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Using partnerships to ensure a place based approach to regional
policies ?
The case of Mecklenburg-Western Pomerania

(draft version)

“Multi-level governance and partnership in EU cohesion policy”
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Using partnerships to ensure a place based approach to regional policies ?¹

The aim of this paper is to assess the contribution of partnership - a central principle of the European Cohesion Policy - to good governance and territorial cohesion.

It is commonly admitted that since its formal introduction by the 1988 reform of the structural funds, the partnership principle's importance has increased steadily and its definition become wider. The enumeration of the groups and bodies following the general formula² introducing article 11 of the Council Regulation no.1083/2006 reflects this movement toward more inclusion. It starts with "a/ the competent regional, local, urban and other public authorities". The inclusion of such sub-national public authorities in the policy-making process was established by the 1988 reform of the structural funds, which concentrated on the vertical dimension of partnership. In the two subsequent revisions in 1993 and 1999, it was the horizontal dimension that was addressed. The partnership was widened to include new groups. Initially it included "the economic and social partners" as listed in the 2006 regulation's article 11 under b/ (mainly trade unions and employer organisations) and then to "other competent bodies", such as equal rights and environmental organisations, which can be found under c/, "any other appropriate body representing civil society, environmental actors, non-governmental organisations, and bodies responsible for promoting equality between men and women". It is noteworthy that the somewhat fuzzy notion of "civil society" was added in 2006 (ECAS, 2009, pp. 1-3; Batory & Cartwright, 2011, p. 698; Bauer, 2001, pp. 4-6).

In contrast to the relatively precisely defined perimeter of the partnership, the purpose of the latter remains vaguer (Kelleher, Batterbury, Stern, 1999, p. 16). Article 11 states that "the partnership shall cover the preparation, implementation, monitoring and evaluation of operational programmes. Member States shall involve, where appropriate, each of the relevant partners and particularly the regions, in the different stages of programming within the time limit set for each stage". When introducing and promoting the partnership principle, the Commission pursued various aims that are closely interconnected and mentioned in the reports on economic and social cohesion, in the general political debate and in some publications such as the White Paper on European Governance at the Union level. In the first reform of the structural funds in 1988, partnership was established as a way to fight the tendency of governments to nationalise cohesion policy (Tömmel, 1997, p. 416). The objective was to establish a form of "multi-level governance" which was understood as a redistribution of authority as regarded the

¹ This paper is based on research funded by COESIONET.

² "The objective of the Funds shall be pursued in the framework of close cooperation (hereinafter referred to as partnership) between the Commission and each Member State. Each Member State shall organise, where appropriate and in accordance with current national rules and practices, a partnership with authorities and bodies such as..." (Article 11 of Council Regulation (EC) no. 1083/2006 of 11 July 2006).

planning, implementation and monitoring of the cohesion policy to the sub-national levels in order to transform the policy into a coordinated and jointly (Commission, national level, regional and local levels) steered process, bypassing the grip national governments held on European regional policies. It was argued that including the lower levels of government was coherent with the subsidiarity principle according to which policies should be implemented at the lowest possible governmental level (First Report on Social and Economic Cohesion, 1997).

Complementary to this first objective is the one of better and more effective governance that emerged in the course of the next decade. The objective is to achieve more effective preparation of the programmes (through input of local knowledge, choice of priorities) in terms of implementation of the regional policies and project selection (programme suitability for purpose, increasing the ability to absorb funds by adapting to local needs, etc.).

Thirdly, addressing less the vertical dimension of change than the horizontal one, the emergence of networks involving not only governmental actors of all levels but also different societal institutions and groups was supposed to increase the legitimacy of the EU's cohesion policy through participation and transparency. It reflected the will of the Commission to fight the disinterest for, even distrust against, the EU's institutions and policies, on the one hand, and the feeling of remoteness and intrusion of the Union, on the other (see White Paper on European Governance, 2001, p. 3). It is also part of the EU's effort to promote institutional change without directly imposing it, thereby increasing its acceptability in the eyes of the local actors concerned.

The last objective associated to the partnership principle is connected to the objective of increased territorialisation of Union policies (Third and Fourth Reports on Economic and Social Cohesion, 2004 & 2007, Reason no. 10 in the introduction of the Regulation no. 1083/2006³) through the enforcement of neglected regional and local competencies, and the inclusion of local know-how and a better targeting of programme actions. Furthermore, the implementation of the new cohesion paradigm of the "place-based development approach", advocated by the Barca Report, requires strong local input. Local actors have a double function. They are responsible for ensuring that the policies are tailored to the local context, bringing in their knowledge, preferences and needs. Thus partnership has the function of eliciting, bundling and aggregating such opinions. Moreover, local actors are expected to monitor the policies in order to prevent them from being captured by private interest groups or local elites for clientelist purposes (Barca, 2009).

Prior research has abundantly examined the vertical dimensions of partnership, mainly through the analysis of the emergence of a multi-level governance system in the European Union and of

³ "Within those three subjects, both economic and social characteristics and territorial characteristics should be taken into account in an appropriate fashion."

the way the state monopoly was circumvented (or not) by the association of the lower levels of government. The capacity of the regional authorities to use the new opportunities offered by the European cohesion policy has also been studied (Bache 1998; Tömmel, 1998; Keating, 2001; Hooghe & Marks, 2002; Pasquier, 2004). Other research has dealt with the way new Member States, which are known for their long traditions of bureaucratic centralism, reformed their territorial administration in order to comply with the Union's requirements as regarded regional policies. For some studies the focus was vertical: what kind of territorial state organisation / institutional landscape could be observed in the different countries and which factors were decisive (, Brusis 2002; Keating & Hughes 2003; Bachtler & McMaster, 2008; Dabrowski, 2008, Perron, 2008). For some studies the focus was horizontal: how would the post-communist countries be able to deal with their legacies in implementing the partnership principle at the regional level (Bruzst 2008, Dabrowski 2011, Ferry & MacMaster 2005, Baun & Marek 2008, Batory & Cartwright 2011)? Most of the latter studies find substantial obstacles to the good functioning of partnership, such as the reluctance on the part of national and regional elites to share their control over public policies, the absence of a participatory political and administrative culture, the weak administrative capacity of the regions, the weakness of civil society organisations, the absence of organised interests, and the lack of know-how, financial means, time etc. Given these shortcomings, these studies were unable to question the whole scope of the effects of the partnership principle nor was it possible to study in depth the rationale and value added of working in partnership.

In this context, the aim of this paper is to take a complementary approach, starting from an example of a best practice; an objective one region, with important developmental problems and in which the partnership principle is implemented in a satisfactory way at both vertical and horizontal level. Focusing on the horizontal dimension, I will examine the concrete results in terms of governance and territorial cohesion.

I will use the example of the Land of Mecklenburg-Western Pomerania in eastern Germany. This Land counts among the European regions lagging behind in their development and benefitting from structural funding under the convergence objective for the fourth period⁴. After a brief description of the mechanism and functioning of the partnership principle on the ground, I will examine the conditions of its success (federalism, transfer of the institutions of the Federal Republic of Germany (FRG), transfer of western German political and administrative elites, local political culture, etc.), in order to understand why, besides a longer period of structural funding than in other post-communist countries, Mecklenburg-Western Pomerania is such an exception

⁴ As one of the five eastern German Länder, Mecklenburg-Western Pomerania has benefitted from structural funding since 1991 (cf. decision of the European Council of 4 December 1990), immediately following its accession to the European Community in the course of German Reunification. From 1991 to 1993 the Land obtained a lump sum that was administered by sector through the corresponding ministries (Sturm, Pehle, 2007, p. 327-328).

among the central and east european regions. I will then examine the contribution of the partnership principle in this case to the five values defining “good governance” as listed in the White Paper on European Governance, namely: openness, participation, accountability, effectiveness and coherence.⁵ Furthermore, I will examine whether or not it offers all individuals a chance to get informed, to contribute their knowledge and express their preference about the delivery of projects connected to the very technical issues of regional development and disbursement of the structural funds. In other terms, to what extent can the partnership principle respond to the challenge of spreading a place-based approach as defined in the Barca Report on the European regional policy? Is the partnership principle - the way it is implemented - really an incentive for policy makers to act in the general interest? To what extent does it help to counterbalance the domination of political parties and of powerful interest groups by allowing closer control and pressure on policy makers by the citizen? Does it foster local involvement to accompany exogenous (European) public intervention fulfilling the role of revealing and aggregating preferences and knowledge? Can it insure the broadest possible participation in the decision-making concerning resource allocation? In practice, did the kind of policies promoted in Mecklenburg-Western Pomerania fulfil both the objectives of efficiency and equity? Did they really serve the production of public goods and services and lead to social inclusion and spatial cohesion in the way Barca wishes the place-based approach to function?

How and why does partnership work in Mecklenburg-Western Pomerania?

Mecklenburg-Western Pomerania is the poorest Land of the German federation. Having been a part of the former German Democratic Republic (GDR), it went through a far-reaching political, social and economic transformation process starting in 1990. As a post-communist country it endorsed – like the other former GDR Länder – a special path of very rapid integration into the FRG and the complete transfer of the latter’s political, economic and social system, thus transforming the problems linked to the legacies of communism to the ones of the integration process. In terms of European integration the new Länder became members of the EC as soon as 1990. Located north-east of the FRG, far from the main European growth centres, Mecklenburg-Western Pomerania suffers strong structural handicaps. It is a predominantly rural territory with a sparse population (71 inhab. / km²). It is weakly industrialised, lacking in infrastructure and has no significant urban areas (its two biggest cities are Rostock 200,000 and Schwerin 95,000 inhabitants).

⁵ Cf. *European Governance. A White Paper*. Brussels, Commission of the European Communities, July 2001, p. 10.

In terms of cohesion, Mecklenburg-Western Pomerania has to meet the challenge to overcome the disparities between an industrialised coast and a rural hinterland, between the very few cities and the majority of rural areas, its eastern part and its western part close to Hamburg. The Land has to integrate very sparsely populated rural regions that have been steadily losing population (mainly young, qualified and female) since the Wende in 1989, and faces a very strong aging process and high unemployment rates⁶. These remote regions, especially in the eastern, Pomeranian, part of the Land are also the ones where the extreme right (the NPD⁷) gets more than 15% of the vote.

Mecklenburg-Western Pomerania's GDP per capita reached 72.6% of the EU-25 average in 2000-2002 and amounted to only 71% of the German average in 2010. As the structurally weakest Land of the German federation, its whole territory - which forms a NUTS II region - is classified under the convergence objective. For the funding period 2007-2013, the Land gets a total amount of 2.65 billion euros from the EU, out of which 1.252 billion (75% of the Structural fund's SF allocation) under the ERDF (European Regional Development Fund), 417 million (35% of the SF) under ESF (European Social Fund), and 975 million for the EAFRD. (European Agricultural Fund for Rural Development) The ERDF plus ESF allocations for Mecklenburg-Western Pomerania represent a total of 6.6% of the total German cohesion policy allocation (Strum, 2008, p. 67); for a Land that has only 2% of the German population.

Vertical partnership arrangements: strong implication of the Länder level

The constitutional arrangements that govern cohesion policy in Germany can be defined as a "regional government managed approach" (ECAS, 2009, p. 10) with – pro fund- only one sectoral programme managed at the federal level and 17 regional programmes managed at Länder Level. In Germany, regional policies are formally a competency of the Länder (article 91 of the Basic Law). It is exclusively the Länders' task to design the operational programmes, even though the federal level sets the framework for funding through the common tasks (*Gemeinschaftsaufgaben*) and is responsible for the regulatory compliance. The Länder play an important role in the negotiation of the structural funds programmes alongside the federal level with the Commission. There is a Joint Planning Committee composed of the ministers of economic affairs of the Länder and of the Federation that sets the eligibility criteria of the assisted regions, determines the instruments and the measures to be financed, and allocates the funds to the Länder (Sturm, Pehle, 2007, pp. 317-335; Auel, 2006).

⁶ Cf. My report for COESIONET.

⁷ NPD stands for Nationaldemokratische Partei Deutschlands

The horizontal partnership arrangements that are supposed to secure societal participation are especially important in Mecklenburg Vorpommern. As elsewhere they are embodied by the arrangements concerning the Monitoring Committee, which according to the regulations “shall be set up for every operational programme” (art. 63 §1). Its task is to “satisfy itself as to the effectiveness and quality of the implementation of the Operational programme” (art. 65). These committees “can be considered as the main institutional expression of Partnership” (Batory & Cartwright, 2011, p. 705) and are the bodies around which partnership arrangements can form (Kelleher et al, 1999, p. 19.). In the course of this analysis I will concentrate on these bodies and on the steering committees that comprise some of their members.

Mecklenburg-Western Pomerania has the particularity of having chosen a maximally integrated approach for the funds administration, having one Joint Administrative Authority (*Gemeinsame Verwaltungsbehörde*) for both structural funds (ERDF and ESF) and for the EAFRD, which is unique in Germany. This joint administrative authority has among other tasks to chair the Monitoring Committee⁸. It is located at the State Chancellery (*Staatskanzlei*, the administration of the Minister President), a central position supposed to facilitate the coordination tasks and ensure the authority’s neutrality. This structure enables the establishment of a truly coordinated and integrated approach to design the programmes based on the identified need of the Land and on the fund that can provide the best instruments. The inclusion of EARDF in this architecture is supposed to fulfil the special needs arising from the rural profile of the Land, permitting for instance knowledge transfer from ESF to EAFRD, as well as synergies between the three funds on the rural infrastructure and social questions and this in a more territorialised way.

If the existence of a Joint Administrative Authority is an exception in Germany, so is the existence of one single Monitoring Committee (*Begleitausschuss*) for both structural funds and the EARDF. In Mecklenburg-Western Pomerania the Monitoring Committee has been given a very strong and central position in the preparation, administration and implementation of the operational programmes, which exceeds the provisions of article 65 of Regulation no. 1083/2006. It has given itself formalised rules of procedures: a *Geschäftsordnung*⁹ that is published on the Internet. These rules list the committee’s members. They consist of three groups representing the government of the Land¹⁰, the federal government¹¹ and economic,

⁸ As the ERDF Operational Programme states, the joint administrative authority is responsible for the efficient and effective (...) administration/management and implementation of the OP vis-à-vis the European Commission following article 60 of EC Regulation no. 1083/2006.

⁹ Geschäftsordnung für den Begleitausschuss des Landes Mecklenburg Vorpommern zur Durchführung der Operationellen Programme des EFRE und ESF sowie des Entwicklungsprogramms für den ländlichen Raum des ELER in der Förderperiode 2007/2013 im Land Mecklenburg Vorpommern, in der Fassung vom 12 dezember 2007.

<http://www.europa-Mecklenburg-Western Pomerania.de/fonds/begleitausschuss/begleitausschuss.htm>

¹⁰ The Land Government is represented by the Joint Administrative Authority, the Ministry of Economics, the Ministry of Agriculture, the Ministry of Finance, the Ministry of Interior, the Ministry of Justice, the

social, environmental and other partners¹², and on a consultative basis a representative of the European Commission.

The question of membership in the body, is only dealt with in very vague terms in the regulation, “representativeness” being the only mentioned criterion. No guidance is provided about the precise criteria used to choose the members of the Monitoring Committee, nor about the designation procedure to be followed (may organisations be candidates or must they be designated by the administration?) to ensure that all the domains mentioned in article 11 are represented. The members are divided between the “administration”, on the one hand, and the “partners”, on the other, both of which having an equal representation of 7 votes, the head of the Joint Administrative Authority having also one vote (so that in the end the administration holds 8 of the 15 votes¹³). Among the “partners” the representativeness of the organisations was taken into account since most societal partners are umbrella organisations like the DGB for the Unions, business and entrepreneurs associations and chambers, environmental associations and the Women’s Council (*Landesfrauenrat*), that all comprise different organisations and have one delegate each with one vote. Added to this are there the association of peasants and forest owners, with one delegate and one vote, the Churches and the central organisation of the free welfare associations (*Spitzenverband der freien Wohlfahrtspflege*) (one delegate one vote), and the associations of local authorities (also one vote). The particular profile of Mecklenburg-Western Pomerania was taken into consideration as manifested by the association of rural representatives (farmers’ association, rural women, rural youth, association of forest owners, spokesperson of the organic cultivators association¹⁴).

If at first sight there are no differences between the partners, everyone having one vote, further investigation shows that there is a dual concentric mode of partnership since three of the “partners”, namely the trade unions; the business, entrepreneurs and chambers of commerce organisations; and the nature and environmental protection associations benefit from funds from the Technical assistance to help them employ one to one and a half persons fulltime to

Ministry of Education, the Ministry of Transportation, the Ministry of Social Affairs, and the Parliamentary State Secretary for Women and Equality.

¹¹ The Federal Government is represented by the Federal Ministry of Agriculture, the Federal Ministry of Labour and Social Affairs, the Federal Ministry of Economics and Technology, the Federal Ministry of Finance.

¹² The economic, social, environmental and other partners are: the Chamber of Crafts of Schwerin, the Chamber of Crafts of East-Mecklenburg-Western Pomerania, the business and entrepreneurs associations, the Chamber of Commerce and Trade of Schwerin, Rostock and Neubrandenburg, the Association of Municipalities, the Association of Districts, the Trade Unions Association DGB Nord, the Women’s Council, the BUND, the WWF, the Naturschutzbund, the association of peasants, the association of forest owners, rural women, the rural youth, the spokesperson of the organic cultivators association, the central organisation of the free welfare associations, the Churches.

¹³ The majority of the administration was necessary because it secures the budgetary prerogative of the parliament.

¹⁴ Association of peasants, association of forest owners, rural women, rural youth, spokesperson of the organic cultivators association.

work on SF issues while the other four partners do not (later we will return to this very important feature that gives the MC a quasi-corporatist functioning).

The rules of procedure of the Monitoring Committee do not only state its area of responsibility, missions, presidency, structure, membership and working methods; they also state the rights of the “partners”. These rights go beyond the EU’s requirements and ensure the reality of the societal partners’ participation. Some are normally the Land government’s tasks, like the right to call up a meeting or the voting right on the Land regulations for the implementation of funds.

The societal partners are closely involved in the whole process from upstream, i.e. the design of the regional strategy and the drafting of the regional programmes, to downstream, i.e. their changes, their implementation, the choice of the selection criteria, monitoring and evaluation. Although the Monitoring Committee only meets twice a year, the sessions are prepared well in advance through informal meetings between the administration and the partners¹⁵, with every guideline being discussed in detail. Furthermore, the fact that even though the administration holds a majority of the votes, the societal partners speak of an “informal veto right” given to them, which means that the administration - despite having the majority of suffrages - has never overruled them, which underlines the strong position of the societal partners.

This importance given to societal partnership in the 2007-2013 budgeting period is a legacy of the already strong position given to the social and economic partners in the previous funding period by the head of the Joint Administrative Authority and of an in depth practice of partnership by the minister of labour¹⁶ as regards labour policies. The inclusion of representatives of nature protection associations in the actual budgeting period is the response to the expansion of the partnership to new groups in the 2006 regulations. However, the privileged position of the latter, as a beneficiary of technical assistance with two half-time jobs is a spill-over effect of the successful experience with the social and economic partners in the previous budgeting period and a response to a regional issue, namely the dissolution by the ‘grand coalition’ (between social-democrats and christian-democrats) of the Ministry of the Environment in 2006, which was split and incorporated into the Ministry of Agriculture, the Ministry of Finance and the Ministry of the Interior, and the government’s subsequent lack of expertise about environmental issues.

The preeminent position of partnership is not only formal, as the strong position given to the partners by the statutes of the Monitoring Committee testifies, it is also a reality acknowledged

¹⁵ For instance, the EFRE OP notes that in the preparations phase of the OP, there was a regular MC meeting on 9 May 2006, followed by an information session on 13 July 2006, and by meetings with MC members on 20 December 2006, 28 February 2007, 14 March 2007 and 3 April 2007, where the programmes were unanimously adopted.

¹⁶ A PDS (former communists) Minister under the red-red coalition between social democrats and former communists that ruled from 1998 until 2006.

by the societal partners. All partners, including the administration, seem to value it highly. In interviews¹⁷ all stakeholders declared their satisfaction. They mentioned the active participation of the partners and a strong commitment of all sides to the work of the Monitoring Committee. They all stressed the good relations and excellent communication between all stakeholders (administration, politicians and societal partners), the interest for dialogue and cooperation, and a strong mutual trust, relying on the fact that there is a shared feeling of responsibility for the programmes. Even though the societal partners mention the fact that they sometimes use the presence of a representative of the Commission in the Monitoring Committee to have their case heard in Brussels, when they do not agree with the government / regional administration, this does not seem to disturb the quality of the relations between the administration and the societal partners or provoke irritation between them as seems to be the case elsewhere (Bauer, 2001).

The reasons behind this success are to be sought in domestic mediating factors of two kinds and in the use of the technical assistance. The first kind of mediating factor relates to German constitutional arrangements that have been imported to Mecklenburg-Western Pomerania in the course of reunification and distinguishes the eastern German Länder from other convergence regions that have to deal with post-communist legacies. First of all, one has to mention the federal organisation of the state that, despite the *Politikverflechtung* (interweaving of policies at different governmental levels), largely devolves the responsibility for regional policies to the Länder and breaks with the centralist traditions in post-communist countries. Furthermore, this clear and uncontested way of administering the funds regionally and the continuous practice of multilevel governance inside the federation reduced the difficulty of adding the horizontal partnership to the vertical one (Sturm & Pehle, 2007, p. 320; Auel, 2006). The German political culture, or rather the administrative traditions based on “trust, administrative routines and common understanding of problems and possible solutions” among federal and Länder civil servants, as mentioned by Sturm & Schorlemmer (2008, p. 62), underpins this.

Despite the fact that Mecklenburg-Western Pomerania is a convergence region, neither the capacity of the social partners nor that of the administration are weak. Both the administration and the societal partners’ organisations have been transferred from the FRG (almost all of the actors involved at the highest level in structural funding are from the western parts of the country, although all of them have been in Mecklenburg-Western Pomerania for many years), and thus benefit from stable, developed structures and from a high level of know-how and relatively substantial resources (such as high wages). The staff situation is characterised by a

¹⁷ These interviews were conducted by the author of the paper in February 2011 and encompassed 15 of the most important actors for the structural funding in the Land: members of the administration and representatives of the partners of the Monitoring Committee and politicians.

high degree of stability. Most of the participants in the Monitoring Committee have held their post in their organisation or in Mecklenburg-Western Pomerania's administration for more than 10 years and have been active in the Monitoring Committee for at least five years. The Land is less afflicted by the typical diseases of post-communism than other central and eastern European countries.

The trades union and associations (environmental¹⁸, business or devoted to gender issues) benefit from the fact that they are part of wider structures acting at different levels (national and European), enabling them to draw on the resources and knowledge of their core organisation, to exchange experiences with other levels, and to position their action within a broader strategy.

Added to these structural characteristics, the mediating factors connected to the specific regional context played an important role in the success of the partnership. Among which in the first place the amount of structural funding to Mecklenburg-West Pomerania. The scale of the problems the Land has to face in its development, the sums that are at stake and the fact that they amount to one sixth of the Land's budget and that their complex regulations shape the whole development policy of the Land and possess a very strong structuring power.

Furthermore, the small size of the Land is mentioned by all stakeholders to explain the good cooperation. It works in two directions: trust and density of networks. Trust, because everybody knows everybody and you know that "you always meet twice" (in other words: you cannot let your partners lose face since you know that you might soon have to rely on him in another matter). As far as networks are concerned, they are dense and diverse (crossing milieus). Complementary to this is the long practice of partnership, which started in the domain of social policies and ESF and was progressively expanded to other domains and included new societal partners. This long-term and step-by-step approach made it possible to overcome the administration's initial mistrust and suspicions about the involvement of societal partners, and to professionalise the participation of the latter making it more and more qualified. Thus several years of 'confrontation', 'struggle' and technical discussions around the structural funds have led to the emergence of a feeling of mutual confidence.

The consensual style of politics that is practiced in Mecklenburg Western Pomerania is another factor. None of the parties (except the NPD) has strong polarising tendencies. The Land was the first one where the successor party of the SED (former communist party), the PDS formed a government coalition with the SPD in 1998. This disenchanted the party and forced it to follow a pragmatic course, on the one hand, and avoided the polarisation of the political scene around the PDS like in other Länder, on the other. Furthermore, the local CDU follows a centrist, moderate course. (Schoon, Werz, 2006).

¹⁸ Like the NaBu (Naturschutzbund) that is active on the entire territory of the FRG, or the WWF that is even working on a worldwide scale.

Last but not least, the former director of the Joint Administrative Authority, an experienced civil servant and a convinced European who had already experienced the culture of participation elsewhere, and highly valued it, was able to promote his convictions.

However, all these factors would not have permitted such high-level participation of the partners in the Monitoring Committee, which are usually “relatively large bodies, that meet only a few times a year to deal with complex, highly technical issues which require expertise rarely available outside central government” (Batory & Cartwright, 2011, p. 703), without the use of funds from the technical assistance to make it possible for some of the partners to overcome the information gap between them and the “insiders” from the administration by devoting one to one and a half employees to structural funding matters¹⁹. This assistance was a key factor in the success of the partnership. The significance of this help is acknowledged both by the partners that do not benefit from it and deplore their inability to get involved as much as they would like because of a lack of time (to read and analyse the mountains of reports²⁰ given to them prior to the meetings of the MC) and a lack of knowledge (of the internal functioning of the EU cohesion policy system and of the technical jargon) and by the ones that benefit from the assistance. The latter admit that without the technical assistance’ funding their participation in the Monitoring Committee would be mere window dressing and their participation in the Steering Committees working on the evaluation criteria only formal, as is the case in most new Member States (Bachtler, McMaster, 2008, p. 414).

However, since the technical assistance is limited to three partners (the trade unions, the business and entrepreneur associations and chambers, and the environmental associations) the result is a form of concentric partnership, with some partners benefitting from much more expertise, thus becoming more involved in the decision making than others, manifesting corporatist traits.

What kind of contribution does the partnership principle make to good governance in Mecklenburg-Western Pomerania ?

We now shall examine the effect and value added of this outstanding position and practice of partnership in Mecklenburg-Western Pomerania.

The first indisputable result of the in-depth implication of many societal partners in EU-matters in Mecklenburg-West Pomerania is a better communication of EU matters to a broader public.

¹⁹ This kind of funding of the societal partners from the technical support was made possible by Commissioner Wulf-Mathies as a Commissioner for Regional policy and Cohesion between 1995 and 1999 (Bauer, 2001, p. 10).

²⁰ Up to 1,800 pages according to one of the representatives of the societal partners.

The social, economic and political life of the Land is deeply penetrated by European issues. The statements worked out by all political parties and by all associations about the next funding period are visible signs of this. Moreover, according to the interview partners an increased number of applications for SF funding testifies that there is a widespread awareness about what is at stake with structural funding and about how the funds work.

The good cooperation and communication channels created between economic, social and environmental partners have generated an interlinkage between the EU structural policies and the policies of the Land. In terms of social capital, the interpersonal trust and communication have obviously strongly benefitted from this experience and these good relations between actors can be felt in other policy fields. The social partners say they have better access to the administration, and vice-versa the administration uses the informal contacts, the trust and the in depth knowledge of one another's positions to enhance its effectiveness. According to all stakeholders, participation in the Monitoring Committee led to the dissolution of sectoral interests and the emergence of alliances that were inconceivable before (like between trade unions and business and employer associations for instance) and increased the knowledge of and understanding for the positions and actions of others.

The in depth participation in the EU cohesion policy has also ensured the economic, social and environmental partners a considerable degree of influence on the politics at the Länder level, which they would not have obtained otherwise. Through their participation in the Monitoring Committee, and thanks to the professionalisation of their staff dealing with EU issues, they indirectly control a significant part of the Länder budget (needed for co-financing). Furthermore, through the Monitoring Committee they obtain information, knowledge and insights about the main Länder policies which they would not have had or which they hardly would have acquired otherwise and which are useful in their other activities. According to all stakeholders, the transparency of decision-making has increased, thereby increasing the legitimacy and weight of the decisions. There are also noticeable learning effects: unilateral decisions taken by the government are no longer possible. Transparency and cooperation have spread to fields like the economic funding by the federation in the domain of the common tasks. The good knowledge of the procedures and working methods of the ministries allows the economic, social and environmental partners to criticise the lack of coordination between different ministries, their sectoral view on some problems or their internal administrative culture (like especially the one of the Ministry of Agriculture, which is still accused of acting in a very opaque manner, not being used to such openness).

All stakeholders agree that the partnership procedures have increased the acceptance of the programmes and of their objectives and the quality of decision making, thus the effectiveness of structural funding first by enhancing their legitimacy, but also by better taking into account local knowledge or specific needs. Furthermore, the administration's decisions are considered more

sustainable since everybody is conscious of the necessity to find a consensus and to take into account the position of the others. In the end, everybody feels responsible for the decisions taken.

Partnership has undoubtedly had a positive effect on governance in Mecklenburg-Western Pomerania by increasing (albeit in different ways) the five principle of good governance listed by the white paper. Our case study has not confirmed the malfunctioning pointed out by Michael Bauer (Bauer, 2001), such as partnership increasing the mistrust among governmental levels, especially among regional and European levels (the first one accusing the second of using partnership as a way to interfere in regional matters and expand the Commission's power). Here the horizontal and vertical dimensions of multi-level governance seem to harmonise in a satisfactory way. Furthermore, partnership has fostered non-governmental participation securing societal input in policy making. It is beyond doubt that all this has increased the efficiency of the structural funding and thus influenced the output legitimacy of the European cohesion policy.

However, the question of the mutual relationship between the sort of governance that emerged and the parliamentary kind of democracy that is practiced at the Länder level remains open. I will not go further into detail about whether this kind of governance is able to replace, complete or compete with parliamentary democracy, neither will I examine further the problems of democratic accountability posed, both having been studied elsewhere in detail (Papadopoulos, 2007; Benz, Harlow & Papadopoulos, 2007; Benz & Papadopoulos, 2006). I will rather try to analyse if these positive findings about governance do tell us something about the contribution of this form of partnership to a place-based approach.

Partnership a contribution to a place-based approach ?

Generally speaking, the place-based approach is a model of development that is supposed to return cohesion policy to a central role in the European integration process, to enhance the legitimacy of the Union by offering a new way to relate to the citizen, and to respond to the territorial inequalities and persisting problems of social exclusion.

It is understood - as the Barca report puts it - as "a long-term strategy aimed at tackling persistent underutilisation of potential and reducing persistent social exclusion in specific places through external interventions and multilevel governance. It promotes the supply of integrated goods and services tailored to contexts, and it triggers institutional change" (Barca, 2009, p. VII) and further "it gives all places the opportunity to make use of their potential (efficiency) and all people the opportunity to be socially included independently of where they are born (social inclusion / equity)" (Barca, 2009 a, p. 2).

In actual practice, in Mecklenburg-Western Pomerania cohesion policy shows many of the features and traits Barca condemns and denounces in his report. Despite the implication of local actors through partnership, it is implemented as a policy of raising competitiveness using the regional potentials, but it fails to take into account the other side of the coin, which is the social integration dimension and it is highly questionable to what extent it does produce “public goods and services in accordance to local preferences and knowledge” as Barca puts it.

In fact, a look at the funding strategy for the 2006-2013 budgeting period in Mecklenburg-Western Pomerania is instructive on this point. It can be resumed by the slogan “strengthen the strengths”. Conscious of the fact that 2007-2013 might be the last funding period as an objective one region for Mecklenburg-Western Pomerania and thus that the most efficient way to use the European money has to be found, all actors agreed on the integrated and coordinated strategy (embodied among other things by the Joint Administrative Authority). The result was an overall objective termed “Increase economic power and creating and securing long-term jobs through sustainable economic growth”. This overall objective is divided into four main strategic objectives (increasing regional quality and attractiveness of location by development of infrastructure, strengthening of regional competitiveness especially by increasing the adaptability and competitiveness of employees and businesses, developing knowledge and innovation potential in society, and improving labour market entry and social integration) corresponding to the German National Reform Programme. These four strategic objectives are then divided into priority axes of the ERDF, ESF and EAFRD. (See schema no. X)

The choice has clearly been made to orient the programmes and structural funding towards the main objective of raising Mecklenburg-Western Pomerania’s competitiveness while counting on economic spill-over effects. In this budgeting period (2007-2013) support was focused on the consolidation of the economic achievements and on concentration on the growth potential of the Land. The central strategic objective is to increase the innovation capacities of the local economy and to support high-quality qualifications. A new emphasis is given to the “development of social potential for knowledge and innovation” that shall underline the importance of the support to a kind of development based on knowledge and oriented towards innovation in the funding strategy. Thus Mecklenburg-Western Pomerania’s strategic choices are congruent with the Lisbon agenda of the EU, but Lisbonisation is reduced to the sole aspect of competition at the expense of inclusion.

The territorial dimension of this choice is that Mecklenburg-Western Pomerania ceases its policy of trying to attract and to settle companies across the whole territory in order to insure an even development. The funding policy concentrates on the existing economic basis, which means on fewer areas, and on the ones where there is already a functioning industrial tool (like for instance the wind power in Rostock, wood processing in Wismar, logistics in the districts of Parchim and Ludwigslust). Funding for infrastructure no longer tries to help overcome the

general weakness, considering that the means are not substantial enough to benefit everyone, but will be employed to develop the urban areas or at least (since there are only few such areas, perhaps only one, namely the region around Rostock) the growth centres, relying on the belief that there will be spill-over effects to the surrounding areas.

One point that the strategy fails to address or deliberately ignores, are the territorial consequences of the demographic change and depopulation. The strategic choices of Mecklenburg-Western Pomerania have important implications at the sub-regional level, which despite the growth in GDP, do not seem to move in the direction of more social inclusion inside the Land itself. They imply the existence of few (mostly urban) areas (Rostock and its region, Wismar, Greifswald, Stralsund, and maybe Güstrow and the regional capital Schwerin) that are economically developed and competitive and the acceptance of the fact that the rest of the territory's development will continue to lag behind not being equipped in the same way as the others with service provisions.

This choice reflects the ambiguities of the European cohesion policy, or at least the widely shared assumption criticised by Barca that raising territorial efficiency will automatically lead to social integration (Barca, 2009 p. 78-79). The issue of the backwardness of the rural areas as well as the quality of the services of general interest (*öffentliche Daseinsvorsorge*) in those remote territories which no one can benefit from politically are silenced, leaving the issue to parties like the extreme right NPD which flourishes in the remote eastern areas and small villages of the Land, which suffer the most from the territorial withdrawal of the State (Schoon, 2006, p. 13-14; Heinrich & Lehmann, 2006, p. 74). The struggle against social exclusion takes place mainly through ESF, but the programme is very one sided, oriented towards competitiveness²¹. Social exclusion is only tacked in a sectoral way through measures assumed to raise employability. Cohesion here is understood as the general GDP and productivity catching-up processes of Mecklenburg-Western Pomerania as a Land with the other German Länder, but not as a way to increase the "freedom of individuals to enjoy an essential standard of services independently of where they live" (Barca, 2009, p. 79).

The question then is did the kind of partnership practiced in Mecklenburg-Western Pomerania fail to fulfil the function of eliciting, bundling and aggregating local opinions? Did it not succeed – and if so why not – to keep policies under scrutiny in order to prevent them to be captured by private interest groups (cf. the corporatist functioning of the Monitoring Committee) or local elite for clientelist purposes, and to orient them towards the production of more public goods?

²¹ The three priorities of the ESF are: increasing adaptability and competitiveness of employees in companies, improving human capital, improving access to employment as well as inclusion of disadvantaged persons.

It does not seem that partnership, the way it is defined and practiced in Mecklenburg-Western Pomerania, could have been the instrument of a place-based approach. On the one hand, because it did not guarantee that a distinction is made between “the pursuit of efficiency and social inclusion objectives” (a deficit Barca deplors among others in his report p. XV-XVI), on the other hand, because it does not permit to overcome “the remarkable lack of political and policy debate on results in terms of well-being of people” (Barca, 2009, p. XV-XVI).

This last point brings into the argument the criticism about the lack of democratic legitimacy of regional policies in Germany (Auel, 2006, p. 56-57). Auel deplors two things in her conclusion, the lack of inclusion of the partners to policy making and the lack of linkage between executive dominated structures of multilevel governance and parliamentary deliberation and control. Our study has demonstrated that as far as the first point is concerned the example of Mecklenburg-Western Pomerania shows that when partnership functions well, the partners are not kept out of the Länder policy making, but on the contrary that they can be very much (in fact so much as to bypass the parliamentary control over the Länder budget!) associated to such policy making. The second point, namely the lack of linkage of the executive dominated structures of multilevel governance to parliamentary deliberation and control, holds true and represents a real problem (Auel, 2006, p. 57). The reason for this is the highly technocratic aspect of cohesion policy that partnership obviously failed to reduce, the partners being either capable of adapting to it and play the game (like the ones that benefit from technical support) or they do not have the resources to do so and their involvement is not as significant and they do not have much weight in decision making. Despite the fact that cohesion policy is recognised as a very important matter for Mecklenburg-Western Pomerania by all stakeholders, it is striking that there is no political debate about the use of the funds (except for punctual indignation when cases of corruption are revealed by the media), the matter being too complex, not a suitable topic for election campaigning. Thus it remains in the hands of a group of experts (be they administrative experts or societal partners) disconnected from the weakest segments of local society and from real parliamentary control.

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