

## **MARTINO LO CASCIO E MASSIMO BAGARANI**

### **Cohesion? The European Regional Policy Between “Entropic” Enlargement and “Lame” Deepening**

This contribute moves from the enhanced cooperation European debate and aims to capture additional insights on the Krugman *caveats*, exploring their spatial side.

To test and estimate the convergence/divergence patterns in the context of EU regional policy, a model is developed in the “Complexity-Meso-Economics” framework where: *i*) the steady state condition, assumed as continuously shifting, represents the *result* and a *new impulse* for a *plateau* of adapting decision makers; *ii*) a chained Total Factor Productivity Transfer (TFPT) is included as a relevant factor in explaining the regional convergence/divergence process.

The quantitative analysis shows that hypothesis of convergence among regions in Europe is consistent with the data. The convergence account for the regional policy transfers induced by regional policies.

Starting from the Juncker proposal *Towards a European Pillar of Social Rights*, the EU regional policy can strongly contribute to use the fiscal levers to escape the low-growth trap.