National Plans for Recovery and Resilience between National Recovery and EU Cohesion Objectives: Insights from European Countries

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Abstract : Achieving the highest effectiveness for the National Plans for Recovery and Resilience (NPRR) while strengthening the objectives of cohesion and reduction of intra-EU unbalances is only possible by means of strategic, coordinated, and coherent policy planning. Therefore, the present research aims at assessing and quantifying the potential impact of NPRRs across the twenty-seven European Member States in terms of economic convergence, considering disaggregated data on industrial, construction, and service sectors. The first step of the research involves a performance analysis of the main macroeconomic indicators describing the trends of twenty-seven EU economies before the pandemic outbreak. Subsequently, in order to define the potential effect of the resources allocated, we perform an impact analysis of previous similar EU investment policies, estimating national-level sectoral elasticity associated with the expenditure of the 2007-2013 and 2014-2020 Cohesion programmes funds. These coefficients are then exploited to construct adjustment scenarios. Finally, convergence analysis is performed on the data used for constructing scenarios in order to understand whether the expenditure of funds might be useful to foster economic convergence besides driving recovery. The results of our analysis show that the allocation of resources largely mirrors the aims of the policy framework underlying the NPRR, thus reporting the largest investments in both those sectors most affected by the economic shock (services) and those considered fundamental for the digital and green transition. Notwithstanding an overall positive effect, large differences exist among European countries, while no convergence process seems to be activated or fostered by these interventions.

Keywords : NPRR, policy evaluation, cohesion policy, scenario Nalsysi

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