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Contribution of European Programs to Development – Competitiveness – Innovation and Generally to the Economy for the Region of Peloponnese Over the Last 20 Years in the Field of Manufacturing

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ABSTRACT

This research analyzes the contribution of European programs regarding the enhancement of innovation and competitiveness for manufacturing in the Peloponnese Region for the last 20 years. It touches on the relationship between NSRF programs and the funding provided to local manufacturing businesses, as well as the impact of changes on sustainability and development. Particular emphasis is placed on assessing how these programs contribute to improving production, promoting technological innovation and enhancing competitiveness at international level. The research focuses on strategies adopted by companies to utilize financial tools to modernize as well as the challenges they face in applying new technologies for sustainable development requirements. In this context, the role of the Structural Funds in reforming industrial production and their contribution to the long-term development of the region is examined. The results of the survey aim to continue the economic development of the Peloponnese Region and emphasize the need to enhance sustainability, growth and innovation, with the main objective of consolidating competitive dynamics in manufacturing industry.

The European Union plays a very important role in promoting regional development, competitiveness in the Member States, innovation and a number of strategic financing initiatives. Over the last 20 years, the Peloponnese region in Greece has benefited significantly from these programs, particularly in the manufacturing sector. This paper aims to examine the contribution of European programs to the economic transformation and development of the Peloponnese, focusing on the manufacturing industry of the region.

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1. Introduction. The Framework for European Integration and Regional Development

European integration has been recognised for many years as a mechanism for promoting economic cohesion, but also for reducing disparities between regions. The European Union's structural policies are carefully designed to support regions lagging behind in development, thus ensuring that all Member States can benefit from the social and economic advantages of their membership of this Union. These policies are mainly implemented through European, Structural and Investment Funds (ESIF), which include various financial instruments aimed at strengthening social, economic and territorial cohesion (European Commission, 2021).

1.1 Objectives and Structure of European Funding Programmes

The aim of European funding programmes is to promote economic growth by improving infrastructure and enhancing the competitiveness of small and medium-sized enterprises, as well as promoting innovation and sustainable development. These programmes are structured in multiannual frameworks with very specific objectives and funding allocations for different periods. Among these frameworks are the so-called Community Support Frameworks (CSFs) for the National Strategic Reference Frameworks (NSRF), which provide a strategic direction and the financial resources necessary for regional development initiatives (European Commission, 2020).

It is a foundation for economic growth due to its significant contribution to GDP, employment and exports. In the context of the Peloponnese, manufacturing was decisive for economic growth, but also for job provision. However,

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this sector has faced many challenges over the years, such as economic recessions, pressures for globalization and the need for technological methods and advances. European programs have been crucial to address these challenges, providing the necessary financial support and promoting an environment conducive to competitiveness and innovation (Behun et al., 2018). The Peloponnese is a historically important and strategically located region in southern Greece, while it has unique economic and developmental characteristics. It is known for its agricultural production. The region has taken very important steps in diversifying its economic base. With manufacturing emerging as a key sector, the region's development strategy has been largely supported by European programs, where they have provided significant funding to improve innovative initiatives and infrastructure (Kyriakopoulos, 2023).

This paper examines the impact of European programs on the Peloponnese manufacturing sector over the last 2 decades. It analyses the contribution of these programs in terms of developing infrastructure to support SMEs, innovation and developing human capital with environmental sustainability. The analysis is based on data and case studies from different regional units of the Peloponnese, thus highlighting specific projects and their results.

2. Significance of the Study

Understanding the impact of European programs on regional development is very crucial for different reasons. Initially, it provides information on the effectiveness of the European Union's policies and financial mechanisms in achieving their objectives. Secondarily highlights best practices but also successful strategies, which can be applied to other regions and sectors. It also underlines the importance of continued support for regional development initiatives, especially for regions facing economic challenges.

3. European Programmes and Structure

CSF and NSRF: For support and economic development in the regions, European and Investment Funds are key tools. They can provide the necessary financial support to strengthen infrastructure.

The role of the CSFs: The first CSF in 1989-1993 focused on improving infrastructure and led to the first steps towards economic cohesion. In 1994-1999, due to growth, tackling economic and social inequalities began. The third CSF in 2000-2006 saw major projects aimed at enhancing competitiveness, while the 4th NSRF, which covered the years 2007-1013 and 2014-2020, focused on innovation, sustainable development and integration into the European economy.

4. Impact on the Peloponnese

Studies

The funds given by the European Union to upgrade the region's infrastructure, such as transport networks, which are essential for the supply chain, as well as improved roads, which are of general utility. All these features greatly facilitated the site and reduced costs for developers. Small and medium-sized enterprises in the Peloponnese region (Fletcher et al., 2021) received very significant support through loans, but also grants, which aimed to enhance competitiveness through innovation, but also entrepreneurship. In 2007-2013, the Competitiveness Programme had critically significant funding for projects related to modernisation and expansion. A focus was placed on innovation, which led to many investments in research and development; Creation and innovation have encouraged collaboration between universities and industries and this has led to the creation of new products and processes that enhance the competitive advantage for the region. They were invested through training programs for the local workforce in skills needed to be applied in a modern production environment. The European Union has placed considerable emphasis on vocational training and education, while at the same time helping to reduce unemployment. To improve productivity (Behun et al., 2018). Programs aimed at improving environmental sustainability to support the uptake of green technologies in manufacturing contributed not only to reducing environmental impact, but also to positioning. Businesses in positions that comply with the strictest regulatory requirements of the European Union.

Regional Unit of Argolis:

Under the Competitiveness and Entrepreneurship Programme 2007 – 2013, 134 project proposals were submitted with a total budget of 159.7 million euros. Of these, 71 projects were approved, thus significantly enhancing local manufacturing capacities (Kyriakopoulos, 2023).

Regional Unit of Arcadia:

Arcadia benefited from significant support from the European Union with the submission of 193 proposals to the same programme, but focusing on upgrading infrastructure and industry. This had strengthened the region's economic resilience and growth prospects.

Regional Unit of Corinthia:

Corinthia has achieved the highest absorption rate of European Union funds among the Peloponnese regions with 391% in some programmes, showing effective utilisation of available resources for economic development.

Regional Unit of Laconia:

Manufacturing in distress has seen significant cases particularly in terms of project completion, with 85 projects successfully completed under the Regional Operational Programme for SMEs (PwC Greece, 2022).

Regional Unit of Messinia:

Focuses on innovation and modernization, with the support of the European Union, implementing numerous projects aimed at improving competitiveness and expanding the market.

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4.1 Regional Impact Analysis

The funds disbursed by the European Union led to an unprecedented economic growth for the Peloponnese region, new businesses were established, while existing ones were expanded and have created many new jobs, thus significantly reducing unemployment rates and strengthening local economies (European Commission, 2021). The European Union, following targeted investments, has enabled manufacturers to enhance competitiveness that they had through advanced technologies, modernizing their activities and managing to improve the quality of their products. They expanded their market domestically and internationally and increased production efficiency. The programmes support research and development activities to lead to the creation of new products and services. This innovation strengthened the manufacturing sector, but also contributed to the region's overall economic resilience (Xie, Jiang, & Han, 2020). Complementary, the programmes have important social ones. And environmental benefits. Green technologies and sustainable practices significantly reduce the environmental footprint in the manufacturing sector. The emphasis on human resource development improves skills in a local workforce. And it leads them to better employment prospects with higher living standards (Li, Li, & Ren, 2018).

5. Detailed Contribution of Programs

1. Competitiveness and Entrepreneurship Programme (2007-2013): This programme aimed to enhance the competitiveness of Greek SMEs through investments in innovation, internationalisation and modernisation. The success of the program in the Peloponnese is evident through the large number of approved projects, but also through the substantial financial support provided (Jarsulic, 2021).

2. Competitiveness, Entrepreneurship and Innovation Programme (2014-2020): Building on the success of the previous programme, this programme continued to support SMEs in the Peloponnese, providing significant funding for innovation and technological progress. This programme emphasised the importance of environmental sustainability but also energy efficiency, which was aligned with the wider objectives of the European Union (Povolná & Švarcová, 2017).

3. Research – Creation – Innovation Programme: This initiative has been crucial in promoting collaboration between academics and industry. By supporting research projects and innovative ventures, the program facilitated the development of new technologies and products, thus enhancing the competitive advantage of the region.

5.1 Future Prospects

The ongoing programmes of the European Union for the period 2021 – 2027, continue to build on previous successes with new initiatives, which adapt to the evolving needs of the manufacturing sector. The aim of the modern manufacturing programme is to enhance the competitiveness of existing manufacturing SMEs and support the establishment of new ones, with a particular focus on innovation and market internationalisation with a focus on promoting sustainable business practices. This programme supports projects related to waste management, energy efficiency and the development of green products. Energy efficiency for SMEs aims to improve the energy efficiency of manufacturing processes, helping SMEs reduce costs and comply with European Union energy standards (Rutledge & Mayorga, 2022).

6. Conclusions

European programs play a critical role in transforming the manufacturing sector in the Peloponnese region, provide financial support and promote a culture of innovation and sustainability, where these programs have enabled significant economic growth. The region continues to leverage funding from the European Union and is well positioned to achieve further growth and competitive advantage in the global market (Fletcher, McNamara, & Wyatt, 2021). The lessons learned and the successes achieved in the Peloponnese can serve as a model for other regions wishing to reap the benefits offered by the European Union through integration and support. It focuses on innovation, sustainability and competitiveness, while it can continue to thrive and contribute significantly to Greece's economic growth. Future programmes should continue to address the specific needs of the region, while ensuring that the manufacturing sector remains a key driver of economic growth (Behun et al., 2018). In conclusion, the European Union's commitment to regional development through various funding programs has a profound impact on the Peloponnese, the region's ability to innovate and adapt is the answer to global challenges, which has been significantly strengthened by these programs, placing it in continuous success in the coming years. As Bulgaria prepares to receive similar support. the experience of the Peloponnese can provide valuable knowledge and best practices to maximize the benefits of European Union funding (European Commission, 2021).

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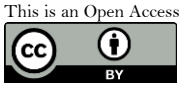

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