

EU's systemic innovations in regional development

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Representatives of public agencies at the European as well as national levels are in the midst of planning for the 2014-2020 EU programming period. This article examines key features of the integrated approach to regional development, which can be considered the main systemic innovation.

The Integrated Approach to Regional Development (IARD) is an innovative feature of the EU's development policy. It was tested in the past within the LEADER and URBAN Community Initiatives. As they proved effective, each country is mandated to use 5% of the European Regional Development Fund (ERDF) for the IARD in the new programming period. This approach builds on three key elements:

- Rediscovering a Territory**
 In the last 30 years, economic thinking has shifted from the local/regional "demand" to the local "supply". The IARD is always related to some clear-cut territory. It is no longer viewed as a place where development takes place but as a source that must be used and governed by local actors as best as possible. Additionally, the World Bank has allocated separate capacities to support local development initiatives. In the 1990s, it started its own program, LED (Local Economic Development), and a support network called Cities of Change. Compared with the IARD, those programs view local development predominantly as an economic process and the social and cultural aspects as by-products.
- Necessity of Integration**
 The deeper integration ap-

proach is inspired by a shift from the concept of pure economic development to a concept of social-economic development. At the same time, there is a need to use synergies between public policies and private interventions that are in accord with them.

• Forces of Co-operative Behavior

The IARD views development as an inherent process where emphasis is placed on the key role of the community and its participation in decision-making processes and on organized civic society. This view is based on the assumption that fair behavior does not solely arise from rational calculation, but from rules that are accepted as fair by the community to which the individual belongs. Moreover, the degree of the community's social capital represents an important starting point for socio-economic progress. It requires involving many local actors who are willing to cooperate and enter into stable partnerships.

The IARD also stands on three pillars:

1. Community-led local development

Community-led local development follows the historical initiatives of the European Community, which

tested innovative approaches to regional development such as the LEADER program. In the coming programming period, Member States will have to use this approach to plan and realize projects for the development of rural areas. It will leverage the tools existing in the LEADER program: local development strategies and local action groups. Guidelines for their operation will be determined by the Member States and the respective managing authorities. Implementation of the activities will be financed by funds from the Common Strategy Framework.

2. Integrated sustainable urban development

The aim of the European Commission is to develop integrated urban policies between 2014 and 2020 to support the sustainable development of urban areas and boost their role within the Cohesion Policy. Towns and cities catalyze creativity and innovation; 68% of EU inhabitants live in them and they generate 67% of the GDP. However, the most difficult issues of society – unemployment, segregation, and poverty – also are concentrated in urban areas. Hence progress in the diverse areas – environment, economy, social area, culture – can be achieved only by means of an integrated approach. Therefore, integrated urban development plans and integrated urban investments, together with the EU-wide platform of urban development and financing of innovative activities of towns, will constitute the main innovative features. Moreover, at least 5% of the ERDF in each

Member State will be invested in integrated activities that relate to sustainable urban development

3. Integrated Territorial Investment

The Integrated Territorial Investment (ITI) is a new systemic instrument in the 2014-2020 programming period. It is used to implement cohesion policies of the EU. If a certain region needs several concerted activities for its development, the ITI makes it possible to group those activities into a larger project package. The necessary steps can be realized in parallel under the same management umbrella and on the calls and resources of several operational programs what should prevent anomalies.

The main benefits of ITI:

- The potential to deliver better final results with the same public resources.
- The opportunity for urban or rural sub-regional participants to take part in preparation and implementation of cohesion policies.
- More certainty of financing the integrated activities as several sources are used.

The integrated approach to regional development can become a useful tool for tackling regional differences, using local resources effectively, and strengthening local communities. The systemic framework has been set by the EU; now EU Member States have to take the next steps in order to translate it into practical guidelines. We can only hope that in Slovakia we will be able to discover the full potential of this approach when designing new programs and implementing new projects, too.



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The three main pillars of the IARD



Community/led local development



Integrated sustainable urban development



Integrated territorial investment

