



## First Workshop “Multi-level governance and partnership in EU cohesion policy”

29-30 November 2011

*Institute for European Integration Research (EIF), Vienna*  
Austrian Academy of Sciences, Vienna, Austria

### Programme

#### **RSA Research Network on “Effectiveness, added value and future of EU cohesion policy” First Workshop on Multi-Level Governance and Partnership**

*29-30 November 2011, Institute for European Integration Research, Vienna, Austria*

The Vienna workshop was the first of the three international workshops to be organised by the RSA Research Network on “Effectiveness, added value and future of EU cohesion policy,” co-organised by the Institute for European Integration Research, CERI-Sciences Po / CoesionNet and the European Policies Research Centre. The aim of the Network is to bring together and promote a dialogue between the academics and practitioners dealing with the issues effectiveness, impacts, and added value of EU cohesion policy (CP).

#### **Background**

The workshop focused on the issues of multi-level governance (MLG) and partnership in CP. Research to date showed that the imposition of multi-level and horizontal cooperation in implementation of EU cohesion funding challenged the established patterns of interaction between the levels of government and the actors involved in regional policy. Partnership has also been praised for its positive impact in terms of improvement of administrative capacity and favouring learning across organisational boundaries. Moreover, it will be of particular importance for the implementation of CP in the upcoming programming period 2014-2020 when the emphasis will be put on the place-based approach, which involves tailoring interventions to the specificities of the targeted areas and requires access to local knowledge through effective horizontal partnership. The growing pressure for achieving better results with CP – particularly in times of economic crisis and austerity – further reinforces the rationale for effective horizontal partnership as a tool allowing for improvement of the effectiveness and quality of the EU-funded development projects. However, the application of horizontal partnership varies considerably across the Member States. In many cases there are major barriers for effective functioning of MLG, while the partnerships put in place often remain ‘formal’ and superficial. There is also surprisingly little research on the actual operation, impacts and spin-off effects of MLG and partnership, a research gap which we sought to bridge by organising this workshop.

## **The participants**

The workshop has attracted considerable attention from scholars and policy-makers alike. From over 60 paper proposals we selected 15 contributions looking at the topic variety of (often critical) perspectives and drawing on case studies both from 'old' and 'new' Member States of the EU. Overall, there were 32 participants including academics from across Europe and beyond as well as several high level government officials from the Austrian, Czech and Hungarian governmental institutions, experts from the NGO sector and consultants dealing with CP.

## **Overview of the proceedings and debates**

The proceedings were opened by Andreas Faludi's (TU Delft) presentation discussing the origins of the concept of multi-level governance highlighting its ambiguities and contradictions, which was followed by Carlos Mendez's (EPRC) analysis of the emergence of the 'place-based narrative' in CP and its effects on the post-2013 reform agenda. Then, drawing on the results of a vast comparative study, Robert Leonardi (LUISS University) and Raffaella Nanetti (University of Illinois) investigated the role of the different constitutional structures across the EU Member States for the effectiveness of implementation of CP and operation of MLG.

The second session focused on MLG in Central and Eastern European countries (CEECs). Ilona Pálné Kovács (Centre for Regional Studies, Pécs) drew on the experience of Pécs with European Capital of Culture project to illustrate the misfit between the EU polycentric governance and the highly centralised territorial administration system in Hungary, while Andrey Demidov (CEU, Budapest) reflected on the factors affecting implementation of partnership across the New Member States. Oto Potluka's contribution (Prague University of Economics) shifted the focus to the partnership at the project level, while Marek Furmankiewicz (Wrocław University of Environmental and Life Sciences) presented a study on the impacts of the LEADER programme in Poland.

The papers presented at the third session investigated the relationship between the operation of multi-level governance and the organisation of the states' territorial administration. Laszlo Bruszt (EUI Florence) offered perhaps the most positive assessment of the impacts of EU funding on the domestic institutions, arguing that the pre-accession assistance for the CEECs helped create developmental agency from without. Subsequently, Romain Pasquier (University of Rennes) discussed the extent of regional empowerment in Brittany and Wales as a result of the implementation of CP, which was followed by presentations discussing the effects of the application of partnership in Greece (Anastassios Chardas, University of Sussex), Scotland and Hungary (Umut Korkut, Glasgow Caledonian University).

The fourth session included three papers reflecting on the shortcomings and the perverse effects of the operation of MLG and horizontal partnership focusing on Italy (Simona Milio, LSE), Germany (Catherine Perron, CERI-Sciences Po) and Ireland (Maura Adshead, University of Limerick). This was complemented by Gabor Schneider's (SIEPS) presentation discussing the bottlenecks of territorial governance in CEECs.

The workshop closed with a key note speech by Wolf Huber (formerly at the Austrian Federal Chancellery), reflecting on the joint decision traps in MLG, and a glimpse into the future with the presentation of the proposed legislative package for CP in 2014-2020 by Ana Maria Dobre (DG Regio), which sparked a particularly lively debate.

Finally, one should also stress the excellent contribution of the discussants, both academics and practitioners, who offered the speakers detailed feedback on their papers and animated the

discussions. The latter revolved mainly around the issues of transferability of the MLG across differentiated institutional settings and the negative spin-offs of its implementation (blurred accountability, scope for capture by clientelistic networks), the ambiguities of the place-based approach, ways to foster trust among regional stakeholders, conditionalities and measures favouring spill-overs and more sustainable beneficial effects of horizontal partnership.

### **The next steps**

The collaborations initiated as part of this workshop will continue with the publication of a special issue on MLG and partnership and special sessions proposed at the 2012 RSA conferences in Delft and Beijing. Furthermore, the RSA Network will organise two further workshops in 2012: "New territorial development model: macro-regions and cross-border cooperation" (15 March, CERI-Sciences Po and CoesioNet, Paris) and "Delivering a more results-oriented EU Cohesion policy" (autumn, EPRC, Glasgow).

For more details about the Network and call for papers for the future events please go to: <http://www.regional-studies-assoc.ac.uk/research-networks/current/eavfe.asp>

### **Synthesis of the debate**

The Vienna RSA workshop on "Multi-level governance and partnership in EU cohesion policy" focused the debates on a few key questions:

#### **1) Does the EU cohesion policy reinforce state capacity or territorial actors?**

Considering the multi-dimensional challenge the EU has to cope with, there is a high need for the stronger involvement of subnational actors to give successful answers. As such regional policy represents the key policy to foster governance building. Territorial governance building is still a pre-requisite and should be a long term investment. Professor Faludi defended the point of view according to which governmental competences are no longer concentrated in political spaces organised at a single level or scale. Therefore territorial governance must combine representative democracy, participatory democracy and deliberative democracy, meaning that we need to consider the territory as a "soft space" which increases tensions between the functional and administrative spaces.

Case studies carried out by different researchers have shown that in many cases new member states estimate they can't trust the regions and opt for centralising the EU cohesion policy to guarantee policy and coherence. Can we consider that the states are back in especially in Central and Eastern Europe considering the fact that 70% of the funds remain in the hands of the State while only 25-28% are dedicated to regions? In the new Member States territorial governance is not established properly where there is a real domination of the State in the process of implementation of the structural funds. Therefore the level of centralisation and decentralisation impacts the way countries organised the implementation of EU cohesion policy. Path dependent administrative organisation is a strong explaining factor to understand the domination of the State considering the important pattern of regional variations. Moreover questions can be raised about the relevance of decentralisation in systems where there are overpowering parties, the legal system is weak and partly corrupted. In such systems, territorial governance tends to reinforce bureaucracy and opacity while transparency and accountability needs to be strengthened.

## **2) What are the capacities of the regions to address the partnership principle thanks to institutional innovation?**

Regional case studies show that the implementation of multi-level governance depends on the abilities of the actors to launch a bottom-up approach associating partners from the definition of the needs up to the implementation of the measure. Thus the composition and quality of partnership depends on the system of put in place by managing institutions, the legacies, the strength or weakness of non state partners, enhancement or blockage of the process by the institutional actors as well as the degree of regionalisation and degree of involvement of regional actors. But an important element seems to be missing: a legal definition of partnership. At local level and especially in Central and Eastern Europe, legal obstacles impeded the construction of partnership and it is difficult to encourage organisations to get involved, especially organisations from the civil society which is still considered as weak in terms financial and managerial resources. In the new Member States, we can note the formal existence of partnership of non state partners to respect the formalism of the EU approach but it is to be noted that this type of involvement is quite weak in reality and is uneven across the different stages of implementation. Non state partners are marginalised in the process and the relations remain asymmetrical. Even if the partnership principle is entrenched in the discourse, it can still be considered as a failure in reality.

Despite this main negative evaluation of the partnership principle, some best practices have to be mentioned. In the Central and Eastern Europe, when the partnership principle is implemented, it clearly contributes to consolidate NGOs thanks to learning process and sharing of experience and empowerment. Partnership also needs to be flexible in order to adapt to the local needs and challenges. Local partnership can be considered as a tool against nationalisation tendencies but for better, more transparent, more legitimate and more effective governance. In some cases, the domestic mediating factors, a strong relation between the structural funds and the specific regional context and the use of technical assistance can be considered as two main factors of success. In the case of Ireland, a process of adaptation was encouraged by the European Union: at first changes in policy styles (such as partnership, policy institutionalisation) were introduced to comply with the EU requirements but they became part and parcel of the Irish policy making system. The adaptational pressures came from the strong financial incentives and resulting in a strong policy learning process. The “europeanisation” is primarily to be seen outside the government. The point is that with the reduction of incentives, the priority will be orientated towards absorption.

## **3) To what extent is the implementation of EU cohesion policy embedded and framed by the EU institutional architecture?**

Cohesion policy has one formal framework composed by the EU regulations. It means that one format is applied by different institutional structures. Which means that a similar plan put in different institutional architectures will come up with different results. The latter depend on the management authorities and the way they function in the different countries and the ability of the institutions to created and lead different types of partnership between institutions and civil society. Therefore social capital and institutional performance of the actors contribute to understand the differences. Many case studies have shown that Europe is considered as a spirit, a watchdog or main sponsor. In some cases the conclusion is that the general scheme of the European Commission does not fit everywhere. Moreover discussions were held on the fact that the European Commission tends to rule and control the actors at lower level but its steering capacity remains very limited. Local actors often require more flexible EU regulations instead of stricter control over the process of implementation and more learning process from the EU. The europeanisation process is sometimes more obvious in one stage or the other of the structural funds, ie programming or implementing.

#### **4) How to evaluate the efficiency multi-level governance?**

The question is really to know if the European Union just reproduces domestic status quo or if the EU changes is through the combination of multi-level governance. EU multilevel governance in its idealised vision leaves room for MS to define the details of making and implementing of development policies but frames domestic governance via setting the principles of use of EU money and the metric of success. As such it extends the accountability of domestic government upwards. What is actually closer to reality is that the EU did a lot to change the supply and demand side of institutions, to create state capacities to comply with goals and principles of EU developmental programmes with more or less success. It can be observed that in the cases where mobilisation of different actors is possible, the EU is not the only explaining factor. Multi-level governance is likely to add levels without leverage and is piling up a new system on the pre-existing one since the EU doesn't give enforcing rules. Some case studies show that the influence of the European Union on the institutional pattern is limited in some cases to inertia, ie the management of structural funds consolidates pre-existing national patterns of centre-periphery relations. In some other cases there is some evidence of recalibration but there is no evidence of policy transformation as a result of EU cohesion policy. Indeed, domestic patterns precede efforts often attributed to EU cohesion policy. The added value of multi-level governance can result in more openness, participation, accountability, effectiveness, coherence, better access to administration for societal partners. On this basis the role of the European Union is enhanced the legitimacy of the EU level by creating new relations to the citizens and by responding to territorial inequalities.

#### **5) What is the link between multi-level governance and place-based approach?**

First of all, the meaning of place-based approach remains vague. We therefore need to distinguish between a slogan and its contents. Different social systems are using the same term but with different meanings. Even if they use it, it doesn't mean that they agree with all the aspects of it. The risk is that it is only an empty term used for different purposes. Moreover one key factor of the place based approach is the construction of trust between the actors. But the question raised is really how to created trust between the partners in the different national and local contexts.

However if the EU principles are adapted to the regional strategies and schemes, this could lead to a successful place based approach. A combination of specific variables can contribute to success stories: identification of the territory, territorial narrative among the elites, intergovernmental strategies, capacity of regional and local elites to mobilise a state administration in their own strategies, capacity to reproduce success stories via learning process.