Perception and Evaluation of Regional and Cohesion Policies by Europeans and Identification with the Values of Europe

PERCEIVE

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Since its introduction, Cohesion Policy has been the primary tool for the reduction of economic, social and territorial disparities across regions of Europe and the key redistributive mechanism in support to the less developed areas. Despite the statistical indicators register a trend towards European convergence, disparities of many different kinds between regions remain wide (European Commission, 2014) and the EU enlargement reinforced the regional territorial imbalances (Bartkowska and Riedl, 2012). The effects of the Cohesion Policy on the convergence processes have been thoroughly investigated (Islam, 2003; Farole et al., 2011) and policy evaluations hold mixed results about the magnitude of its impact with great heterogeneity depending on the country – or the regions – of implementation (Rodríguez-Pose and Fratesi, 2004; Cuadrado-Roura, 2010). Notably, there is increasing agreement on the fact that domestic factors profoundly influence the way the Cohesion Policy is shaped and the effectiveness and impact of its funding. Weaknesses in terms of social and economic development, territorial capital, political stability, quality of institutions and government, administrative capacity, and national legislative framework might have limited the effectiveness of the Cohesion Policy (Surubaru, 2017; Milio, 2007, 2014; Rodríguez-Pose & Garcilazo, 2015; Fratesi and Perucca, 2018).

The Cohesion Policy represented one-third of the EU budget for the 2007-2013 programming period and its delivery system implies an architectural design that is multilevel in nature. Multilevel governance has been a central cornerstone of the European regional policy since the 1990s and, despite the lack of agreement on a common definition, the concept is generally understood as «the participation of a range of different types of actors (public, private and societal) in policy-making and implementation through formal and informal means» (European Parliament, 2014). In this framework, the regional and local authorities have been recognised a growing role in planning and implementing the policy, thus favouring a citizens’ perception of Europe that is local-driven. In other words, when individuals think of Europe, they usually do it from a local point of view and they are influenced by the direct observation of Cohesion projects in their territories (PERCEIVE, Deliverable 2.2). That is to say, the European integration outcomes also increasingly depend on how national, regional and local governments manage and implement the policies. Therefore, a rich strain of literature has recently started to investigate whether the intensity and the efficient implementation of the Cohesion Policy can contribute to improve citizens’ support and stimulate positive attitudes towards the EU (Dellmut and Chalmers, 2018). Although the extant literature is not conclusive, and any causal implication should be avoided, the empirical evidence seems to point toward some significant positive relation characterized by a...
“learning effect” (Dall’Erba and Fang, 2017). Nevertheless, the effect may vary conditional on specific regional characteristics, the amount of EU funds allocated and the distribution of the socio-economic groups. All in all, we believe that the efficient use of the Structural Funds allocated to a region can indeed favour a more positive perception of the EU both directly and through its positive effect on economic growth.

Overall, this framework suggests the adoption of a European strategic approach to regional development which builds upon the differentiated territorial characteristics in a multidimensional perspective. In the end, the strategic approach should translate in a tailored policy-mix based on integrated programmes – in terms of funds, objectives and governance level – to help maintain the sustainability of the policy action through long-term development.

### Evidence and Analysis

- **Cohesion Policy and the citizens’ perception of the EU**

Theoretical arguments suggest that regions recipient of Cohesion Policy funds can benefit directly or indirectly from the policy as long as the EU funds contribute to alleviating the deficits of the local economies. However, in academic literature, the evidence so far is partial and inconclusive. Our analyses confirm a positive association between the measures of the economic situation of the region and the indicators of support for European integration. These results suggest that when deciding on the benefits of the EU membership, individuals take economic arguments into account. Differences in the amount of Structural Funds expenditures could explain the variation across regions in the proportion of people that believed that the country benefits from EU membership, and in the proportion of the regional population that trust in the EU. Nevertheless, they do not seem to have a significant contribution when it comes to explaining the changes over time in support and attitudes towards the EU, thus suggesting that beyond the logic of economic evaluation, social identities and collective meanings about integration and being European might play a role.

Despite the absence of a significant correlation between the rate of absorption of the Cohesion Policy funds and the indicators of EU support and attitudes, our study seems to suggest that an efficient use of the Structural Funds allocated to the region can contribute to improve support and stimulate positive attitudes towards the EU. These results might be due to the more appropriate allocation of resources to solve the problems of the region, leading to a more positive perception of the policy by the region’s population. However, it could also capture the effect of the quality of local and national institutions, and the entire socio-economic system in the region. As extensively argued in the scientific literature (among the others, see Wostner, 2008; Rodríguez-Pose & Garcilazo, 2015; Fratesi and Perucca, 2017; Surubaru, 2017), institutional deficiencies can hinder the appropriate management of the allocated resources. In this regard, the effect of the quality of the regional institutions on support for the EU seems to be different from that on citizens’ attitudes. While there could be a positive correlation for the former, results on trust and a positive image of the EU are generally negative. By contrast with a complementary effect on EU support, citizens in regions with weak local institutions would tend to trust more the EU and have a more positive image of it (Munoz et al., 2011).

- **The Cohesion Policy cycle: from design to evaluation**

**Programming phase and the ability to acknowledge local needs:**

Political vs. technical process: The role of political actors and how they interact with the administrative bodies is essential to disentangle whether the policy design is inspired to a comprehensive strategic approach to regional development. In fact, episodes of «pork-barrel politics» (Surubaru, 2017) might occur where political opportunism, rent-seeking practices or political clienteles guide the decision about the allocation of funds among priorities and territories. On the other hand, a process excessively technical might not lead to strategic choices for territorial development, but rather to more conservative decisions. In our studies, two regions with strong political stability and a long historical tradition of negotiation and cooperation, such as Emilia-Romagna (IT) and Burgenland (AT), reported that the political dimension has been functioning as a driver for the administrative component. On the contrary, other regions highlighted a more negative view of the role of politics where the regional needs were neglected in favour of opportunistic preferences and a top-down

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1. For further elaborations about the relevance of a social constructivist approach in explaining the citizens’ perception, see the PERCEIVE Deliverable 5.1.
2. We proxy the efficiency of Cohesion Policy through the speed at which the EU funds allocated to the region are spent during the programming cycle. For a comprehensive analysis, see the PERCEIVE Deliverable 2.5.
approach in planning the resources (Dolnośląskie and Warmińsko-mazurskie, PL; Essex, UK). However, the programming phase also promoted a positive political externality and a “healthy competition” between the regions’ provinces in Norra Mellansverige (SE) in order to obtain more funds at the local level. **Vertical coordination and multi-level governance:** The PERCEIVE research came across heterogeneous experiences in terms of institutional settings and organizational design in the management of the Cohesion Policies. Despite these characteristics, in most of the cases, the lack of adaptability to the region's contingent needs in these countries has been indicated as the result of vertical coordination problems that prevented different levels of authorities from cooperating in an efficient way. The phenomenon seems to be particularly relevant in the presence of centralised and hierarchised management systems coupled with weak administrative offices or low quality of local institutions. For example, the case-study of Extremadura (ES) stressed the necessity for further interactions between the regional representatives and the federal government to engage direct conversations with the European Commission in areas in which the legal or administrative competence was regional rather than federal. **Evidence-based design:** In general, all case-studies’ focus groups agreed upon defining Cohesion Policy as an evidence-based policy (except for UK’s regions of Essex), designed following a thorough and objective analysis of the territory’s needs, with the aim of enhancing both policy’s targeting and legitimacy. However, some criticisms arose for risk of back-looking solutions with excessive weight to the past (Warmińsko-Mazurskie, PL) or the inadequacy of scientific documents to grasp the real problems and needs of the people (Burgenland, AT). In some regions, it has been stressed that the evidence-based approach to the policy design allegedly paved the way to a top-down process which neglected the territorial component (Sud-Est, RO; Extremadura, ES; Warmińsko-Mazurskie and Dolnośląskie, PL). On the other end, a lack of evidence-based approach has been registered in the monitoring and evaluation phase, where better performance indicators would have helped to strengthen the focus on results. **Implementation phase and the efficient management of the Cohesion Policy funds:** **Red tape:** According to the results of the PERCEIVE case-studies, the high level of regulation and the vast set of administrative procedures represented the root of the major limitations of the Cohesion Policies. All in all, they hindered both the accessibility for potential beneficiaries (Burgenland, AT; Warmińsko-Mazurskie and Dolnośląskie, PL) and the effective action of the MAs (Essex, UK; Warmińsko-Mazurskie and Dolnośląskie, PL; Extremadura, ES; Calabria, IT). Under the pressure of a result-oriented approach and targets defined in terms of absorption rate, the risk to privilege quantity over quality of expenditure was tangible. Even in a successful example of efficient implementation of Cohesion Policy, such as the Emilia-Romagna region (IT), the presence of red tape and technicalities was perceived as the principal cause of excessive bureaucratisation and disempowerment of political local actors. **Flexibility and adaptability:** The Cohesion Policy aims at depicting a medium- or long-term strategy for regional development over a seven-year timeframe. The outcomes of the PERCEIVE research called attention upon the importance to guarantee its adaptability over the entire programming period to avoid mismatches between the objectives identified at the beginning of the programming period and the regions’ current needs. On this note, the 2008 financial crisis highlighted the need for flexibility in the process of re-allocation of the budget among priorities and programmes. Even though several regions performed this task with varying degrees of success, such processes have been addressed as excessively time- and effort-consuming (Extremadura, ES; Sud-Est, RO; Warmińsko-Mazurskie and Dolnośląskie, PL). On the other hand, the experience in Emilia-Romagna – exacerbate by the major earthquake that hit the region in 2012 – was positive despite the state-of-the-art regulatory scheme and some doubts were advanced about introducing higher flexibility in the institutional architecture of the Cohesion Policy. Adaptability requires pre-conditions in terms of institutional capacity, decentralisation, responsiveness and involvement of stakeholders, accountability and technical capability for continuous monitoring to avoid any detrimental effect on the implementation phase. **Monitoring and evaluation activities:** The economic crisis that occurred in the middle of the implementation phase also affected the evaluation activities, as the targets set in the programming phase soon appeared to be hard to achieve. This lead to an attention bias for the efficiency side of the programme over its effectiveness (Norra Mellansverige, SE), whose assessment was found to be much more difficult (Essex, UK). As a consequence, the Managing Authorities suffered from increased administrative burdens coupled with unclear regulations in an exceptional context (Extremadura, ES; Norra Mellansverige, SE; Warmińsko-Mazurskie, PL). Even though these activities were perceived as fundamental in setting the bar for policy management and particularly helpful in context with weak political accountability, their administrative costs are considered as extremely detrimental for the entire phase.

- Administrative capacity
All in all, both the extant literature and the PERCEIVE research point at the lack of administrative capacity as the principal cause of most of the delays involved in the management of Cohesion Policy. The expression administrative capacity describes the ability and skills of central, regional and local authorities to prepare suitable plans, programmes and projects, and to decide on them in due time; to arrange the coordination among principal partners; to cope with the administrative and reporting requirements; to finance and supervise implementation properly, avoiding irregularities (PERCEIVE Deliverable 2.5). In other words, administrative capacity is the combination of institutional, bureaucratic and human resources capabilities necessary for the managing authorities to adopt decisions and to use Cohesion Policy resources (Milio, 2007; Surubaru, 2017).

**Continuity of the administrative structures:** The presence of stable and reliable staff has been valued as a positive element that helped to build a new ruling class with a distinct mindset and approach to policy-making (Burgenland, AT; Norra Mellansverige, SE; Emilia-Romagna, IT). However, many regions suffered from an excessive rate of turn-over that hindered the process of learning-by-doing and the accumulation of knowledge from the administrative bodies. The reasons stretch over a various range of elements: from the salary competitiveness gap with the private sector in Warmińsko-Mazurskie and Dolnośląskie (PL) to the recruiting regulation limitations and the budgetary constraints in Calabria (IT). Over and above, the lack of political stability might also have repercussion on management continuity (Milio, 2008).

**Personnel capabilities:** In addition to the previous element, administrative capacity at the regional and local level has been hindered by the lack of internal personnel and expertise (Calabria, IT; Warmińsko-Mazurskie and Dolnośląskie, PL; Norra Mellansverige, SE). Despite the attempts to provide specific in-house training, external courses or post-graduate academic programs (Warmińsko-Mazurskie and Dolnośląskie, PL; Sud-Est, RO) and promote job rotation to keep the employees up-to-date (Extremadura), the administrative staff still struggled to keep the pace with the EU implementation requirements, the changes in the regulatory framework or the empowerments and interpretation guidelines released by the European Commission (Extremadura, ES). Despite some authorities’ experienced some exchange of knowledge and best practices through informal cooperation with partners and peers, they blame insufficient support from other levels of governance (Sud-Est, RO) and the need to seek external guide and consultants (Calabria, IT; Norra Mellansverige, SE).

**Technical assistance:** Despite resources dedicated to technical assistance has been included in the Cohesion Policy provisions, the instrument has been criticised for its lack of clarity in terms of eligible actions. In turns, this led to a low level of implementation rate in many regions. As a matter of fact, the technical assistance spending at the EU level has been significantly lower than the ceilings allowed by the regulations since its introduction (European Parliament, 2016).

**Policy Implications and Recommendations**

**Strategic approach to regional development**
The recommendations listed in this paragraph should be considered in combination with the following sections as they all fall under the umbrella of a coherent strategic approach to regional development. In detail:

- **The Cohesion Policy design should be inspired by a multidimensional perspective of development in all its stages, from the choice of the objectives and strategies at the European level and the configuration of the national and regional operational programmes to the implementation of the Cohesion Policy.** On a similar note, the allocation of resources for the Cohesion Policy should move beyond the GDP per capita criterion and be complemented with other indicators (e.g., unemployment, educational level, youth conditions, environmental issues or other structural challenges). Similarly, the evaluation of the Cohesion Policy should overcome the financial expenditure performance measures and embrace more result-oriented criteria in weighing the outcomes of the programmes in this multidimensional view.

- **The Cohesion Policy design should also respond to a territorial principle.** Notably, the EU should better complement the pan-European targets with the local needs and challenges in each territory. Considering that different levels of economic and social development have significant implications on the effectiveness of the Cohesion Policy, it would be desirable to better calibrate ex-ante expectations with the actual capabilities of the territory, avoiding any misrepresentation due to political bias in the programming phase (lack of competences, flagship effect or opportunistic behaviour).

- **The European Commission, the Member States and regions, and the local authorities need to come together in search of the best solutions in the light of a contract of confidence among all the levels involved in the Cohesion Policy governance.** **Coordination, complementarity and collaboration** between the managing authorities and the upper governance levels would promote a more “reasoned” spending, not just more spending to meet some formal threshold.
**Simplification and continuity in regulation for greater efficiency**

Our research identifies the need for more simplification and stability in the regulatory framework as the main critical issue related to the governance of the Cohesion Policy. How – and when – the general regulation is arranged and approved at the EU level set the pace of the following phases of the policy cycle, causing delays in the approval of the operational programmes and obstacles to their smooth implementation at the Managing Authority level. These recommendations are referred to the central European institutions and, specifically, the European Commission and its administrative staff:

- Provide a single comprehensive legal framework which recollects all the standard and common requirements for the different financial instruments of the EU regional policy. The document should have a linear and rational structure to simplify the identification and comprehension of the normative content. This action could also contribute to promoting the adhesion of the Member States to the principles of additionality, complementarity, coordination, and coherence. This recommendation should not simply translate into less wordy documents since the certainty and clarity of the rules must be preserved.
- Promote more legal certainty through a set of guidelines on operational details defined concurrently at the main provisions, thus minimising the number of empowerments and delegated decisions approved at a later moment. The European institutions should provide more tangible and direct support to the Managing Authorities in the interpretation of provisions.
- Reduce bureaucracy and technicalities, provide – since the beginning of the programming period – clear rules for the transition time and roll-over procedures to smooth the implementation process and accelerate the policy cycle. Frequent changes in regulation, interpretation or guidelines make staff knowledge quickly obsolete and reduce the administrative capacity of the involved actors.
- Include less formal requirements for the management and monitoring of the projects, including a reduction in the administrative burden connected to implementation and progress reports. Aim at real-time monitoring through open data platforms for European, national and local purposes.
- Streamline the audit procedures prescribing a single-level control system and take into consideration the possibility of introducing conditions proportionate to the nature of the projects and the beneficiaries’ characteristics and verifications based on the potential risk of the projects in terms of track-records and proper functioning.
- Simplify the reimbursement process, since it might represent a significant barrier to the potential participation of the beneficiaries and their opinion about the financial sustainability of the projects. Limited resources to co-finance the project, difficulties to access credit or obtain insurance policies and bank guarantees might further challenge the participation to Cohesion Policy initiatives.

**More flexibility to respond to local needs and dynamic challenges**

Even though regions might face similar problems, the Managing Authorities could benefit from having some room for manoeuvre to deal with region-specific settings since the programming phase and defining and adapting tools and mechanisms for a later stage.

- Promote the **bottom-up approach** to tackle more effectively specific challenges and find the right balance with the Cohesion Policy’s priorities and targets. However, an efficient implementation of this procedure requires clear political accountability, strong administrative capacity of all the actors involved, and transparent modes of coordination (Milio, 2014), because embracing the partnership principles in the programming phase might smooth the path for rent-seeking behavior of politicians or the stakeholders’ audience. Where institutions are weak, implementation of bottom-up actions might be difficult, and top-down policies might be more effective for sustainable development of deprived areas (Crescenzi and Giua, 2016).
- Avoid oversimplification of targets and objective in the operational programmes but considering a range of possible actions to maintain maximum flexibility in selecting projects at a later stage. If the objectives and targets are not ambitious enough and detailed enough, it will be challenging to evaluate the impact of the policy (European Commission, 2014).
- Provide ad-hoc mechanisms for easier adjustments in the strategy and allocation of funds due to both extraordinary events or dynamic challenges in the socio-economic context during the implementation phase.

**Administrative capacity building and good governance:**

Administrative capacity building embodies the milestone of the policy implications of the PERCEIVE project. It is the necessary condition for any reform at the community level – i.e., simplification, flexibility and continuity – to exert consistent effects in a multilevel governance framework, but at the same time, it is also positively affected by the relieve of the external constraints from the EU. In this sense, good governance plays
a major role in creating trust in institutions and social capital, but also fostering economic development and fostering the impact of Cohesion Policy investment (European Commission, 2014).

- Provide support to the Member States and the Managing Authorities to identify potential bottlenecks in the delivery of the Cohesion Policy and subsequently arrange a medium-term plan as a proper thematic objective with a specific line of financial interventions. The European Commission may exert an important role in contributing to making local institutions more capable and accountable (Aiello and Pupo, 2012), but it should relieve them from the task.
- Promote strategic management and organizational design in the Managing Authorities to foster ambidexterity\(^3\). In particular, it would imply (i) developing procedures, practices and manuals to foster resilience and adaptability; (ii) promoting administrative leadership and commitment of the personnel through clear identification of the decision roles and well-functioning performance-based reward systems; (iii) simplifying the administrative architecture, since the smaller the number of actors and departments involved in the implementation system, the better the absorption performance given the same level of administrative capacity (Horvat, 2005; Wostner, 2008).
- Invest in human resources management, thus encouraging people development and involvement through training for legal and technical competencies and tools for administrative empowerment, reducing staff turn-over and setting the conditions for the recruitment of high-skilled personnel – at least for key positions in case of regulatory or budgetary constraints –.
- External support from the European Commission – i.e., promoting informal interregional networks, organizing technical workshops or establishing ad-hoc task forces – or consultant agencies in a developmental scheme of technical assistance. When the external support measures come to an end, the Managing Authority should have gained new knowledge and set in place procedures for effective management of the policy. It is important to internalise competencies rather than outsourcing single tasks. The aim is to develop a critical learning process and to acknowledge how to adopt – and adapt – solutions picking from existing good practices implemented in other regions.

**Open data for the Cohesion Policy**

During our research, collecting data on the projects managed by the local Managing Authorities was all but an easy task. Project-level information remains hard to collect and different standards coexist between regions in the same country. The availability of a cross-regional database would enhance the public awareness and legitimacy of the policy decisions as well as their transparency and accessibility. These data would also be essential for implementing some of the previous recommendations, such as: (i) applying an evidence-based approach to the design of Cohesion Policy; (ii) adjusting priorities and budget allocation throughout the programming period with a continuous evaluation action; (iii) enforcing a strategic plan to regional development, and (iv) promoting the sharing of best practices among policymakers, potential beneficiaries and the citizens.

It is not simply a matter of «more data», but it is the necessity of building «better data», in the sense of information which is comparable, reliable and complete:

- Consolidated data at NUTS-2 level on a set of pan-European territorial indicators which account for changes in territorial boundaries over time;
- Allocations and expenditure by fund, year and priority theme, also providing a consistent thematic classification among programming periods;
- Number of projects financed and number of applications by fund, year, and priority themes;
- Detailed financed project information and full text, also indicating the date of publication of the public calls whenever applicable – the Italian portal OpenCoesione represents an example of best practice in data for research and a good starting point to further develop a European open access platform to be updated by the Managing Authorities –.

**RESEARCH PARAMETERS**

PERCEIVE is a 3-year collaborative research project on the Perception and Evaluation of Regional and Cohesion policies by Europeans and Identification with the Values of Europe. Researcher and practitioners from eight partner institutions across seven European countries worked on developing a comprehensive theory of “cohesion in diversity” and use this theory to create a better understanding of the channels through which

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\(^3\) In organization theory, refers to the ability of organizations to both learn from the past and maintain their adaption skills.
European policies contribute to creating both different local understandings of the EU and different levels of European identification across profoundly different European regions. The research project also aims at both mapping and explaining inter- and intra-regional variations in: a) the experiences and results of cohesion policy implementation, b) citizens' awareness and appreciation of EU efforts for delivering cohesion and c) European identities and citizens’ identification with the EU. Building on a multidisciplinary portfolio of competences bridging socio-political, regional-economic and public-administrative backgrounds, PERCEIVE integrates the use of both qualitative and quantitative analytical methods such as surveys, semi-structured interviews, case studies, sentiment analysis, and econometric modeling. Among the outputs of the PERCEIVE project, we enumerate the ones referring to the present report:

- Framework for comparative analysis: report on regional case-studies (D1.1)
- Database on allocation and expenditures (D2.1)
- Report on the results of the convergence analysis of EU citizens’ identification with the EU project from 1995 up to now (D2.5)
- Report on the policy recommendations on how to integrate cohesion policy with urban and rural policies (D4.4)
- Report on causal qualitative model of virtual learning scenario (D6.1)

More details on the PERCEIVE project, its activities and research outcomes are available on www.perceiveproject.eu.
**FURTHER READING**


Tudor, M. M., Florian, V., & Rosu, E. S. (forthcoming). Citizens’ vs practitioners’ perception on EU regional approach. in “*Industrial versus small farms – competitors or partners?*”


