

**Regional diversity in Cohesion Policy experiences:  
a quali-quantitative analysis of the institutional settings  
and implementation schemes in nine European regions**

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## **Abstract**

Cohesion Policy has been widely studied in terms of its economic impact and its capacity to boost economic growth in less developed regions. Far less explored, on the other hand, are the issues related to the degrees of variation in Cohesion Policy implementation schemes and the pro and cons of different governance practices. This study takes advantage from a larger research project on the perceptions of Cohesion Policy by European citizens to investigate on inter-regional variations in the experiences of Cohesion Policy, by means of an extensive qualitative analysis of Cohesion Policy implementation schemes in 9 case-study European regions. The analysis shows that the functioning of multi-level governance is strongly dependent on a variety of institutional and political factors determined at domestic level and that higher institutional quality is associated with higher territorialisation of Cohesion Policy actions.

## Section 1. Introduction

Since its introduction, Cohesion Policy has been the main tool for the reduction of territorial disparities across regions of Europe. A key component of the European integration process, Cohesion Policy is now the key redistributive mechanism with which to achieve the Europe 2020 goals of creating growth and jobs, tackling climate change and energy dependence, and reducing poverty and social exclusion.

Cohesion Policy has been widely studied in terms of its economic impact and its capacity to boost economic growth in less developed regions (Farole T. et al., 2011; Percoco, M., 2013; Puigcerver-Peñalver, M., 2007; Rodriguez-Pose, A., Fratesi, U., 2004). Far less explored, on the other hand, are the issues related to the degrees of variation in Cohesion Policy implementation schemes and the pro and cons of different governance practices. Europe's regions are very diverse in terms of institutional history, cultural identities as well as administrative and governance functions. Principles such as place-based approach and multi-level governance emerged as a solution to this heterogeneity of contexts and targets and contributed to shape the arrangements of Cohesion Policy (Barca F. 2009, 2012; Crescenzi R., and Giua M., 2016; Milio S., 2014; Dąbrowski, 2014; Davoudi et al., 2008). These concepts have been extensively discussed among academics and EU practitioners, yet the empirical work on the institutional settings of Cohesion Policy is scarce.

This work aims to shed light on the interactions between regional diversity, the framework of Cohesion Policy and its actual implementation experiences. More specifically, we try to understand the interactions among institutional quality, regional architecture of governance, and the priorities of EU financial support. Our analysis shows that the functioning of multi-level governance is strongly dependent on a variety of institutional and political factors determined at domestic level and that higher institutional quality is associated with higher territorialisation of Cohesion Policy actions.

This study takes advantage from the work of a larger research project, PERCEIVE, on the perceptions of Cohesion Policy by European citizens<sup>1</sup>, whose general aim is to explore the interactions among regional diversity, the framework of Cohesion Policy and its actual implementation experiences, and the relationship between policy implementation and European identity emergence and citizens' identification with the European integration project.

Investigation on inter-regional variations in the experiences of Cohesion Policy is conducted by means of an extensive comparative quali-quantitative analysis of the implementation schemes in nine case-study European regions, selected to assure a proper level of geographical coverage and fully catch and represent the heterogeneity of the different development, socio-cultural, and institutional realities of the EU28 as a whole. The criteria were the following:

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<sup>1</sup> PERCEIVE "Perception and Evaluation of Regional and Cohesion policies by Europeans and Identification with the Values of Europe" has received funding from the European Union's Horizon2020 Research and Innovation Programme under grant agreement n. 693529.

1. the belonging to the “Convergence” or the “Competitiveness and Employment” Objective of Cohesion Policy (using the rule GDP per capita below or above 75% of the EU28 average respectively);
2. the characteristics of regional expenditures for the EU Cohesion Policy, using the EU funds absorption rate at the regional level recorded in 2008 for the programming period 2007-2013;
3. the quality of institutions at the regional level;
4. the urban/rural gap, which is represented by the index of rurality provided by the OECD regional typology classification, from which we select Prevalently Rural and Prevalently Urban regions;
5. the geographical distribution according to the North/South and West/East dividing lines;
6. the time of accession to the European Union, i.e. being an Old or a New Member State.

The selected regions comprise a variety of European contexts and account for different geographical characteristics, levels and paths of economic development and institutional frameworks: Emilia-Romagna and Calabria (from Italy), Norra Mellansverige (Sweden), Essex (United Kingdom), Burgenland (Austria), Extremadura (Spain), Warmińsko-mazurskie and Dolnośląskie (Poland) and Sud Est (Romania). Two regions were selected in Italy and Poland in order to better exploit the within-country variability of these states: Italy displays very different development patterns along the geographical North/South division, while Poland's Cohesion Policy performance is deeply influenced by a clear rural/urban division.

The comparative analysis involves different methodologies: data analysis of the projects implemented at regional level in the 2007-2013 programming period, a SWOT analysis<sup>2</sup> based on context variables, and focus groups with Cohesion Policy practitioners from the case-study regions that were asked questions about the effective working of multi-level governance system.

The paper is organized as follows. After the introduction, Section 2 reports the theoretical framework, Section 3 reports and discusses the results of the empirical analysis on the nine case-study regions and Section 4 offers some concluding remarks.

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<sup>2</sup> Strengths, Weaknesses, Opportunities and Threats. For a discussion of this tool in development policies see Dyson, 2004.

## Section 2. Theoretical framework

Regions have always been an important entity in the EU policy, and also their role in enhancing economic progress has been central. In light of the expansion of the endogenous growth theories, recent years have seen a territorial turn in the European discourse concerning regional development and cohesion. Such a perspective conceives regions as territorial units whose development depends on the capacity to fully mobilize their specific assets in a coordinated and integrated way.

Not only the outcomes, but also the way Cohesion Policy is planned and delivered is deeply affected by the territory's specific socio-economic, cultural and institutional traits. The strategic 2008 Green Paper on Territorial Cohesion introduced a new regional paradigm whereby territorial cohesion hinges on *«improving the governance of Cohesion Policy, making it more flexible, more capable of adapting to the most appropriate territorial scale, more responsive to local preferences and needs and better coordinated with other policies, at all levels in conformity with the principle of subsidiarity»*.

Firstly introduced in the European Union with the Maastricht Treaty in 1992 with the aim of bringing political decisions as close as possible to the citizens (Faludi 2013), the principle of subsidiarity has laid the basis of the multi-level governance system of EU's regional policy, which in a high impact document on territorial cohesion, the Barca Report (2009), is described as *«a system by which the responsibility for policy design and implementation is distributed between different levels of government and special-purpose local institutions and tasks are allocated according to the subsidiarity criterion»*. Multi-level governance, with its *"territorially overarching policy networks"* (Marks 1993, 403), is believed to favor cooperation between multiple territorial levels, to adjust to the heterogeneity of preferences among citizens and to facilitate policy innovation and experimentation (Marks and Hooghe 2004). However, though intended to differ from other more dirigist form of policy-making, multi-level governance is claimed to generate problems with respect to democracy because of the lack of accountability brought by difficult information, dilution of responsibility and its technocratic dominance that tends to marginalize the role of popularly elected politicians (Olsson 2003; Papadopoulos 2007).

This paper analyses the implementation settings of Cohesion Policy through the framework proposed by Davoudi et al. (2008), whose definition of territorial governance can be summarised *“as the process of territorial organisation of the multiplicity of relations that characterize interactions among actors and different, but non-conflictual, interests.”*. Under this framework, the governance actions could be analyzed and evaluated by examining four dimensions: i) vertical coordination, ii) horizontal coordination, iii) the participation and involvement of civil society and organized interests, and iv) territorialized actions. For *vertical coordination* we intend the declination of the principle of subsidiarity and the cooperation between different tiers of government, referred to both actors and policies, while *horizontal coordination* refers to the degree of cooperation between local authorities. Though in light of the strong role played by EU authorities in the making of Cohesion Policy the former is more relevant compared to the latter, both of them are fundamental components of the partnership

principle, a cornerstone of Cohesion Policy and its multi-level governance (Dąbrowski et al., 2014), along with the participation of stakeholders and organized interests, a dimension that we will try to evaluate by assessing the degree of inclusion of private actors and citizens. Finally, territorialised actions are the tools that Managing Authorities (MAs) can deploy to enact the strategy of the “place based” approach (Barca et al., 2012). Their effectiveness relies on territorial governance as a process of organization and coordination of actors to develop territorial capital in order to improve territorial cohesion at different levels. This organisational dimension refers to the construction of a shared territorial vision, based on the recognition and valorisation of the territorial capital to create sustainable territorial cohesion at different levels. Territorial governance is necessary to guarantee a more balanced development across Europe and to achieve territorial cohesion. Its rationale is that accounting for the geographical context, in terms of its social, cultural and institutional characteristics and involving local groups is the best way to tackle problems of underutilization of resources and overcome social exclusion.

The first three dimensions correspond to specific aspects of the multi-level governance, whereas the last one refers to the extent to which implemented actions are tailored to the specificities of the targeted territory, ie the territorial capital, which in this context stands for the physical, social and cognitive endowments of a region.

The literature on Cohesion Policy has pointed to several regional factors of structural and institutional nature able to conditioning the performance of Structural Funds (Crescenzi and Giua, 2016), a major one being quality of institutions. In his Sixth Cohesion Report (2014), the European Commission identifies four main ways through which low standards of governance can affect Cohesion Policy: *"In the first place, it can reduce expenditure if programmes fail to invest all the funding available. Secondly, it can lead to a less coherent or appropriate strategy for a country or region. Thirdly, it may lead to lower quality projects being selected for funding or to the best projects not applying for support at all. Fourthly, it may result in a lower leverage effect because the private sector is less willing to co-finance investment"*. Especially at local level, poor quality of institutions can be detrimental for the performance of Cohesion Policies along with the administrative capacity of the regional authorities, the political bargaining skills of their representative and the possibility of side payments (Hagen and Mohl 2011; Bloom and Petrova 2013). Hence, it is an external factor that needs to be taken into account when comparing Cohesion Policy implementation schemes and institutional settings.

However, for how important it might be, quality of institutions alone cannot explain the persistent and continuing discrepancies, among regions, in the implementations of Cohesion Policy. A recent stream of the literature (Milio, 2014; Dąbrowski et al., 2014) points to the limits and flaws of the multi-level governance itself. Milio (2014) argues that *"discrepancies in implementation are attributable to the negative effect that multi-level governance and the related partnership principle have on political accountability and stakeholder engagement respectively"*.

The next section tests this hypothesis in our sample of nine regional case-studies, and shows how multi-level governance needs to be flexible and adaptable to the local context and its specific characteristics.

### Section 3. A quali-quantitative analysis of nine case study regions

#### Polity

In a pioneer comparative study of multi-level governance across European countries, Marks (1996) finds the political role of regions within their respective states and their financial autonomy to impact on the practical experiences of Cohesion Policy. The case-study regions included in this study present a wide array of institutional arrangements. All countries have decentralised political systems, and many of them, like most advanced economies in the final decades of the XXI century, experienced an increasing shift of the responsibility for key public sector's functions from central government to subnational tiers. The only exception is represented by Romania, a unitary and centralised state that however saw a +13.5% increase over the 1995-2010 period in the subnational share of expenditure, one of the most common measure of fiscal decentralisation. Nonetheless, also across non-centralised countries there are varied degrees of fiscal autonomy of lower tiers of government (Table 3.1), as well as considerable variations in regions' political autonomy, as measured by the Regional Authority Index (Hooghe et al., 2016).

*Table 3.1. Political settings in the selected case-study regions*

Region	Country	Political system	Sub-national expenditure in % of GDP (EU28: 15.9%)*	Sub-national expenditure in % of general government expenditure (EU28: 32.9%)*	Political constituency	Regional Authority Index
Burgenland	Austria	Federal	17.9	34.0	Land	23
Calabria, Emilia-Romagna	Italy	Regionalised-unitary	14.7	28.7	Region	18
Dolnośląskie, Warmińsko-mazurskie	Poland	Regionalised-unitary	13.5	32.0	Voivodship	8
Sud Est	Romania	Unitary	9.8**	23.9**	Voluntary association of counties	2
Extremadura	Spain	Regionalised-unitary	21.8	48.9	Autonomous community	23.5
Norra Mellansverige	Sweden	Unitary-decentralised	25.4	49.1	No <sup>+</sup>	12 <sup>+</sup>
Essex	United Kingdom	Regionalised-unitary	11.1	25.2	County	10

Sources: Magone 2010; \*OECD, year 2014; \*\*Eurostat, year 2010; Hooghe et al. 2016. <sup>+</sup>refers to Län, the lower level. Norra Mellansverige is only a statistical entity, it includes the three provinces of Värmland, Dalarna and Gävleborg.

In this context, one could expect more decentralised countries to devolve more powers to regional and local authorities in the management of Cohesion Policy. This is not the case, in fact we see that in the highly regionalised Spain and Sweden, Cohesion Policy has a shared

management where the main role is played by national bodies. In total, Managing Authorities (MAs) are integrated at the regional government level in five regions. In four case-study regions, the Cohesion Policy programmes are in charge of ministries or agencies located at national level<sup>3</sup>: two of them have specific regional programmes (Extremadura, Norra Mellansverige), two are targeted by macro-regional (Essex) or national programmes (Sud Est). Certifying and audit authorities, which are responsible for certifying payments to beneficiaries and auditing expenditure, tend to be centralised at national level, the only exceptions being the Italian regions, where these authorities are integrated in the same regional government as the MAs.

**Table 3.2. Level of government of the Cohesion Policy authorities in the selected case-study regions, 2007-2013 programming period**

Region	Country	Managing authority	Certifying authority	Audit authority
Burgenland	Austria	Regional	National	National
Calabria	Italy	Regional	Regional	Regional
Emilia-Romagna	Italy	Regional	Regional	Regional
Dolnośląskie	Poland	Regional	National	National
Warmińsko-mazurskie	Poland	Regional	National	National
Sud Est	Romania	National	National	National
Extremadura	Spain	National	National	National
Norra Mellansverige	Sweden	National	National	National
Essex	United Kingdom	National	National	National

The core of the comparative analysis of the practical arrangements of Cohesion Policy implementation in the nine case-study regions is based on the focus groups with selected practitioners and experts of Cohesion Policy<sup>4</sup>: directors and managers from the MAs, relevant stakeholders of the Cohesion Policy programmes and beneficiaries. A semi-structured questionnaire was built to collect qualitative information about the strengths and weaknesses of the governance model adopted by the MAs and to disentangle the individual elements of their specific multi-level governance experiences: vertical and horizontal coordination, participation and territorialisation.

<sup>3</sup> In the UK it was regional in the first phase of the programming period. Then in March 2012 Regional Development Agencies (RDAs) were abolished and their competencies were transferred to the Department for Community and Local Government (DCLG).

<sup>4</sup> The only exception being the Burgenland region, where in-depth interviews were run due to the practical impossibility of organising the focus group.



**Table 3.3. Summary information of the focus groups in the selected case-study regions**

Case-study region	Number of participants	Additional interviewees
Burgenland, Austria	-	12
Calabria, Italy	8	2
Emilia-Romagna, Italy	10	1
Dolnośląskie, Poland	8	
Warmińsko-mazurskie, Poland	7	
Sud Est, Romania	13	
Extremadura, Spain	18	
Norra Mellansverige, Sweden	5	1
Essex, United Kingdom	8	3

As expected, a large heterogeneity emerged in the views, perceptions and experiences of the Cohesion Policy practitioners across the different case studies. It is worth noting, from a sociological perspective, that some focus groups saw strong discrepancies between the views of the members of the MAs and those of partners and beneficiaries. For example, in the Romanian case-study, the Sud Est Regional Development Agency's officers displayed a strong institutional attachment, an internalisation of values and practices that may have led their opinions and views to suffer from a sort of organisational bias. A similar conduct could be found in Essex's and Emilia-Romagna's focus groups. In the latter, the institutional attachment of the LMA's officers combined with the mutual acquaintance that all participants had previously gained of each other through Cohesion Policy-related initiatives (such as, steering committees and stakeholders' forum), provides a condition that might have discouraged the emergence of divergent and critical opinions. In general, the picture provided by the focus groups contains most of the elements pointed out by the literature and enforce the view according to which practices (as well as consequences) of the multi-level governance strongly depends on cultural, political and institutional features of the local contexts.

### **Vertical and horizontal coordination**

The governance of the Cohesion Policy involves a mix of both formal and informal relations. Vertical coordination is mostly based on relations of the first kind, as the cooperation between the authorities involved at different tiers of government tends to rely on formal structures with a hierarchised division of roles. Horizontal coordination, instead, often recurs to informal networks built alongside the formal channels: many participants, both inside and outside the Managing Authorities, said to have benefitted from the exchange of expertise and best practices through informal cooperation with partners and peers.

As a first general comment, vertical coordination problems arose only in three out of nine case-study regions. In Spain's Extremadura and, to a lesser extent, in the Polish regions of Dolnośląskie and Warmińsko-mazurskie, participants of the focus groups reported divergences between the views of the European Commission and the local authorities. Because of the restrictions set at European level and the failure to take local opinions into adequate account, Cohesion Policy in these regions is found to unsatisfyingly tailor to local needs. Extremadura's participants also reported problems with diverging interpretations of the same rules and criteria by the different authorities throughout the policy cycle.

Such a view stands however in stark contrast with other case studies' where Cohesion Policy was reported to be a rigorous yet flexible policy, namely Emilia-Romagna and Burgenland. In the former, in particular, Cohesion Policy was the main tool used by the regional government to tackle the exogenous shocks faced by the region during the programming period, the 2008 economic crisis and the 2012 earthquake that hit a densely populated and highly productive area. Attendees of the Emilia-Romagna's focus group unanimously agreed that Cohesion Policy proved to be very effective in dealing with these two exogenous factors, and praised the cooperation with the national and European authorities that resulted in support and assistance to be delivered in an efficient and timely manner. While Emilia-Romagna's management of Cohesion Policy is highly decentralised, in Poland and Spain the national authorities play the main role. Hence, the lack of adaptability to the region's contingent needs in these countries could be the result of vertical coordination problems that prevent different levels of authorities from cooperating in an efficient way.

From an efficiency perspective, the stability of the political and administrative backgrounds is found to be a key strength of the policy-making process. Of all the regions in the sample, Emilia-Romagna and Burgenland are certainly virtuous cases when considering Cohesion Policy expenditure and absorption capacity. These regions share two interesting features: they both are characterised by a strong continuity in the regional governments and they both have a long tradition of negotiation and cooperation between political, economic and social actors. According to the focus groups' attendants and interviewees, in Emilia-Romagna and Burgenland, the political and the technical components that work side-by-side in drafting and implementing Cohesion Policy interventions are seen to go hand in hand, with the political dimension exercising a leadership role and functioning as a driver for the administrative component. On the opposite side stands the case of Calabria, where three changes of government took place during the seven-year programming period. Though a focus group's attendee claimed the solidity of the operational programmes against the fragility of the political framework, in the sense that its initial backbone made it through till the end of the programming period, the overall performance was undoubtedly weakened by the frequent political disruptions, and one of the authority's first moves in the new programming period was a complete restructure of the MA organisation.

**Table 3.4. Strengths and weaknesses of vertical and horizontal coordination in the case-study regions' governance of Cohesion Policy**

Region	Strengths	Weaknesses
Burgenland, Austria	<ul style="list-style-type: none"> <li>• Small size of the region</li> <li>• Learning from past experiences</li> <li>• Continuous cooperation at both vertical and horizontal level</li> </ul>	<ul style="list-style-type: none"> <li>• Opportunistic behaviour of some political actors</li> </ul>
Calabria, Italy	<ul style="list-style-type: none"> <li>• Solidity with respect to changes in regional government</li> <li>• Learning from past experiences</li> </ul>	<ul style="list-style-type: none"> <li>• Internal governance</li> <li>• Lack of integration with other development tools</li> </ul>
Emilia-Romagna, Italy	<ul style="list-style-type: none"> <li>• Synergy between administrative and political component</li> <li>• Flexibility of the policy</li> </ul>	<ul style="list-style-type: none"> <li>• Opportunistic behaviour in keeping multiple decision-making centres</li> <li>• Mismatch between expectations and financial resources</li> </ul>
Dolnośląskie, Poland	<ul style="list-style-type: none"> <li>• Good informal cooperation between technical units</li> <li>• Integration and consistency with upper level strategic actions</li> <li>• Cooperation with other regions led to improvements concerted with the Commission</li> </ul>	<ul style="list-style-type: none"> <li>• Programme's objectives subordinated to opportunistic behaviour in the acquisition of funding</li> <li>• Administrative capacity</li> </ul>
Warmińsko-mazurskie, Poland	<ul style="list-style-type: none"> <li>• Integration and consistency with upper level strategic actions</li> </ul>	<ul style="list-style-type: none"> <li>• Mismatch between European Commission's strategic lines and region's limited potential</li> </ul>
Sud Est, Romania	<ul style="list-style-type: none"> <li>• Involvement of local and regional actors</li> <li>• Advantages from past experiences and structures (pre-accession programs)</li> </ul>	
Extremadura, Spain	<ul style="list-style-type: none"> <li>• Learning from past experiences</li> </ul>	<ul style="list-style-type: none"> <li>• Divergence between European and local level</li> <li>• Lack of flexibility</li> <li>• Inconsistency between different funds</li> </ul>
Norra Mellansverige, Sweden	<ul style="list-style-type: none"> <li>• Transparency fosters healthy political competition among region's subdivisions to grab resources</li> </ul>	
Essex, United Kingdom		<ul style="list-style-type: none"> <li>• Policy objectives taken on political grounds</li> </ul>

As a matter of fact, continuity of the administrative bodies was cited as a positive factor, as along with the learning from past experiences, it enabled the forging of a ruling class leadership with a distinct mind set and attitude towards policymaking and fostered the cooperation and the exchange of best practices among colleagues and peers. Speaking of which, in terms of vertical relations, a member of Emilia-Romagna's MA expressed her doubts about some of the methods used by the European Union to facilitate coordination among different levels: participation to tables and conferences where platforms for policy development are discussed before going public reportedly happens on a co-optation basis. The absence of open selection methods and a lack of transparency in the choice of interlocutors makes the involvement of local actors quite aleatory, thus risking to strengthen the distinction between "joiners" and "non-joiners" of policymaking (ESPON, 2006).

Transparency is a critical aspect of multi-level governance also in relation to the accountability dimension of the decision process. Opacity and asymmetries of information (Milio, 2014;

Dąbrowski et al., 2014) create room for opportunistic behaviours and capture by clientelistic and political interests. A negative view of the role of politics emerged from the cases of Poland and United Kingdom. In the former, in particular, participants reported an opportunistic approach to the programming phase for which regional development strategies were determined by the opportunities to obtain external funds, and only in a later stage the regional needs were taken into account. Participants of the Essex's focus group agreed that the goals of the operational programme were taken predominantly on political grounds. Others cite the flagship effect that politicians seek through EU-funded projects in order to increase their personal visibility. An interviewee in Burgenland pointed that some projects were financed following a logic of immediate impact in a time when the process was more politically driven. As a positive example stands the case of Norra Mellansverige, where the evidence-based and transparent programming of Cohesion Policy fostered a "*healthy competition*" between the regions' for allocations of resources, thus generating a positive political externality.

As far as the horizontal coordination is concerned, a major drawback emerged regarding the spatial dimension of different policy actions. In the lagging regions of Calabria and Extremadura, poorly endowed in terms of institutional quality, operational programmes were conceived as separated sets of actions, with no integration within the ESIF (European Structural and Investment Funds) actions and among other development tools. In this respect, Eastern countries like Poland and Romania proved to take advantage from previous experiences, also those related to pre-accession programs, that helped promote a vision of regional development with great emphasis on the territorial dimension that ensured a better coherence of the actions taken at different levels. However, a tendency towards deeper integration was found between the 2007-2013 and the 2014-2020 programming period, with more regions opting for multi-funds operational programmes. Political interest is again a key driver of this process. If Calabria's previously cited complete restructuring had its motivation also in the political advantage that a sharp change in the ESIF usage would bring by, in the well-praised region of Emilia-Romagna the simplification of the administrative structure didn't end up in a full integration of the programmes not to deprive the four competent regional ministries of their decision-making centres.

### **Participation and involvement of stakeholders and citizens**

A specific part of the focus group was devoted to analyse the ways MAs put the partnership principle into practice. Overall, regions use several channels to stimulate the involvement of external actors: round tables, local and regional meetings, conferences and meetings with the stakeholders. The stability through time of the rules and of the people is again seen as a positive factor, as it allows to learn from past experience and to increase the level of mutual trust of the actors involved in the process. A pre-existent culture of cooperation and negotiation is also beneficial, as shown by the case of Burgenland and Emilia-Romagna. The former's "Strategy Forum" is a collective arena not only advising over the programme's strategy but also having the last words in case of controversies. Led by the Burgenland local government, this informal forum is held five times a year and includes all key players of Burgenland's economy: the local political system, programme management, funding agencies, and social and economic partners. The strategy forum has been operating for over a decade and has proved itself to be central in

the provision of guidelines as well as in the continuous monitoring of the programmes. Emilia-Romagna's whole regional policy makes extensive use of negotiated programming, *"a tool that is still very innovative for development policies and has proven to empower the territories, to strengthen the social capital, and to be more virtuous in terms of economic efficiency"*<sup>5</sup>. This typically assumes the form of agreements with economic and social stakeholders, the so-called Pacts, which may relate to both medium and long-term objectives for concerting a shared political agenda or to short-term interventions aimed at overcoming social and economic downturns. Concertation here underpins a consolidated network of formal relations and widespread consultation practices centred around the intermediate bodies, that made the adoption of the Partnership's European Code of Conduct established for the 2014-2020 programming period a superfluous act, to cite the words of the focus group's participants. Yet a representative of a private firm not affiliated to any of these intermediate bodies voiced her concerns about the difference in treatment that as a "non joiner" she perceives against the "joiners".

The results of the Calabria's focus group gave additional proof of the perfunctory involvement of the members of civil society (Piattoni, 2006; Milio, 2014), stemming from both a lack of commitment from the political actors and a weakness of social actors in conveying collective instances. Since there was no other occasion to voice their concerns, the partnership table became a place used by participants to get the information they could not find elsewhere or to debate over general political issues that were not necessarily related to ESIF.

As regards the participation of citizens, most members of Managing Authorities showed a general agreement upon the limited involvement of the citizens and the reliance on politicians and intermediate bodies such as unions, business, and trade organisations to collect the preferences to be regarded in the planning and implementation of Cohesion Policy. Some regions made a few attempts: in Warمیńsko-mazurskie, a "partnership forum" was created to give citizens the opportunity to express their opinions and present their proposal. Open consultations took place also in Extremadura, but in both cases the interest of the citizens was very low, and Cohesion Policy was proved to be seen as something far from them. More practical and more limited issues, output and not input-oriented initiatives seemingly led to better results: by having the beneficiaries telling the story of their successful projects, the "inspirational meetings" organized in Norra Mellansverige and Dolnośląskie, something in between a dissemination event and an open forum, managed to raise awareness and stimulate citizens' participation, which in turn led to new opportunities for additional cooperation. Communication always has beneficial effects: several participants cited efforts in the support to applicants and beneficiaries as capable of spurring the interest and the eventual involvement in following stages of the policy process, which proves trust towards institutions to be a major determinant of individual decisions to engage.

***Table 3.5. Strengths and weaknesses of participation and involvement of stakeholders in the case-study regions' governance of Cohesion Policy***

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<sup>5</sup> Regione Emilia-Romagna (2008), 2007-2013 Single Programming Document, p.4.

Region	Strengths	Weaknesses
Burgenland, Austria	<ul style="list-style-type: none"> <li>• Stability of actors involved</li> <li>• Strong informal networks</li> </ul>	
Calabria, Italy	<ul style="list-style-type: none"> <li>• Learning from past experiences</li> </ul>	<ul style="list-style-type: none"> <li>• Over expectations from partnership</li> <li>• Formal, de jure, participation oriented towards the task itself and not the result</li> </ul>
Emilia-Romagna, Italy	<ul style="list-style-type: none"> <li>• Stability of the political framework</li> <li>• Strong intermediate bodies</li> </ul>	<ul style="list-style-type: none"> <li>• Low level of citizens' involvement</li> <li>• Limited outreach outside regional business negotiation tables</li> </ul>
Dolnośląskie, Poland	<ul style="list-style-type: none"> <li>• Social nature of the process</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of expertise among stakeholders</li> <li>• Mismatch between objectives and beneficiaries' expectations</li> </ul>
Warmińsko-mazurskie, Poland	<ul style="list-style-type: none"> <li>• Increasing interest towards social consultation</li> </ul>	<ul style="list-style-type: none"> <li>• Opportunistic approach and lack of social understanding</li> <li>• Distrust / low interest by beneficiaries</li> </ul>
Sud Est, Romania	<ul style="list-style-type: none"> <li>• Openness of the implementation phase</li> </ul>	<ul style="list-style-type: none"> <li>• Discrepancy between LMA's members' and beneficiaries' views</li> <li>• Mistrust between public and private actors</li> </ul>
Extremadura, Spain	<ul style="list-style-type: none"> <li>• Broad participation by stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Low interest from the citizenship</li> <li>• Conflicts with limitations imposed by EC regulations</li> </ul>
Norra Mellansverige, Sweden	<ul style="list-style-type: none"> <li>• Evolution of relationship over time</li> <li>• Cooperation with stakeholders and beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>• Limited outreach in rural areas</li> <li>• One business council refused to engage with EU funds for ideological reason</li> </ul>
Essex, United Kingdom		<ul style="list-style-type: none"> <li>• Minimal level of involvement of stakeholders in decision making</li> <li>• Conflicting views between private and public actors</li> </ul>

The focus groups highlighted other factors inhibiting the Managing Authorities' efforts in promoting the participation of stakeholders: mistrust between public and private sectors (Sud Est, Romania; Essex, United Kingdom), low interest caused by the failure to understanding the general Cohesion Policy framework (Warmińsko-mazurskie, Poland), a lack of expertise among stakeholders that prevented them from making a real contribution in the decision-making process (Warmińsko-mazurskie, Poland), the misalignment between partners' requests and the restrictions imposed by the European Commission, that resulted in rejected proposals furtherly inhibiting stakeholders' involvement (Extremadura, Spain).

## Territorialization

The territorialization of policy hinges upon a shared valorization of local specificities. Designing the policy on the basis of a deep, thorough and objective analysis of the territory's strengths and weaknesses is expected to enhance both policy's targeting and legitimacy. A SWOT analysis of the case-study regions was preliminarily run in order to highlight the local specificities and the regional territorial capital. The results of the SWOT analyses can be compared with the data related to the expenditure in Cohesion Policy to get a first picture of the coherence of the policy goals with the territory's features (Table 3.7). Data refer to European Regional Development Fund (ERDF) expenditure, the only fund for which the data provided by the case-studies' Local Managing Authorities offer full comparability<sup>6</sup>.

<sup>6</sup> Data on the priority themes are missing for the two Polish regions.

**Table 3.7. Comparison between the top three priority themes in ERDF expenditure and the results of the SWOT analysis in the case-study regions, 2007-2013 programming period**

Region	Priority themes	SWOT
Burgenland, Austria	Firms' competitiveness 35.9%	Weakness
	Research and innovation 24.7%	Weakness
	Cultural, natural and touristic attractiveness 16.9%	Strength
Calabria, Italy	Transports and network infrastructures 24.1%	Weakness
	Environment and risk prevention 16.7%	Weakness
	Urban and rural regeneration 15.0%	Opportunity
Emilia-Romagna, Italy	Research and innovation 47.0%	Weakness
	Cultural, natural and touristic attractiveness 17.0%	Strength
	Energy 10.8%	Strength
Sud Est, Romania	Transports and network infrastructures 41.7%	Weakness
	Firms' competitiveness 18.2%	Weakness
	Cultural, natural and touristic attractiveness 17.3%	Weakness
Extremadura, Spain	Transports and network infrastructures 32.4%	Weakness
	Environment and risk prevention 21.7%	Weakness
	Firms' competitiveness 11.7%	Weakness
Norra Mellansverige, Sweden	Research and innovation 56.5%	Weakness
	Transport and network infrastructures 19.5%	Weakness
	Firms' competitiveness 12.2%	Strength
Essex, United Kingdom	Research and innovation 42.3%	Weakness
	Energy 32.2%	Strength
	Firms' competitiveness 25.5%	Weakness

Unsurprisingly, priorities in the expenditure occur in the SWOT analyses mostly as strengths or weaknesses of the region, as in the tool's theoretical framework these refer to the internal dimension of the unit of analysis, while threats and opportunities derive from the external context. In the Objective Convergence regions, all priorities are classified as weaknesses, the only exception being the Urban and Rural regeneration theme for the Calabria region. This is quite expected if one considers that the ultimate goal of Cohesion Policy in these regions is increasing the territorial endowments and addressing their major deficiencies, and that the 2008 economic crisis has intensified the usage of EU funds in countering its negative consequences. Objective Competitiveness regions, instead, use their resources for the valorization of their strengths.

There was a general consensus among focus groups' participants in defining the making of Cohesion Policy as an evidence-based process. MAs' directors of the Italian regions Emilia-Romagna and Calabria stressed how Cohesion Policy favored the adoption of an entirely different approach to policymaking, allowing for the monitoring and the evaluation of actions. However, if the former could exploit its internal resources and expertise in the areas of statistical support and development planning, the latter's severe lack of administrative capacity impeded the adoption of such an approach until the restructuring of the new programming

period. Surprisingly, the case of Essex, a region of the country that brought evidence-based planning in the spatial policies (Davoudi, 2012), is the only one where participants agreed on the lack of evidence-based approach.

**Table 3.6. Strengths and weaknesses of territorialization of Cohesion Policy in the case-study regions'**

Region	Strengths	Weaknesses
Burgenland, Austria	<ul style="list-style-type: none"> <li>• Flexibility of the programmes</li> <li>• Administrative capacity</li> </ul>	<ul style="list-style-type: none"> <li>• Low responsiveness to some sectors interventions</li> </ul>
Calabria, Italy	<ul style="list-style-type: none"> <li>• Learning over past experiences</li> </ul>	<ul style="list-style-type: none"> <li>• Administrative capacity and expertise</li> <li>• No statistical support for policy-makers</li> </ul>
Emilia-Romagna, Italy	<ul style="list-style-type: none"> <li>• Efficient internal statistical services to support policy throughout all stages</li> </ul>	<ul style="list-style-type: none"> <li>• Mismatch between expectations and financial resources</li> </ul>
Dolnośląskie, Poland	<ul style="list-style-type: none"> <li>• Increasing relevancy of the territorial dimension</li> </ul>	<ul style="list-style-type: none"> <li>• Mismatch between objectives and beneficiaries' expectations</li> </ul>
Warmińsko-mazurskie, Poland	<ul style="list-style-type: none"> <li>• Evidence-based policymaking throughout all stages</li> </ul>	<ul style="list-style-type: none"> <li>• Programming tailored on national and not regional needs</li> <li>• Mismatch between European Commission's strategic lines and region's limited potential</li> </ul>
Sud Est, Romania	<ul style="list-style-type: none"> <li>• Regional factors taken into account</li> <li>• Evidence-based policymaking</li> <li>• Flexibility of the programme</li> </ul>	
Extremadura, Spain	<ul style="list-style-type: none"> <li>• Correct allocation in respect to region's larger deficits</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of flexibility</li> <li>• Wrong secondary targeting</li> </ul>
Norra Mellansverige, Sweden	<ul style="list-style-type: none"> <li>• Fair and proper allocation of resources</li> <li>• Evidence-based policymaking</li> </ul>	
Essex, United Kingdom		<ul style="list-style-type: none"> <li>• Policy objectives taken on political grounds, lack of evidence-based approach</li> <li>• Resources spread over too big an area</li> <li>• Regional imbalance</li> </ul>

Supporting the views on the need to complement evidence with other contenders of territorial policies (Davoudi, 2012), criticism about the evidence-based approach emerged quite surprisingly in different focus groups. A participant in Warmińsko-mazurskie noted that an overly technical approach led to development strategies that were biased towards the past and lacked the necessary vision about further long-term development. In Burgenland, one interviewee pointed to the excessive reliance of the EU authorities on scientific documents, stating that they actually fail to grasp the real problems and needs of people in the region. A similar concern emerged from the focus groups in Sud Est and, in a stronger way, Extremadura and the Polish regions, where the evidence-based approach allegedly paved the way for a top-down process that left no space for the local authorities and caused wrong targeting of the policy. An example: although investments in kindergartens would be a priority for the Warmińsko-mazurskie region due to its significant percentage of young people, the focus of the operational programme was kept on vocational training and lifelong education objectives as suggested by the national demographic structure.

The evidence-based approach should then adapt to the territorial dimension but it shall also be flexible over time: in light of the seven-year duration of the framework, the time lag between the programming and the implementation phases can otherwise cause mismatches between the



identified objectives and the regions' current needs. In this sense, the failure to adapt to the dynamic economic contexts exacerbated by the lack of flexibility that in some regions was cited as a characteristic of Cohesion Policy as a whole. In Extremadura, for example, where the economic crisis made it difficult for companies to keep investing on innovation actions, the Commission's refusal to shift resources between different axes forced the MA to maintain a program for which the private sector's demand was insufficient.

## Section 4. Concluding remarks

We now highlight the most relevant points and issues that emerged from the analysis of the Cohesion Policy implementation in the nine case-study regions. This is shown in terms of strengths and weakness of the interactions among regional diversities, the framework of Cohesion Policy and its implementation experiences. These points can provide the European Commission and the Cohesion Policy policymakers with useful information on how to better address the Cohesion Policy strategy and better exploit the opportunities it offers.

The overlapping of political and technical components is crucial in the implementation of Cohesion Policy. Moreover, the flexibility in the adoption of an evidence-based approach and its adaptability to the region's contingent needs seems to be the factors' mix that could ensure the Cohesion Policy implementation to be effective. The evidence-based approach should then adapt to the territorial dimension, but it shall also be flexible over time: In light of the seven-year duration of the framework, the time lag between the programming and the implementation phases can otherwise cause mismatches between the identified objectives and the regions' current needs. Such incongruences can be further exacerbated in more centralised institutional frameworks, where coordination problems might prevent authorities at different levels from cooperating in an efficient way. The case of the Emilia-Romagna region shows how a high degree of autonomy in the managing of the Structural Funds coupled with a satisfying level of quality of institution led to an effective implementation of the regional operational programme.

A certain degree of flexibility might be desirable also in terms of adaptation to changes in the governance context. Interest and participation of stakeholders tend to be low in the first stages of the policy cycle and to increase during the implementation phase. By allowing new sub-programmes to be introduced during the programming period, stakeholders and citizens might be more prone to get engaged thus contributing to the policy's effectiveness and legitimacy.

The different levels of economic and social development have relevant implications on the effectiveness of Cohesion Policy. The implementation of Cohesion Policy benefits by the contest wanted to respond to the policy actions. There is, in fact, a relevant difference among the implementation of Cohesion Policy among “Regional Competitiveness and Employment” objective regions, having a consolidated capacity to address the policy, and Convergence regions.

Lesson from the past. In order to fully grasp the possibilities offered in the new programming period, all LMAs have made a scrupulous analysis of the implementation of the 2007-2013 experiences in order to better address the new operational programme. In particular, in the focus group, Calabria's current “National and Community Programme” Department has highlighted, for the 2014-2020 programme, the will and the determination to exploit Structural Funds in an efficient and effective manner. Moreover, it has been able to communicate the possibility to change and break with the non-development of the past programme by making a sharp change of direction in the management of the Structural Funds. It is evident that awareness of the Cohesion Policy is higher in the Convergence regions because of wider

amount of financial support by Cohesion Policy and consequently more visibility of the provenance of the resources.

The effective functioning of multi-level governance is strongly dependent on a variety of institutional and political factors determined at domestic level. Weaknesses caused by low quality of institutions or flaws in the multi-level governance system inhibit an effective deployment of Cohesion Policy strategy, and an allocation of resources coherent with the territorial specificities. In regions with higher quality of institutions and cooperation between partners and authorities at different levels experience, the better functioning of the multi-level governance system favors the territorialisation as well as the efficiency and effectiveness of the Cohesion Policy expenditure.

Finally, some policy recommendations can be drawn.

Continuity of the administrative bodies, even in terms of personnel, was cited as a major determinant of success. This was shown by means of forging a ruling class leadership with a distinct mind set and attitude towards policymaking and fostering cooperation and exchange of best practices among colleagues and peers. On the contrary, changes in regulations and administrative procedures are seen as a big threat for policy's efficiency.

It is important to devise integrated programs that can help maintain the sustainability of the policy actions through long-term development. In line with the place-based policy approach (Barca, 2012), the investments need to be targeted to the territory's specificities for increasing the territorial capital. Burgenland (Austrian Phasing-out Convergence region) offers a "best practice" in this sense, as all the interventions aimed at ensuring a continuous development based on the social and economic specific characteristics of the region. Natural and cultural heritage attractiveness represent a key component of the regional strategy and a lot of investment has gone into this element during the last two programming period. They also faced the recession in an anti-cyclical way, by carrying on investment in education and holding on to the specialisation strategy during the crisis.

The allocation of resources for Cohesion Policy based on the GDP per-capita criteria must be complemented with other indicators. The impact of the Structural Funds support substantially changes when viewed from a multidimensional perspective of development: Human capital skills, investment in research & development, quality of institution, capacity building, social capital and territorial capital. Such multi-dimensionality must be taken into account already when setting policy's objectives and targets.

A "flexibility" quota in the Cohesion Policy expenditure might be desirable, as exogenous shocks may occur that could inhibit an effective and efficient usage of the Structural Funds. After the 2008 economic crisis, some expenses could no longer be supported because of changing investments' scenarios and only a few regions were able to adjust tools and targets of Cohesion Policy.

Collecting data on the Cohesion Policy projects managed by the PERCEIVE case-studies' LMAs was all but an easy task. Progress has been made with respect to open data access in the

new programming period, but project-level information remains hard to collect and only few Member States have set up detailed and easily accessible portals. Also, different standards coexist between regions in the same country. A fully harmonised and standardised data base could serve the fundamental purpose to let researchers and citizens analyse, study and know Cohesion Policy. This would provide a first step for increasing the awareness of Cohesion Policy and the identification with the European Union project.

Finally, we identify two main directions for future research. The first one aims at collecting more empirical evidence about the implementation of Cohesion Policy, that could be provided by quantitative analysis on the Cohesion Policy-funded projects in the European regions. In particular, an explorative analysis of such data may help to understand whether there are similarities among regions in the way Cohesion Policy is actually implemented and if implementation is consistent with territorial needs and priorities. Through the application of multivariate statistical analysis (e.g. Multiple correspondence analysis and related methods) to information on expenditures and type of financed projects, possible synergies might be detected between different areas of investments for each region as well as similarities among regions according to the prevalence of investments in specific areas. The second one focuses on the concept of territorial capital: a common framework for the measurement of territorial capital in the EU regions would allow to map the regions' institutional, cultural, and physical endowments. Such a framework could then be used as a starting point of the Cohesion Policy planning in order to tailor the operational programmes on the regions' specificities and to strengthen the territorial dimension of the overall policymaking process.

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