



**Datar**



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EUROPEAN COHESION AND TERRITORIES RESEARCH NETWORK

### Minutes: “Governance” Workshop

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#### **Conditionality vs. Sovereignty: How Should Multi-Level Governance Be Coordinated?**

Jan Olbrycht, Member of the European Parliament

##### *Conditionality and Macro-Conditionality*

Conditionality has several meanings. We are not here referring to macro-conditionality but rather to conditionality within cohesion policy. What might be the tools here? Given strong pressures on public finances, proposing projects corresponding to the 7 priorities of the EU2020 Strategy will be a condition on the receipt of EU funding. This is a necessary type of conditionality.

##### *Introduction of Territorial Cohesion in the Treaty of Lisbon*

An important success for cohesion was the Treaty of Lisbon’s introduction of territorial cohesion. With the exception of France’s spatial planning system, this notion is new to European administrative culture. In the European debate, cohesion has been defined as follows: cohesion is reached when each EU inhabitant enjoys the same access to public services. However, neither the White nor Green papers on cohesion discuss the issue of territorial cohesion.

##### *The Place of Macro-Regions?*

Discussion of macro-regions has been a perverse effect of this. Yet if we consider the Baltic Sea Region, we see that this initiative has nothing to do with cohesion. If macro-regions are integrated into cohesion policy, how will financial resources be distributed? The Baltic Sea Region was initially created because various actors were willing to work together. Is this a matter of cohesion policy or rather of the creation of multi-level action? With the introduction of territorial cohesion, the time had come to seize this opportunity to obtain funding, with territorial cohesion meaning all territories. Macro-regions can be considered a territorial strategy, a way to work together that is not a cohesion policy. Who is going to coordinate action at this level, which Commissioner?

##### *How to Define Cohesion?*

When talking about cohesion policy, we have to consider the national level since national financing envelopes will be important.

Cohesion is the aim of the EU but we discuss cohesion policy. One of the objectives of the European Union is to reduce disparities: cohesion policy is not the only EU policy to contribute to that goal.



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Some thus refer to “policy of growth and development” instead of cohesion policy, reflecting their fear that cohesion policy will be exclusively focused on the poor.

Before 2013, what are the contours of economic, social and territorial cohesion policy? Its aim has been to reduce disparities by reinforcing economic processes leading to growth. Indirectly, it is a growth policy.

### ***Governance System: A Contract-Based System and Challenge to Power***

In political discourse, local and regional authorities are important partners of the European Union. These partnerships have yet to be operationalized, however, because direct relationships between regions and the UE are not supported by the Member States. It is true that when discussing multi-level governance, European funds can influence local and regional authorities. With the exception of Alsace, European funds in France are managed by the State administration. The question arises, do EU funds block or influence administrative reforms? In Poland, the regions are strong because they have European funds. If we refer to multi-level governance when preparing cohesion policy, it is in reference to horizontal cooperation between territories as well as vertical cooperation between different levels. It implies that competences are clearly defined so that the actors can work together. This approach is new in the new Member States. A contract-based relationship (of the partnership or development type) could be the key to multi-level governance. The content of such a contract between the European Commission and the governments might include priorities, a discussion of project types and the control system (financial rules). The European Commission could require Member States to implement a concrete governance system in their respective country. Multi-level governance clearly represents an important challenge to the various levels of public authority.

### ***Conclusion***

Conditionality must therefore be based on territorial cohesion and linked to a contract and the multi-level governance system.

For the time being, the partnership contract has yet to be clarified. The same holds for the role of the European Commission, the Member States and the regions. At the European level, however, there is an obligation to prepare the system even if the European Commission can not impose it due to the subsidiarity principle. This contract should reinforce the obligations of the various signatories to respect the priorities of the EU2020 Strategy.

Territorial cohesion should involve all EU territories. Cohesion policy is a tool that can contribute to changes in a country and its administrative capacity; it is not merely a source of investment.

### ***General Discussions***

- While conditionality depends on the administrative structure of each country as defined in the contract of partnership, each country may present a different vision of cohesion: what common criteria will be established by the European Commission to evaluate whether this works or not? Isn't there a risk that the European Commission will interfere with the administrative structure of a country?
- Can structural reforms come from integrated EU policies within the cohesion policy?
- What is the difference between a contract of partnership and the design of an operational program?
- Isn't the contract of partnership an advanced form of the National Strategic Reference Framework with stricter requirements in terms of priorities and governance? Is this contract something new or a positive evolution of what already exists?
- National sovereignty is the limit of cohesion. If the contract is working well, to what extent will it bring about more territorial cohesion?
- How do relationships between regions and the European Commission develop? Are there still obstacles?



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## **EU Cohesion Policy and Changing Patterns of Governance in Central and Eastern European Member States: The Case of Poland**

Marcin Dabrowski, Austrian Academy of Sciences, Institute for European Integration Research, Vienna

### ***EU Added Value in Governance***

The key added value of EU influence on governance is the partnership that needs to be organised within cohesion policy. The key questions concerning the new Member States are therefore:

- What is the scope for embedding this multi-level governance?
- What is the impact of the partnership principle?
- What are the mechanisms and depth of the changes?

### ***Vertical Partnership***

The Structural Funds created a new environment for vertical partnership for more integrated cooperation between the various levels.

Over both programming periods experienced by the new Member States, there have been changes in the governance system of the funds. New responsibilities have been created to manage the funds. Structural funds have created greater investment capacity, making the regions less dependent on government funding. Nevertheless, some centralisation remains to the degree that the government imposes guidelines for regional operational programmes administered by regional authorities and the own financial resources of regional authorities are limited.

### ***Horizontal Partnership at Regional Level***

Three different channels can be mentioned here:

- Steering committees involving social and economic partners have created new channels for regional stakeholders to stimulate relationships at the regional level, even though the final decision on projects is taken by the Marshal. But this approach has been criticized as being clientelist and interest-driven.
- Monitoring committees are better perceived by regional stakeholders who see them as a new channel for participation.
- Regional consultations of the Regional Operational Programme are perceived as a beneficial practice for a superior end product. The indirect consequence of such consultations is better mobilisation and cooperation between local actors to formulate joint recommendations.

### ***Project Level Partnership***

Joint EU funded projects represent a new form of horizontal cooperation. But they are still facing problems, such as limited partnership experience, competition for funding, lack of trust and, in some cases, cooperation is seen as a hassle.

The ongoing programming period has led to a growing number of partnership-based projects because of incentives for inter-communal projects.

Cooperation extends beyond the project at hand. As a result, there has been a dynamic social learning process among actors.

### ***Conclusion***

Considering the lack of experience with partnership in the new Member States, the structural funds have contributed to social capital by developing culture.

### ***General Discussions***

- Can the growing emphasis on place-based EU cohesion policy work in Central and Eastern European countries, particularly those characterized by a high degree of centralization?
- Is there a capacity to deliver a partnership-based regional development policy?



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- How is project level cooperation to be promoted?

### **Political Capacity and Efficiency Conditions of a Structural Policy (Spanish, British and French Cases)**

Romain Pasquier, CRAPE/CNRS, Rennes

#### ***The Issues***

The political capacity of the regions in Europe raises a series of questions:

- What is the impact of cohesion policy in the western regions of Europe?
- What are the effects of it on regional development strategies?
- How to are the differences between regions to be explained?
- How is regional political capacity to be defined?

#### ***Added Value of Cohesion Policy?***

Cohesion policy intervenes in territories which already have a long history. Cohesion policy is one of the major mechanisms of territorial Europeanization. Indeed, it transmits norms and problem-solving, public policy and analytical techniques and helps diffuse them throughout national political and administrative systems. Is ours more of a top down or bottom up approach? The question is, what happens when a European policy encounters territories as well as other processes, including decentralization, empowerment, etc.? From the point of view of the bottom up approach, territories are not passive recipients. Approaches will thus differ in accordance with territorial tradition.

#### ***Key Criteria of Political Capacity***

The different approaches are explained by different levels of political capacity. Political capacity depends on:

- Institutional resources
- Economic resources (co-funding capacity)
- Dynamics of identification (territorial identities that may or may not be characterized by a shared vision of development)
- Territorial history
- Intergovernmental relationships, i.e., the ability of regional actors to access central actors, to overcome political cleavages, etc.
- Political leadership.

Forms of governance vary in accordance with territorial resources. Territorial reactions to European policies vary. The manner in which structural funds are used varies. Cohesion policy has deeply marked the territorial mode of governance.

#### ***Changes Brought about by European Policies***

The management and governance systems of the structural funds vary quite a lot among older and newer Member States.

In Western Europe, European policies have led to greater regionalization of political action and the creation of new political strategies such as lobbying, cross-border cooperation, new ways of analysing and solving problems and new occupations. These policies have not, however, had the effect of modifying administrative structures.

In Eastern Europe, European policies have had more impact on institutional reorganisation.

#### ***General Discussions***

- The impact of cohesion policy is under-estimated due to the fact that, in the West, nothing was known about dialogue and partnership. Important progress has since been made with regards to partnership mechanisms.
- What constitute “sticks” for the regions? How will Europe be equipped to control the manner in which structural funds are used by new Member States?



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- The processes of CEE countries and the way political capacity criteria might be applied there need to be compared.
- How is identity to be defined?
- Political capacity can be used to explain differential success within a state.
- The question of how a territory perceives itself vis-à-vis the state and the EU is important to understanding why no institutional capacity has been created to manage the structural funds in some regions. How does this impact regional development?
- How can such criteria influence regional strategy and the way development strategy is thought about?
- Does the territorial narrative exist in all regions and what is its influence on the territorial vision and on implementation of structural funds?

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