the gap between itself and wealthier EU members significantly. However, Spain, Portugal, and Greece received similar levels of funding and did not do so well. In fact, Portugal and Greece received more from the Cohesion Fund than Ireland, as a percentage of their GDP. This suggests that Ireland's economic success should be attributed to additional unique factors. Much of Ireland's recent economic prosperity for instance, stems from the influx of a large number of transnational corporations who manufacture high value-added products for export. The economic impact of this influx has been to greatly improve the Irish economy in relation to the rest of the EU.

Role of the Member-States

Member states are expected to co-finance EU regional policy programs within their own borders, however this is not where the bulk of their influence lies. EU regional policy pales in comparison to the myriad of instruments and incentives that are available to national governments to promote regional economic growth. Even in countries where there is no explicit system for doing so, regional transfers usually occur as a result of taxation and public expenditure systems. In general, dynamic regions pay more tax while less favored regions receive a disproportionate share of public expenditure (Begg 1997). Although not specifically planned, such arrangements help to minimize disparities within countries. Other actions taken by national governments however, work to offset these benefits. A recent EU study found that although most regional policies introduced by national governments support cohesion,

the pattern of expenditures on policies aimed at improving the competitiveness of national economies by promoting R&D (Research and Development) is virtually a mirror image of patterns of regional disparity; the wealthier the region is, the more the government tends to spend on promoting R&D within that region. Conversely, the poorer a region is, the smaller the amount spent on R&D as a proportion of regional GDP. (Regional Development Studies 29, 1998)

This finding is extremely significant when one considers the vital role that innovation plays in developing and sustaining regional competitiveness.

Breadth of the Problem

When discussing regional disparities in the EU it is important to recognize that the causes of such disparities vary from region to region. In the four Cohesion countries the EU is faced with implementing regional policy within national economies that are themselves underdeveloped. This creates tensions between competing priorities, promoting national prosperity or reducing regional disparities. In these countries, underemployment, unemployment and peripherality are also central concerns. In central and northern Europe (Austria, Belgium, Denmark, France, Luxembourg, the Netherlands, and the UK) regional problems are related to industrial decline and restructuring, often accompanied by problems of urban decay. Germany is characterized by extreme internal disparities in wealth, requiring extensive national regional policies. The Nordic member states (Finland and Sweden) are faced with peripherality, sparsely populated areas, and harsh climates (Regional Development Studies 29, 1998). The EU of course recognizes these distinctions in the different objectives laid out in the Structural Funds. However, given the breadth of these problems and the limited

resources available for regional policy, the impact of such funding must remain somewhat limited.

EMU

European Monetary Union could undermine regional policy and regional convergence. The convergence criteria established for entry into EMU required that some governments reduce spending, potentially aggravating regional wealthy disparities, even with the introduction of EMU such problems have not disappeared. The challenges of EMU are daunting, reconciling competing policy demands, creating real convergence, and coping with asymmetric shocks. It is questionable whether the Structural funds will be substantial enough or flexible enough to make significant contributions (Begg 1997). Moreover, such challenges are unlikely to be diminished in the near future. Unlike member states, the EU has few powers to raise and re-distribute funds. Without such mechanisms the development of comprehensive inter-regional transfers to cope with EMU will be limited (Begg 1997).

CONCLUSION

Despite its weaknesses, none of this is an argument against EU involvement in regional policy. Although many policy goals are yet to be met, the data on national convergence indicates that some progress has been made. It is also likely that EU regional policy will become increasingly important in the near future. EMU reduces the ability of member states to promote regional convergence within their own borders; the EU can and should step into this void. In producing an EU-wide regional policy, the EU can promote economic convergence while ensuring fair competition among regions, consistent with the requirements of the single market. In this the EU can also play an important coordinating role, verifying that member state regional policies are

consistent with overall EU goals. EU regional policy will also be vital if the CCEE are to be successfully integrated into the Union. By EU standards, all of these countries are poor and will require substantial investments be made if they are not to remain so. Before accession much of this investment is provided through the Phare Program, after accession it will be provided by the Structural Funds.

To date, the impact of EU regional policy is perhaps more political than economic; regional policy is more likely to promote the idea of cohesion than the actuality of convergence. The value of cohesion if achieved however, should not be underestimated. It refers to a social solidarity, a belief that it is the "common will of all" to improve the living standards of all EU citizens no matter where they reside. Without cohesion the foundation upon which the EU is based will be greatly weakened.

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