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NEWGOV
New Modes of Governance

Integrated Project
Priority 7 – Citizens and Governance in the Knowledge-based Society

Workshop on the expected effects of the Structural Funds regulations on the evolution of new modes of governing regional development
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Summary
The Workshop “Governing Regional Development – The governance of regional development and the new Structural Funds regulations in the old and new peripheries of Europe” took place at the European University Institute on 8 and 9 March, 2007, jointly organized by European University Institute SPS Department and the Istituto di Scienze Umane (Firenze). The goal was to have an overall view of what directions the new regulations are taking Structural Funds (SF) policies in terms of the evolution of regional development regimes in CEE countries. Structural Funds regulations have been playing a central role in shaping the evolution of the mode of governing sub-national development by influencing the balance of forces among the actors participating in sub-national development policy and shaping the rules of collaboration among them. The most important lesson of the workshop is that the research has to focus more on the domestic sub-national factors of variation in the mode of governance like the organization and capabilities of diverse non-state actors or the coming about and evolution of different sub-national developmental alliances.

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I. Overview on main issues discussed and the conclusions

The goal of the workshop was to have an overall view of what directions the new regulations are taking Structural Funds (SF) policies in terms of the evolution of regional development regimes in CEE countries. Structural Funds regulations have been playing a central role in shaping the evolution of the mode of governing sub-national development by influencing the balance of forces among the actors participating in sub-national development policy and shaping the rules of collaboration among them.

The workshop discussed changes in the principles of the Structural Funds regulations with a focus on the question of how they establish and alter the rules of the game of developmental policy-making within the Member States and contribute to change in the structure of representation, increasing or decreasing the inclusion of regional and lower level state and non-state actors in developmental decision-making. As related to this, the discussion also elaborated on the ways the new regulations want to promote improvement in state capacities and effectiveness in the new member countries. The workshop focused on developments in the new member countries and contrasted the experiences of the evolving new modes of governing regional development in these countries with experiences in some of the ‘old’ member countries from what was called the ‘old peripheries’ of Europe.

The workshop participants have defined SF regulations as a multi-level social field of development/modernization characterized by competing visions of what development is, how best to govern relationships among the actors of development and where diverse actor from sub-national, national and supra-national levels represent different institutional logics and attempt to carry their points and alter or conserve the rules of the game. The debate on the rules of the EU developmental policies is more and more shaped by the Lisbon Agenda putting more and more stress on the economic aspects of development.

The impact of SF was defined as a set of results coming from EU policy-induced transformations combined with domestic and external context factors. While the rules of the management of the SF moneys are uniform and non-negotiable, they leave ample room for member states to shape the governance of sub-national development on their own resulting in the evolution of diverse paths of regional developmental regimes as domestic actors endowed with diverse resources shape the developmental field according to their interpretation of the regulatory framework and in interaction with contextual factors.

The workshop entered the discussion on the 2007-2013 regulations with the hypothesis – based on the first part of the NEWGOV D15 research – that the qualitative dimensions of SF regulations along with their central organizing principles stressing non-hierarchical developmental governance have become lost since the late 1990s. Despite the principles of good governance published in the White Paper (2001) and the extension of the partnership principle to social partners (Article 8 of Regulation No. 1260/1999), the original goals of integrated and complex regional development designed and implemented via non-hierarchical inclusive modes of governance have been left behind. The experience of NGOs and regional actors from CEE member states during the current programming period and in preparation for the 2007-2013 cycle suggest the lack of strategic and substantial dimension, while an ever growing emphasis on absorption capacity instead of the qualitative dimension of development. Although there have been diverse directions in regional and non-state representation in developmental policies in these countries, the tendency in the first planning period has been more centralized and hierarchical mechanisms of governance across various phases of developmental policy (planning, programming, monitoring, project selection, evaluation).
This process seems to have been confirmed by new SF regulations. Despite the original goals of the regulations to empower actors in a flexible and less complicated system of negotiations about developmental priorities in which the Commission plays only a strategic role, the new SF has meant different degrees of empowerment for domestic actors depending on their position in the developmental field. According to the participants of the workshop, the flexibility of the management system of the new regulations seems to have empowered central state authorities but its indirect effect on subnational and non-state actors might dramatically vary depending on domestic national and local factors.

These later factors were stressed by the results of the research done in Italy showing the coming about and evolution of four different sub-national modes of governing regional development within the framework of the SF development programs. Some of the participants from the new member states suggested that the opportunity structure of the new SF prompts weaker actors to become weaker while strong ones to grow stronger in representation. Despite the optimism of the Commission about more inclusive partnership arrangements as a result of explicit texts in the regulations, in CEEs largely formalistic partnership mechanisms have been prevalent throughout the planning of NSRFs and OPs, reinforcing the re-centralization tendencies of the first programming period. This lack of substantial partnership arrangements is further strengthened by separate OPs to improve and enhance effective administrative capacity. There are further problems related to substance in the way new regulations reshape state capacities: the monofund approach represents a major challenge to integrated regional development initiatives and leads to sectoralization; the transfer of rural development from ERDF to EAFRD inhibits integrated contextual (regional, local) thinking and clusterized even spatial development and strengthens centralization. “Lisbonisation”\textsuperscript{1} has led to renationalization, sectoralization and the strengthening of the urban dimension.

\textbf{II. Conclusions}

The directions the new SF regulations are indicative of the opposite of what the NMG was about in the 1990s. The experience of CEE member states suggest that the new SF regulations have strengthened central states and the hierarchical elements in the mode of governance and defined the relevant criteria of effectiveness as administrative capacity to absorb funds. The dominant organizing principle of the rules of the new SF regulations is absorption capacity rather than qualitative dimensions of effectiveness achieved via non-hierarchical modes of governance. On the other hand, the stress of regulations on integration among developmental goals, on monitoring and evaluation might be used as an opportunity by domestic state and non-state actors at different levels to use the SF to shape the rules of governance more inclusive. The final impact of the new regulations will also reflect what sub-national state and non-state actors manage to make out if this situation; i.e. their use of counter-strategies to circumvent the central states and influence long-term effects. The most important lesson of the workshop is that the research has to focus more on the domestic sub-national factors of variation in the mode of governance like the organization and capabilities of diverse non-state actors or the coming about and evolution of different sub-national developmental alliances.

\textsuperscript{1} The adoption of the Lisbon Agenda as the foundation for the new regulations and the indicative recommendations stipulating that the minimum expenditure on implementation of Lisbon Strategy priorities should exceed 60% of the country’s allocation.
III. Programme

Thursday, 8 March 2007

9.00 – 9.30  Coffee and Registration
9.30 – 9.45  Introduction by Prof. László Bruszt
9.45 – 11.10 I. Session: SF regulations and the evolution of regional developmental regimes

Nicola de Michelis: From theory to reality: negotiations for new programming periods 2007-2013
Lucie Zackova: The implementation of the partnership principle in the preparation of the NSRF and OPs for 2007-2013.
Damian Lluna: Multi-level governance and Structural Funds: the point of view of the Committee of the Regions.

Discussion. Discussant: Prof. Jerzy Hausner

11.10 - 11.30 Coffee break

11.30 – 12.55 II. Session: The changing role of regions and sub-regional states

Gábor Győrffy: West-Pannonia: the Region of Initiatives - Creative mobilization of regional potentials in Hungary in a decade of dubious European and national intentions
Anna Sobczak: The impact of Structural Funds Regulations on the mobilization of local actors in European cities – Between cooperation and competition. A Comparative Analysis of Krakow and Glasgow
Catherine Spieser: EU regional policy, structural funds and processes of economic restructuring

Discussion. Discussant: Prof. Jan Szlachta

12.55 – 14.30 Lunch

14.30  KEY NOTE SPEECH by Mr. Claudio Martini (President of the Region of Toscana): The overall impact of SF regulations on regional governance with special focus on the new programming period 2007-2013.

Coffee break

15.00 – 16.30 III. Session: The role of non-state actors in regional development regimes

Kuba Wygnanski: The role of civil society in regional governance – Poland
Jana Stachova: The role of institutional and personal networks in the implementation of the EU structural policy in some selected regions in the Czech Republic
Teodóra Dönsz: Civil society in the making of development policy for the new programming period.

Discussion. Discussant: Lucie Zackova/Damian Lluna

19.30  Dinner at Quattro Leoni
Friday, 9 March 2007

9.20 – 9.45 Coffee

9.45 – 11.05 IV. Session: Experiences from the older members – Italy, Spain and Greece

Prof. Leonardo Morlino and Silvia Bolgherini: The European Union and its Peripheries: Patterns of EU Impact in Representation and Administration.

Dr. Charalampos Koutalakis: Innovation versus absorption rates. The transformation of centralism in Greece

Prof. Joaquim Molins: Regional Governance and the new European Rules: The Spanish Case

Discussion. Discussant: Prof. László Bruszt

11.05 - 11.25 Coffee break

11.25 – 12.45 V. Session: Experiences from EU10: The evolution of governance of regional development - lessons of the first planning period, changes in the new period and the expected effects of new regulations

Prof. Jan Szlachta: Consequences of SF regulations 2007-2013 for governance of regional development - case study Poland.

Dr. Péter Szegvári: European Regional Policy and Multi-level Governance in Hungary – Challenges and Realities

Prof. László Bruszt: New modes of regional governance in three Visegrád countries – Factors of dynamics of institutional change

Discussion. Discussant: Prof. Jerzy Hausner

12.45 Lunch
IV. List of participants

Keynote Speaker

1. **Claudio Martini**, the President of the Region of Toscana

2. **Bolgherini, Silvia** (University of Napoli Federico II)

3. **Prof. Bruszt, László** (Social and Political Science Dept. EUI,)

4. **De Michelis, Nicola** (Head of Unit; DG REGIO, Unit B2: Development of Cohesion policy and accession negotiations)

5. **Dönsz, Teodóra** (Head of Regional Unit of National Society of Conservationists, Hungary)

6. **Győrffy, Gábor** (Managing Director; West Transdanubia Regional Development Agency, Hungary)

7. **Prof. Hausner, Jerzy** (Former Deputy Prime Minister and Minister of Labour, Economy and Social Affairs, Cracow University of Economics)

8. **Keller, Judit** (Doctoral student SPS, EUI)

9. **Kopycinski, Piotr** (Researcher, Malopolska School of Public Administration of Academy of Economics in Krakow)

10. **Dr. Koutalakis, Charalampos** – (Lecturer, Faculty of Political Science and Public Administration, National and Kapodistrian University of Athens)

11. **Lluna, Damian** (Administrator, Commission for Territorial Cohesion (COTER), the Committee of Regions)

12. **Prof. Molins, Joaquim** (Autonomous University of Barcelona, Department of Political Science and Public Law )

13. **Prof. Morlino, Leonardo** (Director of Doctoral Programme, Istituto di Scienze Umane, Firenze)

14. **Sobczak, Anna** (Doctoral student, EUI, SPS)

15. **Speiser, Catherine** (Doctoral student, EUI, SPS)

16. **Stachova, Jana** (Researcher, Institute of Sociology, Academy of Sciences, Prague)

17. **Szegvári, Péter** (Assistant Professor, ELTE University of Budapest, Faculty of Law)

18. **Prof. Szlachta, Jacek** (Warsaw School of Economics)

19. **Wygnanski, Kuba** (Klon/Jawor, Warsaw)

20. **Zackova, Lucie** (Policy Analyst, DG REGIO, Unit B1: Coordination; Solidarity Fund)