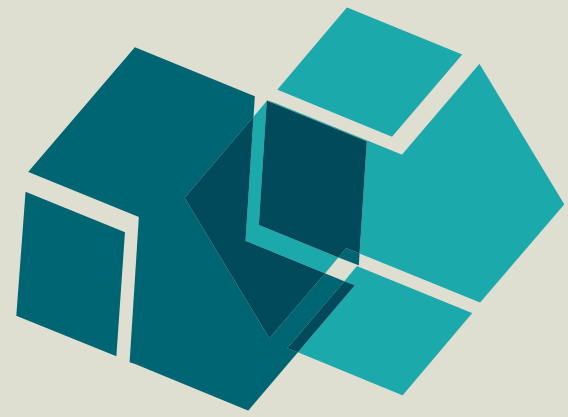




Newsletter GRINCOH



**Growth-Innovation-Competitiveness
Fostering Cohesion in Central and Eastern Europe**

"GRINCOH. Growth – Innovation – Competitiveness: Fostering Cohesion in Central and Eastern Europe " is a 3-year-long FP7 research project, launched in March 2012, with the main objectives : (a) to establish development scenarios for the CEECs for the period up to 2020; (b) to identify the implications for sustainable growth – based on innovation and the development of technological capabilities – and greater economic, social and territorial cohesion in the CEECs; and (c) to advise on future policy options for the CEECs, and in particular for EU Cohesion policy.

Welcome to GRINCOH

Project name: Growth – Innovation – Competitiveness: Fostering Cohesion in Central and Eastern Europe

Project acronym: GRINCOH

Project no: 290657

Programme: SSH.2011.2.2-1. Addressing cohesion challenges in Central and Eastern Europe; Area 8.2.2 Regional, territorial and social cohesion

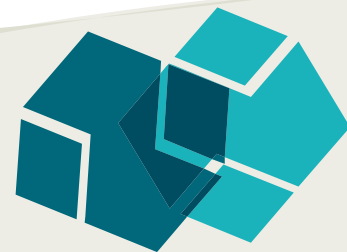
Project duration: 36 months

Project coordinator: Centre for European Regional and Local Studies (EUROREG)



GRINCOH Kick-off meeting 30-31 March 2012

The kick-off meeting of the GRINCOH project took place on the 30th and 31st of March 2012 in Warsaw, and was hosted by the Centre for European Regional and Local Studies (EUROREG) at the University of Warsaw.



Objective and mission of the project



GRINCOH will focus on the relations between economic, social and environmental factors of development and the policies adopted in CEECs during transformation and after EU accession. The final objective of the research is to provide policy recommendations in the light of the main results and lessons learnt from the past.

The GRINCOH project focuses on two major challenges facing the CEECs that are central to the goals of cohesion: they **need to embark on a more innovation-driven process of development to secure long-term competitive and sustainable growth**; and, at the same time, they **need to create conditions for their citizens that allow them to enjoy more equal opportunities and to mobilise their full potential for economic and social development**.

In spite of unquestionable successes in economic growth, social advancement, and political and institutional reforms, post-socialist transformation and the early years of EU membership did not allow the CEECs to overcome several critical weaknesses in their overall socio-economic and institutional structures. In particular, ***there is a disjuncture between fast productivity growth and a rather poor performance to develop innovative capacities to support longer-term sustainable growth and assure their competitive positions.*** These countries are striving to achieve international competitiveness relying more on low costs of production rather than offering innovative products and services to demanding customers. Partly as a result of this development paradigm, most CEECs were disproportionately affected by the 2008-2009 crisis. It is arguable that the CEECs are not sufficiently prepared to meet the 'smart growth' goals of the Europe 2020 strategy, and many challenges for sustainable growth and development remain.

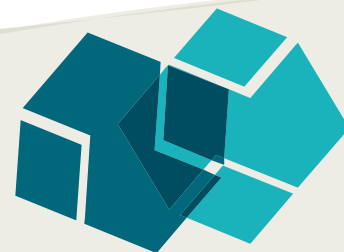
A second area of concern is that growth is territorially unbalanced in the CEECs, more so than in most other parts of the EU. This is a key message of the European Commission's Fifth Cohesion Report. ***Economic, social and environmental territorial disparities are among the more pronounced outcomes of the CEECs accelerated growth.*** The benefits of transformation in these countries have been unequally distributed among particular social groups and territories – with the emergence of highly educated and internationally

successful professionals and entrepreneurs on the one hand, but structural unemployment, persistent poverty and social exclusion on the other hand.

Furthermore, regional imbalances are characterised by a process of metropolisation that has privileged a handful of dynamic urban centres while exacerbating the structural problems of old industrial regions, vast rural areas and regions located on borders, and especially the EU's eastern borders. As different as they are in social, cultural and geographical terms, these declining regions share general problems of economic peripherality and many negative effects of structural change, such as rural de-population, 'brain drain', disinvestment and, frequently, below-average levels of socio-economic well-being. This polarised economic and territorial development within CEECs poses challenges not only for the respective CEECs, but also for European cohesion. Accordingly, addressing territorial disparities – and associated social and economic disparities - in CEECs remains a key priority for EU Cohesion policy.

Therefore, GRINCOH will focus on the relations between economic, social and environmental factors of development and the policies adopted in CEECs during transformation and after EU accession. The overall objectives of the project are:

- (a) to establish development scenarios for the CEECs for the period up to 2020 under different assumptions of political frameworks, institutional conditions and development strategies;
- (b) to identify the implications for sustainable growth – based on innovation and the development of technological capabilities – and greater economic, social and territorial cohesion in the CEECs; and
- (c) to advise on future policy options for the CEECs, and in particular for EU Cohesion policy.



The final objective of the research is to provide policy recommendations in the light of the main results and lessons learnt from the past. These policy recommendations will be provided for several sectoral policies. They will also cover the horizontal approaches of regional policy and be tailored to the multi-level system of regional policy governance addressing: the Cohesion policy of the European Union, the regional policies of Member States, and – where appropriate – specific regional development policies of regions of different types. In particular, the following issues should be represented in the policy recommendations:

- relations between domestic policies of the CEE Member States and the Cohesion policy of the EU, especially in the light of stronger prioritisation and better alignment of EU expenditure with the goals of Europe 2020;
- the potential impacts of a reformed Cohesion policy and national policies on developing the innovative potential of the CEECs and their regions and on innovativeness of their economies, institutions and societies;
- the measures contained within Cohesion policy and national and regional policies of the CEECs that foster social cohesion in terms of labour markets, justified levels of social equity, gender equity, efficient use of skills and qualifications and alleviating social exclusion (also related to ethnic differences) and social pathologies, etc.; and
- economic, R&D and educational policies towards environmental protection, greener energy (and sustainable development more broadly) and growing environmental awareness of wide strata of population of the CEECs.

Thus, the project should contribute in considerable manner to policy recommendations for the CEECs so that they can achieve key objectives of the Europe 2020 strategy and its 'flagship' policies.

Project partners

***Centre for European Regional and Local Studies,
University of Warsaw (EUROREG) – co-ordinator***

*The Vienna Institute for International Economic Studies
(WIIW)*

*Research Centre for Economic and Regional Studies,
Hungarian Academy of Sciences (CERS-HAS)*

*School of Slavonic and East European Studies,
University College London (UCL)*

The Halle Institute for Economic Research (IWH)

*European Policies Research Centre, University of
Strathclyde (EPRC)*

*Building Environment, Science and Technology,
Politecnico di Milano (BEST)*

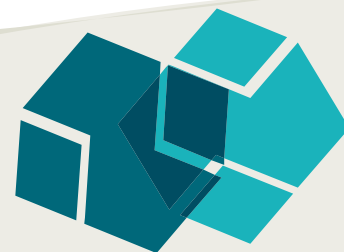
Bucharest Academy of Economic Studies (ASE)

Karelian Institute, University of Eastern Finland (UEF)

*Centre for Research in Economic Policy, University of
Pécs (UP)*

Institute of Baltic Studies (IBS)

Institute for Economic Research (IER)



Workpackages summary

| Work package title | Tasks involved |
|--|--|
| Economic development patterns and structural change in the process of transition and EU membership | <ol style="list-style-type: none"> 1. Development patterns of CEECs in the course of transition and following EU membership. 2. Patterns of structural change: internal and external factors. 3. Regional and national growth processes. 4. Economic and social cohesion. |
| International context of cohesion: the role of trade and FDI | <ol style="list-style-type: none"> 1. Changing patterns of CEECs' trade as a facilitator of EU integration. 2. Impact of trade on CEECs' productivity, technology and innovation upgrading. 3. Effects of FDI on the catching-up of CEECs' firms. 4. Role of inward FDI in CEECs' production and innovation networks. 5. Role of FDI in terms of regional development and policy impact. 6. Policy paper and dissemination. |
| Innovation, entrepreneurship and industrial dynamics | <ol style="list-style-type: none"> 1. Assessing R&D excellence of CEECs in a comparative perspective. 2. Interregional R&D collaboration linkages and smart specialization. 3. Assessing innovation capacities of the CEECs based on alternative non-EIS metrics. 4. Territorial dimensions of research and innovation and their effects on regional performance in CEECs. 5. Social and institutional determinants of innovative entrepreneurship in CEE. 6. Entrepreneurial propensity of newly emerging technology sectors in CEE. 7. Comparative analysis of policy-mixes of research and innovation policies in CEE. |
| Labour markets, skills and social dynamics | <ol style="list-style-type: none"> 1. Labour market developments, mobility patterns and social welfare. <ol style="list-style-type: none"> a. overview of regional (including intra-EU) mobility patterns b. micro-level analysis. 2. Effectiveness of policies related to employment and welfare. 3. Skill formation and educational policies. |
| Social cohesion and welfare | <ol style="list-style-type: none"> 1. Analysis of inequality and poverty in CEE EU Member States. 2. Assessing social policy variation across countries. 3. Effects of income inequality on population health and social outcomes. 4. Analysing disparities in health status and possibilities for catching up by new member states. 5. Exclusion from labour market participation. 6. Family policies and female labour force participation. 7. Provision of employment rehabilitation services. |
| Territorial dimension of EU integration as challenges for Cohesion policy | <ol style="list-style-type: none"> 1. Harmonized socio-economic regional database for the NUT3/NUTS2 regions. 2. Quantitative analyses of the socio-economic indicators for NUTS3/NUTS2 regions in the CEECs. 3. In-depth comparative analysis of specific territorial cases. 4. Assessment of infrastructure construction, its role in regional development. 5. The changing state of the natural environment and environmental policies for sustainable development. 6. Metropolis and its region – a challenge for territorial cohesion. |
| Dynamics of institutional convergence | <ol style="list-style-type: none"> 1. The impact of European institutional convergence on growth. 2. The relation between the institutional setting and different dimensions of European cohesion. 3. The impact of EU-wide coordination of policies and structural reforms on cohesion. 4. The relation between the institutional setting and different dimensions of European cohesion. 5. Political stability and institutional change. |
| Cohesion policy and its components: past, present and future | <ol style="list-style-type: none"> 1. Assessing the conceptual evolution of Cohesion policy. 2. Analysing Cohesion policy lessons from earlier EU/EC enlargements. 3. Assessing Cohesion policy impact in specific territories. 4. Analysing Cohesion policy and institutional change in CEECs. 5. Assessing Cohesion policy's prospects as a function of the EU budget's future. |
| Scenarios, policy options and policy recommendations | <ol style="list-style-type: none"> 1. Targeted project dissemination. 2. European strategy scenarios and post-crisis scenarios. 3. Future Cohesion policy scenarios. 4. Policy recommendations. |

GRINCOH



Contact us:

EUROREG

Centre for European
Regional and Local Studies
University of Warsaw

ul. Krakowskie
Przedmieście 30
00-927 Warsaw
Poland

Contact person: prof.
Grzegorz Gorzelak

✉ euroreg@uw.edu.pl
☎ 0048 22 826 16 54



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