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Strengthening the local heart of Europe

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Abstract

The European Union's (EU) Cohesion Policy has long served as its most democratic instrument of integration, offering sustained investment to support the development of vulnerable European regions. The proposed new EU budget aims to simplify processes and enhance efficiency. While reform of the Cohesion Policy is undoubtedly overdue, gutting its content and slashing its funding would be a historic mistake. Sidelining cohesion risks marginalising local voices and undermining the European project. At a time of growing discontent, Europe cannot afford to turn its back on its democratic, locally grounded heart.

Keywords

Cohesion policy, EU, Euroscepticism, regions

Centralisation by stealth

On 16 July 2025, the European Commission unveiled its proposal for the 2028–2034 Multiannual Financial Framework (MFF) (European Commission, 2025). This document includes a radical overhaul of Cohesion Policy. At its heart is a plan to roll European Union (EU) regional funds into broad 'National and Regional Partnership Plans' (European Commission, 2025: 3). In plain terms, the distinct pots of money that have long supported Europe's citizens, towns and regions would be merged into one giant envelope. Cohesion funding – the EU's flagship development programme and the largest and most emulated territorial development strategy in the world – would be absorbed into a single mega-fund alongside agriculture, rural development, migration, border control and more. Brussels touts this as simplification and efficiency: a streamlined process to maximise 'synergies' and flexibility. The Commission claims Cohesion Policy will be 'strengthened and modernised, with regions at its core' (European Commission, 2025: 5), and that a unified approach will cut red tape and respond nimbly to new challenges.

The rhetoric may seem reassuring, but the reality looks rather different. In practice, this move amounts to centralisation by another name. Combining 14 funding streams into one pot means that national governments and EU officials will gain far more control over how money is spent, and citizens and local authorities far less. What used to be separate, multi-annual regional programmes (designed with local input) could dissolve into a single negotiation between Brussels and each national capital. Member states may get more 'flexibility' in setting priorities, but that very flexibility raises two clear risks. First, as David Rinaldi (2025) writes, 'with this proposal there is a serious risk of financing 27 national growth

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plans rather than one coherent EU-wide investment strategy'. Second, cities and regions will be elbowed out of decisions. According to some, this is a drift towards 'Hyper-Lisbonisation', that is, a crisis-era flexibility that dissolves, ring-fences and recentralises choices in national capitals, edging policy from places to sectors (Molica et al., 2025). Seen in legal cold light, this is mission creep: the cohesion label could become an all-purpose vehicle, as 'Article 175(3) TFEU can now be invoked to support virtually any economic instrument, as evidenced in the recent crisis response programmes' (Díez Sánchez, 2025: 13).

Even the budget numbers speak volumes. By folding cohesion funds into a catch-all bundle, the proposal effectively demotes Cohesion Policy within the EU budget, cutting its share of spending from roughly one-third today to a significantly smaller amount. Strip away the soothing talk of 'synergies' in the proposal and the money follows a two-stage algorithm – base plus bonus – that tilts towards less investment in vulnerable areas while introducing a national prosperity lever (Schreiber and Núñez Ferrer, 2025). Moreover, money once earmarked for promoting development and equalising opportunities across Europe might now be up for grabs for other agendas. From this perspective, the new policy turn – towards a European-wide industrial policy – is likely to be spatially regressive, shifting investment and advantage towards places already ahead. As Filippetti and Spallone (2025: 13) argue, 'a sectoral/technological approach is hardly going to benefit the less-developed regions'. Foresight points the same way: cut cohesion loose and you buy fleeting flexibility at the price of durable fragmentation, 'as the costs of non-cohesion are high' (Toptsidou and Böhme, 2025: 71). The new Cohesion Policy will end up, in all likelihood, funding stabilisation and innovation while steadily loosening its redistributive core.

Unsurprisingly, Europe's local leaders are alarmed. Putting agriculture, migration, border control, defence, and cohesion policy into one container 'turns European solidarity into a Hunger Games. Inside each national envelope, farmers will be pitted against cities, migration against social services, child poverty against border control, climate adaptation against mitigation, housing against roads, and biodiversity against food security', warns Kata Tüttő (2025), president of the EU's Committee of the Regions. She sees the change as a power grab by central governments. The new structure, Tüttő argues, makes disadvantaged regions compete with other national lobbies for a shrinking pot. Most worrying is the blow to the partnership principle that has defined Cohesion Policy, as the new budget proposal generates a 'control mechanism that gives more power to the Commission. National governments get lump sums but no longer have to involve their regions in shared management' (Tüttő, 2025). In one stroke, the Commission's plan risks sidelining those on the ground who know best where EU funds can make a difference.

Losing the people to please the capitals

Proponents of the reform insist critics like Kata Tüttő are shadow-boxing with a caricature. After all, the partnership principle is retained, territorial targeting tightened and regions can, to an extent, still draft and debate their own programmes with the Commission. What shifts, in their view, is the operating system: less rigid thematic concentration, more nationally coordinated flexibility, clearer lines of responsibility for reforms and renewed investment in administrative capacity, including a single envelope with rural development.

That may or may not be the case. However, what is undeniable is the impact of legitimacy. For decades, Cohesion Policy has been the EU's most democratic and locally empowering instrument (European Commission, 2024; Tüttő, 2025). It is not just another Brussels programme; it is money that goes into thousands of towns and regions, often managed in partnership with local councils, businesses and civil society. Cohesion funds have built roads in Portugal, upgraded hospitals in Poland, supported start-ups in Slovakia and retrained workers in Greece. As one of Europe's most tangible policies, it delivers visible results in citizens' daily lives (Crescenzi and Giua, 2020; Di Caro and Fratesi, 2022; Ferrara et al., 2017). More importantly, it invites those citizens into the decision-making tent. Unlike top-down subsidies dictated from a capital city, cohesion projects are typically planned involving people who live and work in the community (Bachtler et al., 2014). This bottom-up approach – enshrined in the partnership principle of EU treaties – has fostered trust and participation. It has given mayors and regional councillors a direct channel to shape Europe's future alongside national ministers. In short, Cohesion Policy's great strength is its local democratic character: it gives ordinary Europeans a stake in the Union's grand project of 'ever closer union' (Capello and Perucca, 2019; Dąbrowski, 2014). Cohesion is, after all, the Union's most democratic mechanism – trust-building, participatory, unifying – and that is precisely what a shift to centrally steered envelopes imperils (Rodríguez-Pose, 2025: 1).

The Commission's one-size-fits-all partnership plans may sound inclusive on paper, but they de facto dilute the voice of Europe's citizens and regions. Subsuming tailored regional programmes within a single, far broader national envelope means far fewer opportunities for local leaders to set priorities or innovate. Decisions that affect a region's destiny can be hammered out in finance ministries, with minimal input from the communities concerned. This marks a shift from the transparent, multilevel governance that Cohesion Policy pioneered (European Commission, 2024) towards something much more opaque and top-down. The loss of local oversight and engagement is not a trivial bureaucratic tweak. It strikes at the heart of what made Cohesion Policy effective. Take away the local partnership, and you take away the policy's democratic soul. It also raises questions about what the EU stands for.

The consequences of dismantling this pillar of integration could be dire. Cohesion Policy was never a charity exercise (Tüttő, 2025); it has been a glue holding Europe together (European Commission, 2024). By investing in less developed areas, it has mitigated the extremes of boom and bust and shown that the Union cares about all its citizens, not just the wealthy or well placed. Undermining cohesion now will almost certainly widen the divides it was designed to bridge. Prosperous regions will continue to prosper, while struggling and vulnerable areas – from depopulated rural provinces to deindustrialised towns and regions – risk falling further behind. Europe's regional disparities, marked by lost jobs and youth flight, will deepen. And with them the geography of discontent will continue to rise: those pockets of anger and alienation that map uncannily onto support for anti-EU populism. It is no coincidence that some of the loudest voices for leaving the EU, or for ousting its establishment, come from places left- or falling-behind economically. Cohesion funding has been one of the few visible signs of solidarity reaching those places (Rodríguez-Pose and Dijkstra, 2021). If that dries up or disappears into opaque national coffers, the sense of neglect and abandonment will only grow.

Politically, this is playing with fire. Eurosceptic sentiment is at its highest in decades: roughly one in three Europeans now votes for parties hostile to European integration (Rodríguez-Pose et al., 2024). And this share is mounting. Faced with that reality, one would think Brussels would rekindle its connection with citizens. Instead, its plan to centralise Cohesion Policy unintentionally echoes the Eurosceptic playbook. For years, nationalist critics have demanded that EU powers and money be reclaimed by national governments. They have demanded a 'Europe of Nations' (Bechter, 2019). Now the Commission itself proposes to repatriate what is arguably the EU's most people-focused policy to national capitals. It is a strange gambit: meeting populists halfway in the hope of perhaps appeasing them. But such a strategy will certainly not mollify them. They will simply pocket the concession and double down on demands. Worse, by removing the participatory, local aspect of Cohesion Policy, the EU would be disarming itself in the fight against Euroscepticism. Cohesion projects, with their billboards of EU flags in remote towns, have been a quiet rebuttal to 'Brussels doesn't care about you'. Take them away, and that refrain will ring truer than ever.

One must also consider Europe's strategic interest. In an era of global uncertainty, cohesion is not a luxury, but a necessity for the EU's long-term stability and competitiveness. It has acted as an economic shock absorber in crises, from smoothing the 2008 downturn in Eastern Europe to supporting recovery after the pandemic. It is a catalyst for growth and development in regions that, if neglected, could become permanent economic black holes. Weakening this policy now would be an error not just socially, but economically. Europe's rivals are not shy about investing in their less developed regions. China has done so in spades (Liu and Ma, 2019) and the Biden administration in the United States reversed decades of neglect and started pouring money into left-behind areas through its green industrial policies (Muro et al., 2023). The EU should likewise double down on its place-based investments to harness talent everywhere, rather than concentrate innovation and jobs in a few rich enclaves. A Union that leaves large swathes of its territory languishing becomes more fragile and cannot aspire to lead the world. Keeping Cohesion Policy strong, visible and responsive is thus not only about fairness; it is about European resilience in the face of external challenges.

Fix it, don't fold it. Modernise, don't marginalise

None of this is to pretend that Cohesion Policy is perfect or beyond improvement. On the contrary, reform is needed, just not the kind of reform currently on offer. The Commission is right about one thing: Europe's budget should evolve to meet new challenges. Cohesion Policy must adapt to the 21st century. There are valid criticisms. Some regions have absorbed EU funds for decades with underwhelming results. In many parts of southern Italy and Greece, massive aid has not delivered the expected convergence (Rodríguez-Pose and Ketterer, 2020). Taxpayers can understandably ask if cohesion funds are always well spent. The system can be maddeningly bureaucratic, too: overlapping programmes, complex rules, endless audits. And yes, there have been misuses and inefficiencies, from political pet projects to EU money disappearing into the pockets of the corrupt. Hence, Cohesion Policy should be modernised to deliver better value and to answer these concerns. But the answer is to fix Cohesion Policy, not to axe its core principles.

A genuine reform agenda would focus on making Cohesion Policy more effective and accountable without abandoning its grassroots ethos. On the evidence, reform means sharpening – not sidelining – cohesion: keep it place-sensitive and partnership-driven, make performance bite and resist the temptation to recentralise by stealth. According to the High-Level Group on the Future of Cohesion Policy (European Commission, 2024: 32), we need 'a policy that builds on the partnership principle and shared management to bring together stakeholders from different tiers of government and civil society to deliver more effective and inclusive development strategies'. That means putting a sharper focus on outcomes that matter to citizens. EU funds should translate into real improvements – jobs created, incomes raised, cleaner air and revitalised high streets – not just absorption capacity or money spent to tick a box. When projects or regions consistently fail to make progress, the response should be to investigate, learn lessons and adjust strategies. If cohesion is to be fixed rather than folded, the remedy is patience and precision: keep the long horizon, tighten outcomes and resist the crisis-chasing that hollows strategy. 'Short-term policy responses should not come at the cost of long-term programming' (Schwab, 2024: 286). Simply cutting off the locals and centralising the purse strings, as the MFF proposal does, is a blunt instrument that does not address the root of the problem. In fact, it may make problems harder to spot, as it is often easier to hide policy failures in an opaque national pot than under the spotlight of regional programmes. A better path is rigorous evaluation and transparency: measure results openly, region by region, and hold everyone (local and national authorities alike) to high standards. Recent econometric evidence draws a clear distinction: in the rebound, cohesion investment aligns with faster growth and narrower gaps, whereas innovation envelopes concentrate returns and can widen disparities in the most crisis-exposed regions (Capello et al., 2025: 137). Cohesion Policy can become more performance-based – rewarding success, intervening in cases of stagnation – without losing its local anchor.

Crucially, improving accountability does not require sidelining local partners; it requires empowering them. The European Commission has already shown it can get tough on abuse of funds through tools like rule-of-law conditionality. Cohesion funds have been withheld from governments that flout democratic standards. Those kinds of conditionalities can and should remain, ensuring basic EU values and sound financial management. At the same time, we should bolster local capacity rather than bypass it. If a region struggles to use funds well, the solution is to provide expert support or demand governance reforms, not to hoist decision-making away to distant bureaucrats. In this respect, transparency is key. Let the public know exactly where every euro is going, which projects succeeded and which failed. Today's technology allows EU spending data to be accessible to all, shining a light on both achievements and missteps. With greater transparency comes greater pressure on authorities at all levels to deliver results. More local participation – involving communities, businesses, universities, civil society in choosing and monitoring projects – can lead to better outcomes and less corruption. Open governance is both democratic and effective.

Europe also needs to revive the narrative of Cohesion Policy for a new era. Part of the reason it is easy to chip away at cohesion funding is that its story has not been told loudly enough. Ask the average citizen what 'Cohesion Policy' is, and you'll likely get a shrug. This must change. Cohesion Policy should be celebrated as Europe's investment in its own future. It is the means by which Europe backs up fine words like 'just transition' with concrete action. The policy has already evolved to tackle today's biggest challenges: it finances climate adaptation in coal-mining regions, brings broadband Internet to rural villages and supports start-ups in struggling towns. It helps ageing regions adjust their health and social services, and youth in deprived areas find opportunities close to home. In essence, Cohesion Policy can give people something profoundly valuable: the freedom to build a life and prosper in their own community. Rather than forcing everyone to move to London, Paris or Munich for a decent job, it strives to create good jobs in Białystok and Perpignan, in Thessaly and Thuringia. That vision – that every person and every place matters – is exactly what the European project is supposed to be about. We need to tell those human stories of cohesion's impact and tell them proudly.

Real modernisation would also mean enlisting all levels of leadership to improve Cohesion Policy. National leaders should stop treating EU regional funds as mere budget lines to haggle over or as pork-barrel cash for domestic use. Instead, they ought to champion cohesion as a pillar of the Europe we want to build: a Europe that competes globally by investing in its people and places. This implies stronger institutions and a focus on competitiveness with inclusion (European Commission, 2024). European governments and the European Parliament, as they debate this budget, should insist that Cohesion Policy remains a distinct, well-funded priority, not a line item to be quietly merged and marginalised. And they should insist on keeping the partnership principle alive and well. That means guaranteeing a formal role for regional and local authorities in designing those new national partnership plans and requiring genuine consultation and transparency. It is not too late to redesign the proposal so that it truly 'puts regions at its core', rather than just paying lip service.

The stakes could not be higher. Cohesion Policy represents the EU at its best: a union that invests in the prosperity of all its members and does so by engaging citizens in the process. It would be a profound mistake to trade away that model of development for a short-term illusion of simplification and efficiency. Following the Recovery and Resilience Facility (RRF) template – a crisis-born, payment-by-results machine that weakens partnership, muddies outcome accountability – does not really simplify. 'At the end of the day, the administrative burden associated with the RRF does not appear so dissimilar from that of cohesion policy after all' (Polverari, 2025: 88). Yes, Europe's budget must evolve, but not at the cost of erasing the voices of those it aims to help. At a time of surging nationalism and distrust, doubling down on local empowerment is the smartest strategy for European unity. Conversely, sidelining regions and communities will hand Eurosceptics their biggest victory yet: proof that 'Brussels' really doesn't listen or, worse, doesn't care.

The future of European integration will not be decided only in treaty texts or summit meetings. It will be decided in the villages, towns, cities and regions where ordinary Europeans judge what the EU does for them. Keeping Cohesion Policy locally embedded, transparent and democratically run is not nostalgia; it is strategic sense. It is how the EU can continue to earn the legitimacy that comes from improving daily life in concrete ways. Europe's cohesion – both as a policy and as a principle – is something we dismantle at our peril. Rather than a centralised monolith, the EU needs a living, breathing partnership with its people. Cohesion Policy has been that partnership instrument for a generation. It must remain so for the generations to come. The message to Brussels is clear: modernise, yes; marginalise, no. Europe cannot afford to abandon its local heart, especially in these turbulent times.

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