

The Lisbonisation of EU Cohesion Policy: *Changing governance practices?*

Bachelor Thesis European Studies

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List of abbreviations

CAP	Common Agricultural Policy
CSG	Common Strategic Framework
ERDF	European Regional Development Fund
ESF	European Social Fund
EU	European Union
Europe 2020	Europe's Growth and Jobs Agenda
GDP	Gross Domestic Product
NSRF	National Strategic Reference Framework
OMC	Open Method of Coordination
OP	Operational Programme

Abstract

One of the major goals of the European Union is to foster the economic, social and territorial cohesion within the Union. To achieve this, the European Union has an extensive regional policy, better known as Cohesion Policy, receiving a major share of the EU's total budget. In recent years, Cohesion Policy has become a tool of implementation for the Europe 2020 programme, previously known as the Lisbon Strategy. In this thesis, the influence of the Lisbon Strategy on the governance of practices of Cohesion Policy has been evaluated by performing a longitudinal analysis of the 2000, 2007, and forthcoming 2014 Cohesion Policy reforms by tracing the introduction experimental governance practices associated with the Lisbon Strategy (a process called Lisbonisation in this context) in this period. It appears that the governance practices of Cohesion policy are indeed Lisbonising, albeit a slower pace after the 2007 reform.

1. Introduction

One of the objectives of the European Union (EU) is to promote social, economic, and territorial cohesion. In fact, its biggest share of expenditures is reserved for Cohesion Policy (CP), which is more also known, albeit in a somehow more narrow sense, as EU regional or structural policy. Its primary focus is to reduce regional disparities by stimulating economic development in the poorest EU regions. 100 of the in total 271 European regions are eligible for this convergence objective, most of these regions have a per capita GDP of less than 75% of the EU average. Within the current financial framework (2007-2013), spending on regional policy amounts to an average of almost €50 billion per year, which is more than one third (35.7%) of the total EU budget. This substantive budget is currently channelled through three funds, often called 'Structural Funds'. These are the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund (CF). Besides praises, the policy has drawn a wide array of academic critique, such as its ineffective governance, abuse of funds and even its macro-economic efficiency (Tarschys, 2011).

Currently, the debate on the new seven-yearly financial framework (2014-2020) is in the defining phase; a concrete proposal regarding the financial framework as well the structure and regulations ("architecture") of EU Cohesion Policy from 2014 onwards is being negotiated. A glimpse was already provided in the 2010 report on the future of regional policy by the European Commission. Aside from "technical" proposals such as measures to increase financial management and control, a major change will be the further incorporation of Cohesion Policy in the Europe 2020 programme, the successor of the Lisbon Strategy to foster economic growth, employment en competitiveness in the EU. This alignment also affects the governance of EU Cohesion Policy as more open method of coordination (OMC) practices are being adopted, such as like national reform programmes and strategic reporting on progress in its implementation. Mendez (2011) has aptly described this process as the Lisbonisation of EU Cohesion Policy, referring to the Europe 2020 forerunner Lisbon strategy covering the 2000-2010 period. Other trends that can be distilled from the Commission report are increased policy ownership for the regions and more influence for local stakeholders. This indicates a shift towards lower subsidiarity in governing Cohesion Policy. Clearly, the governance is evolving in response to its changing environment. This thesis will provide an academic immersion in the governance trends of EU Cohesion Policy, which is one of the most comprehensive EU policy schemes.

What is governance?

Governance can be understood as the process of governing. In a broader sense, governance encompasses decision making by involving many actors. In its bare essence, the ultimate goal is to achieve policy convergence, by bringing together the positions of all actors, both top down, as bottom up (Citi & Rhodes, 2007).

Problem definition

The initial research question is:

How is the governance of European Cohesion Policy evolving?

The governance of Cohesion Policy is a complex issue, and hard to comprehend at first glance. As will be elaborated later on, the trends in governance identified in the introduction are not unambiguous. This thesis aims to explore the changing nature of governing Cohesion Policy. I aim to unravel the current governance architecture, and its relation to the perceived strengths and weaknesses of Cohesion Policy. Furthermore, I am interested how the governance hereof has changed over the past years and what further alterations can be expected in the nearby future. By analysing the 2014-2020 plans, and comparing these to the current situation, a clear trend in evolving governance architecture might be identified.

Outlook

As a starting point for this thesis, an overview will be provided of the state of the art literature regarding European governance in the specific context of cohesion (chapter 2). Exploring the academic discourse will provide more insight in the issue, as well as a solid base for conducting the analysis. More specifically, it enables me to construct a useful framework of analysis, well grounded in relevant scientific literature.

I frame the evolution of governance in terms of the organisation of jurisdictions, and additionally, in terms of the introduction of new governance practices used in the Lisbon strategy and its successor Europe 2020. This research design will be discussed in chapter 3. In chapter 4, development of governing Cohesion Policy will be examined. A brief overview of the changes since the late 1980s will be given, focussing on the developments in the previous seven year period (2000-2006), the current (2007-2013) and the upcoming (2014-2020). This will serve as a departure point for chapter 5, in which the introduction of new governance practices will be analysed in order to determine the degree of Lisbonisation.

2. Literature review

This chapter will examine the academic discourse of Cohesion Policy governance. Although governance can be studied from various perspectives, I focus on two dimensions in particular. The first one is the configuration of governance, the governance *architecture*, in which multilevel governance is the main paradigm. The other is the method of governance, the *practices* of governance, which are evolving continuously.

2.1 Governance Architecture: Multilevel Governance

In European regional policy, authority generally is dispersed rather than centralised, more so than in traditional European policy fields like economic integration (common market) and the centralised agricultural and maritime policies. Authority is dispersed vertically to lower and higher levels of governance, e.g. from national level to regional and European level, as well as horizontally, involving other non-governmental actors and stakeholders (Bache, 2004). Recognising the non-negligible role of other actors than the central national governments and supra-national actors (primarily the European Commission), scholars recognised that the governance of European Cohesion Policy could not be described fittingly in traditional intergovernmental or federalist terms. In attempt to accurately capture the governance in this field, Marks (1993) coined the concept of multi-level governance. Marks defined it as “a system of continuous negotiation among nested governments at several territorial tiers”. Local, regional, national, and supranational governments are entangled in territorially overarching policy networks. Still, most empirical evidence for this model is grounded in the regional policy domain. As such, EU regional policy has been called rightfully the “home ground” of multi-level governance (Bache, 2004). In short, multi-level governance rejects a strict intergovernmental mode of governance and argues that both supra- and sub-national actors determine policy outcomes. Political arenas are interconnected, and decision making not exclusively channelled through national actors.

The multi-level governance perspective is useful in studying the governance architecture of Cohesion Policy. Hooghe and Marks (2003;2010) have elaborated on varieties in governance architecture and have developed a much cited model of multi-level governance. The key concepts of their model are jurisdictions, which serve as building blocks of governance structures. Jurisdictions can be defined as units of organisation yielding sovereign authority over citizens to govern or legislate, and often have the power to tax their subjects. In regional policy, many different jurisdictions come into play, ranging from the European Commission to local authorities and executive bodies of the partnerships between those actors.

In their model, Hooghe and Marks (2003), distinguish two contrasting types of multi-level governance. On basis of four defining characteristics, two different ways of structuring multi-level governance are set apart (see Table 1). The first of these attributes is its scope; jurisdictions could be organised around communities (general-purpose) or rather around particular problems (task-specific). The second attribute concerns the ‘membership’ of jurisdictions; they could be territorially based and/or contained in larger jurisdictions (non-intersected), or rather be polycentric and overlapping (intersecting). The third attribute is

the number of jurisdictions; they could be organised in a traditional, cascading jurisdictional scale (supranational-national-regional-local, resulting in a limited number of jurisdictional levels, or rather be subject to a much larger number of levels. The fourth and last attribute involves the design of the governance architecture; jurisdictions could be an intrinsic part of existing governance structures and designed to last (system wide/durable) or rather be flexible and fluid, or just temporal, to adjust to changing circumstances and functional requirements.

	Type I	Type II
1.Scope	General-purpose	Task-specific
2.Memberships	Non-intersecting	Intersecting
3.# Jurisdictional Levels	Limited	Unlimited
4.Design	System wide / durable	Flexible / fluid

Table 1: Two types of multi-level governance according to Hooghe & Marks (2003)

Type I and type II of multi-level governance are in theory two opposite ends of a spectrum. In practise, however, they can be complementary and coexist. For instance, a jurisdiction can expose the stability of a federal type I jurisdiction, but at the same time offer a great degree of flexibility and involving many local stakeholders (Milio, 2010:14). In fact, type II governance is often embedded in type I government. Typically, type II jurisdictions are overlaying a nested patchwork of type I jurisdictions, being task-driven and fluid in appearance rather than the nested type I governance, which have bundled competencies and serve an often territorially organised community.

In the context of modern governance in a complex, federal environment, Frey and Eichenberger (1999) have proposed a different jurisdiction-based concept of governance: The functionally overlapping competing jurisdictions (FOCJ) model. FOCJs are separate jurisdictions that perform one specific task; they are functional. They are also overlapping, as subjects can be covered by more jurisdictions overseeing several functions, and jurisdictions compete with other jurisdictions having similar functions. Frey and Eichenberger (1999) present the FOCJ concept as a radical alternative to “traditional types of federalism and decentralization”, and constructed FOCJs as an ideal type of jurisdictions that emerge out of preferences bottom-up, rather than being dictated top-down.

The FOCJ concept bears a striking similarity to the type II jurisdiction of Hooghe & Marks. Both models organise jurisdictions in a functional, task-oriented way. Jurisdictions can overlap or intersect and the organisational architecture is fluid and flexible rather than static. However, in their argument for FOCJs Frey and Eichenberger contrast their model in a normative way to “traditional” models, while Hooghe and Marks discuss two different “modern” types of governance without specifically advocating one of these. Although both models are theoretical constructs, the latter is grounded in multi-level governance, which models governance in EU Cohesion Policy rather well. Jurisdictions are the building blocks of multi-level governance, and the four attributes defined to distinguish the two governance types are useful in grasping the development of Cohesion Policy governance, while the FOCJ concept merely allows evaluating to what degree regional policy complies to this concept in comparison to traditional federal governance. All in all, I deem Hooghe and Marks’ model more suitable for the comparative research of this thesis.

Closely connected to the jurisdictions in European Cohesion Policy, are the actors involved in the processes of governance. The role and influence of these actors are subject to debate. For instance, some authors stress the decisive role of national governments, and regard them as the “gatekeepers” between EU and domestic decision making (Bache, 1998). Since the 90s, even a re-nationalisation trend in EUCP decision making is signalled by some authors, although Bachtler and Mendez (2007) have convincingly debunked this trend by showing supra- and sub-national levels are still gaining influence relative to the national level of governance. They also argue that the role of nations is exaggerated in relation to the European Commission, since the Commission is decisive in every reform of Cohesion Policy. Regarding the role of the regions, Bauer and Börzel (2010:259) stress the huge differences between regions regarding their influence in Cohesion Policy. For instance, Spanish regions are operating in less horizontal coordination, and in more competition with the nation state than the German *Länder*, which enjoy a greater degree of horizontal coordination. Bauer and Börzel (2010) judge that the regions of Europe have not yet been able to form a sincerely independent third level of government, and a “Europe with some Regions” is a closer resemblance of reality than a “Europe of the Regions”. Their conclusion weakens the multi-level governance theory to some extent.

2.2 Governance Practices: Lisbonisation

A key development in governing Cohesion Policy is the perceived introduction of new modes of governance. Mendez (2011) observes that an increasing amount of practices used in implementing the Lisbon strategy (and its successor, the 2020 strategy) are introduced in governing EU Cohesion Policy, a phenomenon they call “Lisbonisation”. Lisbonisation is classified by the implementation of a hybrid mix of soft and hard new modes of governance typically used in the Lisbon strategy, typically employing new experimental governance practices. This type of governance is characterised by collectively defined policy goals, which the executive lower-level units (EU Member States, related authorities and other collaborating actors) can pursue according to their own insights. Nonetheless, this pursuit is not entirely optional, since progress is intensively monitored and reviewed. Since this kind of governance was first used in the Lisbon agenda, such as the Open Method of Coordination (OMC) unemployment and social inclusion chapters, it is convenient to conceptualise the introduction of these governmental means as Lisbonisation. A broader definition is simply the linking, or even incorporation, of Cohesion Policy into the current 2020 Strategy. In context of this thesis, Lisbonisation explicitly does not refer to issues related to the Lisbon Treaty, which came into force in 2009 as successor of the Treaty of Nice. I will understand Lisbonisation as the introduction of the new experimentalist governance practices typically used in the Lisbon and 2020 strategy. They are often non-hierarchical and voluntary instrument for achieving collectively defined goals.

Drawing from new governance practices implemented in the Lisbon strategy (and other fields), Sabel & Zeitlin (2008) have conceptualised the emerging new experimentalist governance architecture as having four key features:

- the joint setting of framework goals (such as full employment, social inclusion, etc.) and indicators or measures for assessing their achievement by EU institutions and the Member States;
- freedom by Member States and other relevant domestic actors to pursue these goals as they see fit;
- a requirement that these actors report regularly on their performance and participate in a comparative peer review of policy results and effectiveness;
- the periodic revision of the framework goals, performance measures and decision-making procedures.

Although EU Cohesion Policy is no pure case of new experimental governance, it exhibits an increasing share of core features in the 2007-2013 phase, being influenced by the Lisbon strategy. According to Mendez (2011), the recent introduction of such practices constitute a new governance architecture, enhancing accountability, policy learning, and coordination of policy implementation aligned to broader EU goals. New ways of governing are altering the governance architecture of Cohesion Policy. The policy is increasingly “synchronizing” with the Europe 2020 strategy, which results not only in new demands, but also in new governance practices. Since a study of the evolving governance of Cohesion Policy would be very incomplete omitting this element, the “Lisbonisation” of regional policy will be key element of my thesis.

3. Methodology

In the previous chapter, a literature overview has been provided on the governance of European Cohesion Policy. It yielded two interesting perspectives (governance architecture from a multi-level governance perspective, and governance practices from a Lisbonisation perspective) offering a useful framework to understand the changing governance of Cohesion Policy. In this chapter, the research outline will be further elaborated.

The general aim of this thesis is to investigate and comprehend how the governance of European regional policy is evolving. “Governance” is a broadly encompassing concept, so I narrowed down this phenomenon by focusing on two dimensions: the architecture of governance and the practices of governance.

A natural way to comprehend the governance architecture of regional policy is by considering the many actors involved in the various layers of governance. The multi-level governance theory of Hooghe and Marks approaches the complex reality of European governance in general, and Cohesion Policy in particular. The already discussed model of Hooghe and Marks (2003) offers a valuable construct for analysing the multi-layered governance architecture present in governing Cohesion Policy. It does so by confronting the type I & II governance ideal types, enabling the framing of governance evolvement in order to determine whether one of the two types becomes more dominant, or perhaps even a shift is occurring from one type towards the other type of governance. A speculative hypothesis is that the governance of Cohesion Policy is evolving towards type II, since this type resembles the increasingly popular multi-layered and task-specific governance in the European Union.

Inherent to this approach is catching governance architecture in jurisdictions, as explained in the previous chapter. Governance architecture is defined in terms of the organisation of jurisdictions. The two ideal types score inversely on the four attributes of jurisdictional organisation, as summarised in Table 1. In other words, these four attributes can be considered the variables of governance architecture. At a glance, they are useful and as well sufficiently operationalisable (see Appendix for a detailed elaboration).

By studying the governance architecture in this manner, the units of analysis are the involved jurisdictions. However, the sheer number and heterogeneity of involved jurisdictions poses a challenge to applying the model. Countless actors are executing (and, to a lesser degree, legislating) EU Cohesion Policy, on at least three governmental levels (some countries have only one local or regional governments, most countries have more than one layer). Studying the governance architecture solely at European level is nonsensical, since the policy is executed at national and local level. However, the jurisdictional organisation responsible for the implementation of Cohesion Policy varies from Member State to Member State, as each of the 27 EU Member States have their own unique governance architecture. Foremost, the number of layers and the degree of federalisation varies widely across EU Members. Furthermore, the tasks of regional and local jurisdictions differ greatly across the European Union, as are the existence and involvement of (inter-)regional planning authorities, and managing authorities coordinating Cohesion Funds.

Obviously, it is impossible to indulge in analysing all jurisdictions involved in Cohesion Policy. Nonetheless, one could consider only a limited array of jurisdictions, or generalise among comparable jurisdictions. For instance, although most jurisdictions (which are the units of analysis), are at a sub-national level, one could analyse the governance architecture at a higher aggregation level: the national level. A more balanced approach would be to compose a sample of EU Members states, and to observe the involved jurisdictions in those nations at a national and sub-national level, of course, in addition to the overarching European level of governance. This sample should be representative to justify the heterogeneity of the governance architectures of the nations themselves (which greatly influence the governance of Cohesion Policy on national and regional level). A sample should contain at least one federal, decentralized state (e.g. Belgium, Germany) and a centralized state (e.g. France, Finland), bigger states containing more than three layers of governance (most larger Member States) versus smaller countries like Luxembourg, Lithuania or Cyprus, which consist of only three layers of government (national, regional and local). Furthermore, dependability on cohesion funds (i.e. relative importance, adaptability of governance architecture to cohesion funds) should be factored in by selecting at least one “rich” and one “poor” EU Member State.

Nonetheless, even the use of a representative sample has its limitations. A country case study is required of at least four to six countries, which is still rather laborious and probably requires interviews with relevant actors. Also, a sample challenges the external validity of the research, as generalization over the sample population is never faultless. Furthermore, it remains to be seen whether a governance infrastructure will exhibit significant shifts during the two or three seven year periods I intend to study. It is questionable whether an analysis will yield sufficient interesting results. Consequently, I decided to refrain from studying governance change in European Cohesion Policy through the lens of governance architecture. Instead, I will focus on a sole dimension of governance: the governance practices of Cohesion Policy. Studying both dimensions in a profound manner is not feasible considering the limited scope and time of a bachelor thesis.

Hence, I will study the developments in EU Cohesion Policy governance from the perspective of governance practices, and not from a governance architectural perspective. Most prominent is the ongoing linking of Cohesion Policy with the 2020 Strategy, which has implications for the governance in this field, since governance practices common in the 2020 Strategy are being introduced, the process called Lisbonisation. I will examine the presumed Lisbonisation of Cohesion Policy by applying the four key features of new experimental governance, as defined by Sabel and Zeitlin (2008), as variables indicating Lisbonisation. I expect governance practices to be more fluid than governance architecture, in other words, I expect to find more significant changes in the limited time period I intend to study. Furthermore, the units of analysis, in this case the governance practices, are less complex to analyse than jurisdictions are. In the next sections of this chapter, the research design will be elaborated.

3.1. Research Questions

The general research question of this thesis is:

How is the governance of European Cohesion Policy evolving?

Following the literature review and subsequent discussion, this research question can now be refined and specified:

Is the governance of European Cohesion Policy being Lisbonised?

My hypothesis is positive. Since EU Cohesion Policy is increasingly linked to the Lisbon/2020 strategy, I expect that new experimentalist governance practices are being introduced increasingly. In other words, the governance of Cohesion Policy is more Lisbonised in the current period (2007-2013) than in the previous period (2000-2006), and will probably be even more Lisbonised in the next period (2014-2020).

In order to answer this research question, two sub questions will be posed:

1. *How did European Cohesion Policy governance practices developed since its inception?*
2. *Considering the 2000-2020 timeframe, to what degree are new experimentalist governance practices, as indicator of Lisbonisation, being introduced in European Cohesion Policy?*

3.2. Research Design

This research explores how the governance practices of EU Cohesion Policy are changing by examining the introduction of new experimentalist governance practices in this field, the process called Lisbonisation. The research will be conducted by performing a longitudinal study in which the introduction of new experimentalist governance practices (conceptualised as Lisbonisation) in Cohesion Policy governance will be explored. This will be performed by comparing governance practices in three timeframes of seven years each. These periods are the previous (2000-2006), the current (2007-2013) and the forthcoming (2014-2020). These coincide with the EU budget cycles, and after each cycle the Cohesion Policy is restructured. So, these seven year periods are logical and convenient periods for comparing governance evolution.

The four key features of Sabel and Zeitlin discussed in chapter 2.2 will structure the analysis. These variables allow for a comparative and qualitative analysis of (certain aspects of) the governance architecture of Cohesion Policy, and to indicate a relative change when comparing the 2007-2013 governance architecture to the previous 2000-2006 period and to the probable forthcoming 2014-2020 architecture.

Data collection

The research will be executed by a literature study in a quasi-experimental setting. The data collection encompasses both primary and secondary sources. The primary sources are the official EU documents (mostly European Commission documents), in which the legislative framework of Cohesion Policy is formalised. Additionally, communications, white papers, reports and even working documents, which contain governance practises, policy objectives and intentions, as well as evaluations and recommendations, are included in the data set. This enables the inclusion of the most up to date developments on Cohesion Policy in the analysis, allowing me to include the near future up to 2020 in my analysis.

The secondary sources employed are mainly the academic literature on the subject, but also non-EU policy papers and reports, and position papers of relevant stakeholders reacting to the 2014-2020 plans. The use of these secondary sources offer the opportunity to confront the “paper reality” sketched by the EU, since some of them offer valuable critique or insights on the actual workings of EU Cohesion Policy.

Operationalisation

Sabel and Zeitlin (2008) distinguish four core features of new experimentalist governance practices, which are a logical choice as variables of Lisbonisation. These variables measure the visibility of experimentalist governance practices in this field, and are useful in a longitudinal analysis indicate changing governance practices in EU Cohesion Policy. As explained earlier, the introduction of these practices is understood as Lisbonisation in context of this thesis. The four variables will be operationalised in the next four paragraphs.

1. Joint setting of goals and indicators

The first variable is the joint setting of framework goals and indicators or measures for assessing their achievement by EU institutions and the Member States. Joint setting refers to the actors involved in the formulation of goals and performance indicators. Typically, in a multilevel governance environment, all four layers (European, national, regional and local) could be involved. The cooperation and involvement of all those actors could become either more or less relative to the previous period. Also, before all, it is also relevant to determine whether those framework goals and performance indicators do exist at all in a given period. Finally, a higher level of involvement by the various actors in goal and indicator setting can be regarded as more Lisbonisation.

2. Freedom of implementation

The second variable is the freedom by Member States and other relevant domestic actors to pursue these goals as they see fit. Relevant actors are also regional and local government authorities, as well as development authorities, and even private partners executing projects financed by structural funds. Freedom, however, is hard to quantify. Nonetheless, one could

tentatively compare the obligatory character of regulations regarding the implementation of Cohesion Policy. A large degree of implantation freedom instead of narrowly top-down defined practices and guidelines is considered a new experimental governance practice, hence as being “Lisbonised” in the context of this thesis.

3. Reporting and peer review

The third variable is defined as the requirement that involved actors report regularly on their performance and participate in a comparative peer review of policy results and effectiveness. The more frequent (if at all) actors draft performance reports and participate in peer review, the firmer this new experimental governance practice is established, hence more Lisbonisation.

A complicating factor is the level of reporting. Reporting commonly occurs bottom-up, i.e. lower level actors report to higher level actors. Since it is beyond the scope of this thesis to investigate the local to national reporting frequencies of all Member States, I will focus on general guidelines, reporting requirements and peer review practices at the national and European levels.

4. Periodic revision

The fourth variable is periodic revision of the framework goals, performance measures and decision-making procedures. Revision is understood as the altering and hopefully improving of existing goals, measures and procedures. Periodic refers to a recurring event, probably on a set interval. If revision happens periodically (not haphazardly), this governance practices can be considered as implemented. In this view, it can be considered as a binary variable.

4. Development of Cohesion Governance

This chapter will describe and discuss the development of European Cohesion Policy governance. The first section describes the development of the policy up till the year 2000, the subsequent sections will describe its evolvement in the previous (2000-2006), current (2007-2013) and the period post 2013, focussing on governance practices.

4.1 Origins: Pre-2000

The origins of European Cohesion Policy date back to the early days of the EU. The preamble of the Treaty establishing the European Economic Community (1957) already expressed the intention to promote the development of less developed regions. In the same year, the European Social Fund (ESF) was established to enhance higher labour employment in the European Community. Already in 1968, the Directorate-General for Regional Policy was created, followed by the establishment of the European Regional Development Fund (ERDF) in 1975, with the objective of correcting regional imbalances. It co-financed investments in small enterprises and infrastructure. The admission to the European Community of poorer Member States such as Ireland (1973), Greece (1981), and Spain and Portugal (1986) increased economical disparities in the Community. It was recognised that the progressing European economic integration not automatically decreased disparities, and actually caused richer regions to diverge further since they are better positioned to profit from the progressing single market (Thielemann, 2002; Becker 2009).

Financial instruments and initiatives to address economic and social imbalances at Community level did exist since the beginning of European integration. However, it only involved the co-financing of projects which had been selected beforehand by Member States (Becker, 2009). Furthermore, Cohesion Policy had still no legal basis in European law. Finally in 1986, the Single European Act laid the basis for a genuine Cohesion Policy designed to offset the burden of the single market for the less-favoured regions of the Community. The legal foundations introduced by the Single European Act paved the way for an integrated Cohesion Policy, based on four principles:

- concentration (focus on the poorest and most backward regions)
- multi-annual programming (strategic orientation of investments instead of incidental projects)
- additionality (co-funding instead of substituting national funding)
- involvement of regional and local partners (the partnership principle: good European governance involves European, national, regional and local government in decision making)

Previously, regional policy initiatives financed by funds such as the ESF and the ERDF were executed autonomously by Member States. Received funding could be utilised as the Member States saw fit. The changes described above resulted in not only an increased coordination in programming by the European Union, but the partnership principle also augmented involvement of regional authorities and other sub-national actors. Concluding, the governance practices of Cohesion Policy changed profoundly and could since then be

described as multilevel governance. Scholars generally see the coming into force of the Single European Act as the starting point of genuine EU Cohesion Policy.

In 1992, the Maastricht Treaty introduced the Cohesion Fund to benefit the poorest Member States. It was requested by Spain in order to gain its approval for the European Monetary Union (EMU). Since then, cohesion funds also functioned as a compensatory mechanism, a “fiscal quid pro quo for progress on integration” (Becker, 2009, see also Thielemann, 2002). Significantly, Cohesion Policy also saw its status reinforced in the new Treaty (Art. 3 EC), and its related funds were formalised in the art 159-162. Also, the Committee of the Regions was established to further the partnership principle. Regional and local representatives were given consultative rights in the EU legislative process on many fields, such as social and economic cohesion and trans-European infrastructure.

In this period, the budget for Cohesion Policy expanded vastly. During the first multiannual financial framework (1988-1992) of the European Community, funding for Regional Policy had doubled, and the introduction of the Cohesion Fund increased spending a further 64% during the next budget period (1993-1999). Finally, since 2008 the biggest share of the EU budget consists of Cohesion Policy related expenditures, overtaking the CAP spending (Figure 1).

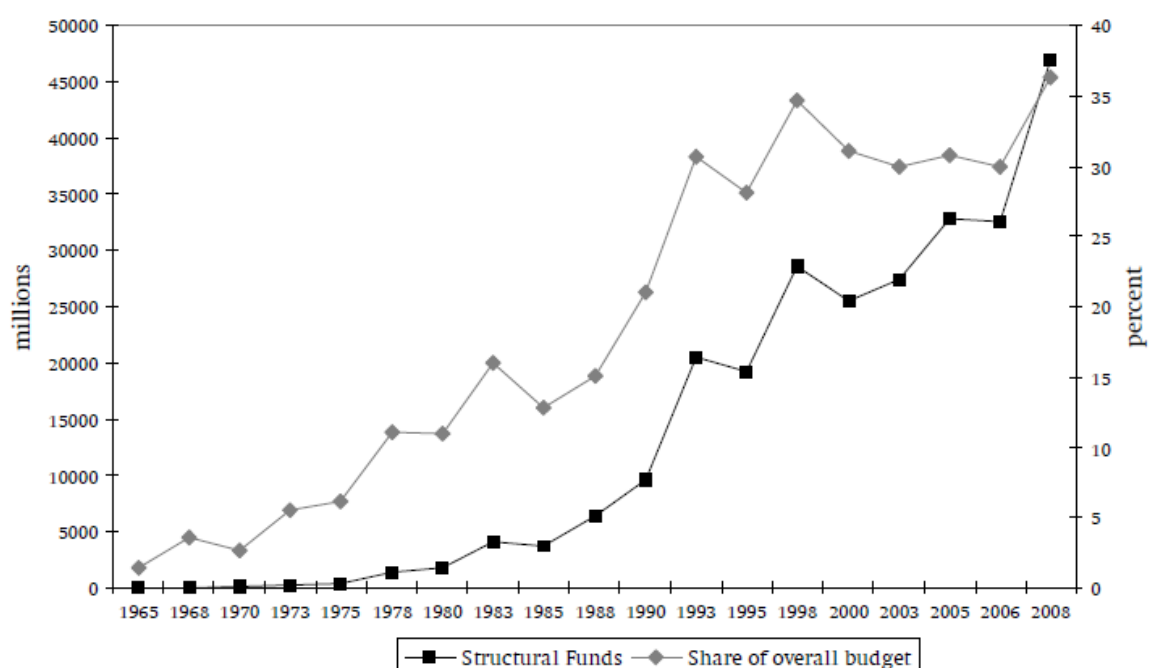


Figure 1: growth of Structural Funds 1965-2008

4.2 Previous Period: 2000-2006

The first budget period in the new millennium encompassed the 2004 accession of 10 new Member States, mainly from Central and Eastern Europe. Since the majority of new regions were relatively poorly developed compared to EU-15 regions, a major shift of funding towards the poorest regions was initiated. Consequences for the hitherto poorest regions, such as Greek, southern Italian and Portuguese regions were still limited in this budget

period, since their regions continued to benefit from convergence funds in the same degree as before the accession. Only in the period after 2007, such regions were “phased out” as Cohesion Policy jargon names it.

Very significant was the launch of the Lisbon Strategy in 2000. The Lisbon Strategy not only influenced Cohesion Policy in strategic orientation (focus on growth, innovation and job creation), but also in its governance practices. Regional policy was to be applied to further the aims of the Lisbon strategy. It also signalled the start of the still ongoing debate centred on the balance between convergence of regions (structural aid to poorer regions: the traditional Cohesion Policy), and competition oriented policy (more focused on the knowledge economy).

The linking of Cohesion Policy with the Lisbon strategy resulted in introduction of new experimentalist governance practices used in the Lisbon strategy, although to a limited degree. For instance, to combat corruption, the European Commission imposed stricter rules on audit and control mechanism, and increased requirement on monitoring and evaluations of the cohesion programmes. At the same time, however, autonomy on the programming and execution of Cohesion Policy was shifted to domestic authorities (Mendez, 2011).

4.3 Current Period: 2007-2013

At the beginning of this period, in 2007, the Lisbon Treaty came into force, including an expanded chapter on Cohesion Policy. The Lisbon Treaty brought further recognition to the policy since it states that the European Union should promote not only economic and social cohesion (as already included in the EC Treaty in 1987), but also territorial cohesion. This implied that the EU now has a formal Treaty obligation to ensure a more balanced development of economic activity across all of its regions including urban and rural areas, islands and peripheral regions.

Nonetheless, the year 2007 is recognised as groundbreaking in the history of Cohesion Policy for a different reason. A new legislative package in order to concentrate Structural and Cohesion funds spending on Lisbon goals (innovation, growth, jobs) and Gothenburg goals (sustainable development) came into force and resulted in a major shift in governing EU Cohesion Policy. Aside from its own goals and merits, the policy had become an implementation tool of Lisbon strategy (Becker, 2009).

The key innovation was the new structure of governing Cohesion Policy: a new hierarchy of cascading planning instruments was established. At the top level, the Community Strategic Guidelines for Cohesion (CSG) were determined. These are based on the Lisbon agenda (now the 2020 Strategy) and have three objectives:

- Improving the attractiveness of Member States, regions and cities by improving accessibility, ensuring adequate quality and level of services and preserving the environment.
- Encouraging innovation, entrepreneurship and the growth of the knowledge economy by research and innovation capacities, including new information and communication technologies.

- Creating more and better jobs by attracting more people into employment or entrepreneurial activity, improving adaptability of workers and enterprises and increasing investment in human capital.

The general and rather unspecific goals of Community Strategic Guidelines were subsequently framed into National Strategic Reference Frameworks (NSRFs). The NSRFs determine the national funding strategy for the allocated cohesion funds, suited to a nation's need, but also in line with the overall EU strategy and priorities defined in the Common Strategic Guidelines. Additionally, the NSRFs guide the implementation of the Operational Programmes on a regional level. So, the joint definition of framework goals on EU-level cascades down via the NSRFs on national level to the Operational Programmes on local level. This level of vertical integration was hitherto unknown in governing Cohesion Policy (Becker, 2009).

Besides vertical integration also a degree of horizontal integration with the Lisbon strategy was pursued. On European level, the Common Strategic Guidelines relate to the "Integrated Guidelines for Growth and Jobs", the main overall planning document of the Lisbon Strategy in this period. On national level, the NSRFs reflect its Lisbon Strategy equivalent, the National Reform Plans. In this way, a holistic strategic approach is implemented to ensure Cohesion Policy contribute to achieving the goals of the Lisbon Strategy. Another measure to synergise Cohesion Policy with the Lisbon Strategy is the earmarking requirement to allocate a minimum percentage of expenditure to Lisbon-related expenditure (60% on the convergence objective, 75% on the competitiveness objective). This rule, however, is not binding, so its effect is most likely limited.

The new governance architecture resulted in an increased operational autonomy for national and regional authorities in implementing Cohesion Policy (Mendez, 2011). On the other hand, control and reporting mechanism were expanded. Previously, reporting and evaluation were institutionalised at national level, and EU-wide comparison, steering and policy learning remained limited (Barca, 2009). The 2007 reform now formally required Member States to report on performance and engage in peer review. For instance, the strategic reporting mechanism obligates Member States to submit a progress report to the Council of Ministers tri-annually. The intended effect is enhanced accountability and effectiveness evaluation.

The last major 2007-reform was the simplification of the architecture of Cohesion Policy. European Cohesion Policy in the 2000-2006 period was organised around three main objectives.

- Objective 1: Regions lagging behind in development (regions with <75% average EU GDP)
- Objective 2: Regions undergoing economic and social conversion
- Objective 3: Training systems and employment promotion (all regions are eligible)

Additionally, the Cohesion Fund funded infrastructural projects in less developed regions independently, adding up to 94% of the total Cohesion Policy budget. The rest of the budget was divided among rural and maritime development beyond objective 1 and four Community initiatives (Interreg III, URBAN II, EQUAL, and Leader+). Thus, in the 2000-2006

period, Cohesion Policy consisted of no less than four objectives, four Community initiatives (down from 14 in the 1994-1999 period), and the separate Cohesion Fund; funded by six different instruments. The 2007 reform simplified this to three inclusive objectives funded by only three instruments as illustrated in table 2.

The reform restructured objective 1 together with the Cohesion Fund as the convergence objective, for which only regions having a GDP per capita of less than 75% the EU average are eligible. All projects are now funded by only one fund, either the ERDF or the SF. The exceptions are the infrastructure projects, which are co-funded by the Cohesion Fund and the ERDF. The Convergence objective is the mainstay of Cohesion Policy, since it consumes about four-fifth of its total budget.

Objective 2 and 3 were merged into the regional competitiveness and employment objective, for which all other regions are eligible. Under this objective, national projects under the European Employment Strategy are funded by the ESF, while all other regional projects are funded by the ERDF. The Interreg III initiative was expanded into a fully fledged objective, the European territorial Co-operation objective (accounting for only 2.5% of the total structural funds). Other Community initiatives like EQUAL and URBAN III were either included the operational programmes of Member States and regions, or moved to CAP in the case of fishery. The result of this restructuring was that each project was now funded by only one fund. This principle of monofunding enhanced the transparency and reduced administrative burdens in Cohesion Policy.

2000-2006		2007-2013		2014-2020	
Objectives	Funds	Objectives	Funds	Objectives	Funds
Regions lagging behind in development terms	ERDF ESF EAGFF FIFG	Convergence	ERDF ESF	Investment in growth and jobs (less developed, transition and more developed regions)	ERDF ESF
Cohesion Fund	CF		CF		
Economic and social conversion	ERDF ESF	Regional competitiveness and employment	ERDF ESF		CF
Training systems and employment policies	ESF				
Interreg III	ERDF	European Territorial Cooperation	ERDF	European Territorial Cooperation	ERDF
URBAN II	ERDF				
EQUAL	ESF				
Leader+	EAGFF				
Rural development and restructuring of the fishing sector beyond objective 1	EAGFF FIFG				

Table 2: Simplification of Cohesion Policy architecture 2000-2020 (Sources: European Commission 2007, European Commission 2011)

Abbreviations: CF=Cohesion Fund; ESF=European Social Fund; ERDF=European Regional Development Fund; FIFG= Financial Instrument for Fisheries; EAGFF = European Agriculture Guidance and Guarantee Fund; Interreg III (Initiative promoting interregional cooperation); URBAN II(regenerating declining urban regions); EQUAL(equal opportunities on the labour market); Leader+(promoting sustainable development in rural communities).

4.4 Next Period: 2014-2020

At the very moment the 2007 reform of Cohesion Policy was agreed upon, discussion already ignited on the next reform. Main critiques on the policy included the poor translation of Lisbon goals in Cohesion Policy and vice versa, financial accountability and control of how the funds are spend. Calls were made for an increased concentration of spending, increasing incentives for local authorities to achieve better results while at the same time relieving administrative burden of managing authorities (Barca, 2009; Bachtler & Mendez, 2010).

In 2011, the Commission proposed the new Common Strategic Framework for the next period, which laid down the broad goals en guidelines of the policy. After a period of public consultation, these were adopted in early 2012. In November 2012, the European Council failed to agree on the multi-annual financial framework, which will define the total budget available for Cohesion Policy in the next seven years. Fueled by the enduring economic crisis, tension mounted between old and new Member States on the total budget and spending priorities. Greatly simplified, old Member States (especially the United Kingdom, the Netherlands, Sweden, Austria and Denmark) aim for a reduced budget on Cohesion policy, while further shifting spending priorities to Lisbonised goals, moving away from traditional compensatory Cohesion Policy. On the contrary, new and economically less developed Member States aim to maximise the budget, specifically on structural funds from which they will profit most. Becker (2009), among many other authors, foresaw that ultimately the essence of the discussion on the Cohesion Policy would be the search for an equilibrium traditional and “modern” Lisbonised Cohesion Policy. The discussion mirrors the debate on the total EU budget, which net contributors want to minimize, while net recipients want to maximize. Pending an agreement on the multi-annual financial framework, in 2013 the contours will have been set, and Member States have to submit their Operational Programmes.

The Common Strategic Framework agreed upon will focus on eleven thematic objectives tied to Europe 2020. Member States are encouraged to focus on a selected group of them. These objectives are: investments in research, technological development and innovation; information and communication technologies; competitiveness of SMEs and the agricultural sector; low-carbon economy; climate change; environmental protection; sustainable transport; employment; social inclusion and combating poverty; education and training; institutional capacity and efficient public administration (European Commission, 2011). Besides integration on a thematic level, further horizontal integration with the Europe 2020 will also be achieved by aligning implementation guidelines. A main innovation will be the introduction of Partnership Contracts between the European Commission and the individual Member States. These Partnership Contracts closely correspond to the National Reform Programmes of Europe 2020, and the Member States commit themselves to concrete

actions in delivering a limited range of focused objectives. Progress will be monitored by clear and measurable targets, and the Commission has the possibility to curtail funding if a Member State does not live up to its commitments. More in general, also applicable to the tri-annual Progress Reports, measurable targets and indicators are to be agreed upon in advance. This will avoid a plethora of indicators and targets as was the case in the current period, so monitoring results will be useful in comparing outcomes of programmes in the various Member States.

Another major innovation is the introduction of conditionality. In order to receive funds, projects and its managing authorities have to fulfil several conditions, *ex ante*. By this way, the Commission hopes to avoid that investments are wasted by administrative incompetent and imprudent management. Additionally, *ex post* conditionalities will be established. If, during the mid-term review, Member States fail to achieve their objectives in the Partnership Contract, funding could be suspended, or in case of serious underachievement, be cancelled. On the other side, a performance reserve is created (5% of the total funds), to reward bonus payments to those member states and regions that have been most successful in reaching and surpassing their pre-agreed targets. Lastly, macroeconomic conditionality beyond the Cohesion Policy objectives will also be implemented. The Commission agrees upon a series of specific conditions with each Member State. These conditions could relate to the implementation of improvements in public administration or reforms to national legislation, for example regarding employment rules or environmental standards. Final payments would not be made until the pre-agreed conditions have been met.

5. Analysis

Using chapter 4 as a point of departure, this chapter will analyse recent developments of governance practices in EU Cohesion Policy. It will do so by evaluating the introduction of new experimental governance practices, which are common practice in the Lisbon Strategy and its follow-up Europe 2020. The four variables of new experimentalist governance, introduced in chapter 2 and operationalised in chapter 3.2, will provide a useful framework of analysis. By systematically comparing how governance practices evolved during the previous period (2000-2006) and the current period (2007-2013) and probably will develop in the forthcoming (2014-2020) period, it can be determined to what degree the governance practices of Cohesion Policy are Lisbonising.

5.1 Joint setting of goals and indicators

Joint setting of framework goals

The introduction of the new planning architecture in the 2007 reform resulted de facto in joint setting of framework goals. The concept introduced is that the European Commission and the Member States agree on the Community Strategic Guidelines, which are the general blueprints for the National Strategic Reference Frameworks (NSRF). Subsequently, the NSRFs are translated and specified into Operational Programmes which determine the programme selection and execution on a local level. So, all actors on the four different layers of governance jointly set the framework goals.

The proposed post-2013 framework will probably increase the role of the Commission in the setting of framework goals because of the new Partnership Contracts. At the same time, the Commission still adheres to the partnership principle, and even stressed to increase the involvement of lower-level actors to increase commitment to the Cohesion and Europe 2020 goals. So, if these intensions are materialised, the involvement of all multi-level actors will increase, albeit under stricter control of the European Commission.

Joint setting of indicators and evaluation measures

The Community Strategic Guidelines contain several indicators to evaluate the achievement of the jointly set goals. But unlike the Integrated Guidelines for Growth and Jobs (the Lisbon/Europe 2020 equivalent), these indicators for assessing cohesion performance developed by the Commission, are not imposed. As a consequence, Member States reported on a voluntary basis, and used de facto their own evaluation criteria in the NSRFs (Mendez, 2011). On the level of the operational programmes, the obligation for a mid-term review performed by an independent external party was abolished in the 2007 reform. As a consequence, evaluation was left to arrange for the Member States themselves since 2007 (Leonardi, 2011).

The Partnership Contract introduced in the coming period will lead to another set of performance criteria and corresponding evaluation reports to be compiled by the Member States. The novelty is, however, that these will be regarded as less “flexible” by the Member States, since actual financial consequences are involved in executing them.

Conclusion

The 2007 reform resulted in an increased vertical integration in EU Cohesion Policy. In a cascading way, all actors are ultimately involved in the goal setting at strategic, tactical or operational level. This is however, how it is *supposed* to work. As explained in more detail in the next section (5.2), the “cascade” didn’t necessary streamed top down, as the Common Strategic Framework was agreed upon too late to be relevant to the NSRFs and Operational Programmes. However, it could still be said that the new experimental governance practice of jointly setting goals was implemented in this period, despite being a partly “paper reality”.

The 2014 reform will probably further the reality of joint setting of goals, since the CSF has actually been established before the NSRFs and Operational Programmes were worked out in detail, leading to a sincere “cascade”. Furthermore, evaluation measures are now jointly set, especially in the context of the Partnership Contracts between the Commission and the Member States.

Concluding, regarding joint setting of framework goals and evaluation measures, Cohesion Policy is gradually more Lisbonising considering both the 2007 en 2014 reforms.

5.2 Freedom of implementation

The cascading planning instruments (CSG,NSRF,OP),which came into force in 2007, not only resulted in increased vertical integration in Cohesion Policy governance, but also augmented the autonomy for the Member States to pursue regional policy as they see fit within the framework laid down by the CSG. As pointed out before, Member States are free to adapt the broad guidelines to their own funding strategies and subsequently frame the Operational Programmes.

This freedom of implementation was further increased by the way the brand new planning instruments were initiated, in an unintended way (at least from the perspective of the European Commission). Already referred to in the previous section, the Common Strategic Guidelines were only passed three months before the start of the new seven yearly cycle in October 2006. Beforehand, most local Operational Programmes were already materialised in order to be eligible for funding in the coming years (Becker, 2009). To a certain degree, this reversed the process of vertical hierarchisation from top-down to bottom-up. The Operational programmes influenced the Community Strategic Guidelines, which in turn needed to be formulated as broadly as possible in order to catch all earlier agreed NSFRs and Operational Programmes. Accordingly, the CSG have been described as “a shopping list of actions” (Mendez, 2011).

The horizontal integration with the Lisbon Strategy/Europe 2020 also fostered freedom of implementation by domestic actors in its own way. References to Lisbon related goals and practices were kept deliberately vague and not further specified than a general declaration of principles. Probably, this was negotiated by the Member States to keep maximum flexibility in executing Cohesion Policy and to retain old structures (Becker 2009).

It is worth mentioning that one factor, the increased use of earmarking of funds to Lisbon related objectives, actually decreased the implementation freedom of domestic actors since it enabled the Commission to steer funding and priorities. Nonetheless, funding allocation in some regions and projects in practice already fulfilled allocation requirements during the negotiations for the 2000-2006 operational programmes, since promoting competitiveness, employment and economic growth is a self-evident strategy. In 2007-2013 65 % of projects under the Cohesion objective were earmarked to Lisbon related goals, compared to 54% in the previous period (Mendez, 2011). This percentage was even higher under the other two objectives.

Considering the envisioned 2014 reforms, freedom of implementation will probably decrease. The cascading planning instruments are now being implemented in the correct and thus intended order, the CSG being already agreed upon on the highest level, while further down the Operational programmes are currently being negotiated and will only be formalised at the end of 2013, right before the start of the new cycle. This will give the national and especially the sub-national actors considerably less playing field. Both the reinforced role of the Commission in the Partnership Contracts and the new “hard” conditionalities are likely to further reduce the implementation freedom somewhat, although Member States are still free to choose their own means how to achieve goals.

Conclusion

Since the 90s, domestic authorities have gradually gained more autonomy in executing Cohesion Policy, while at the same time the Commission increased its strategic control by stricter monitoring (Bachtler & Mendez (2007). These recent developments reinforce the picture of increased European Commission control at the top level, and a retreat from the operational level.

However, one could conclude that the 2007 reforms increased freedom of implementation, while the 2014 reforms will most likely result in a decrease. So, judging Lisbonisation on this variable, the trend of increasing Lisbonisation in the past decade has been reversed.

5.3. Reporting and peer review

Since 1996, the Commission issues a tri-annual Cohesion Report which evaluates the impact of Cohesion Policy and the contribution of European, national and regional governments herein. The fifth and latest Cohesion Report was issued in December 2010 (European Commission, 2010) and also forecasted Cohesion Policy beyond the year 2013.

Compared to the 2000-2006 period, the main innovation of the 2007-2013 period is the introduction of the strategic reporting mechanism. Member States are now obliged to submit tri-annually a progress report on achieving cohesion and Lisbon goals to the Council. A comparative assessment of those national reports is subsequently performed by the European Commission, resulting in policy learning and peer review among the Member States. Problematic is, however, the fact that the Commission has developed indicators for

assessing cohesion performance which are not necessarily used by the Member States in their reports (Mendez, 2011). Evaluation of the first round of strategic reporting (2009-2010) showed a lack of comparable data in the Member States' reports. The European Commission failed to compose a coherent and comparable list of indicators, and this seemed to have no political priority as of 2010 (Bachtler & Mendez, 2010).

The 2014 reforms will most likely increase and strengthen the role of monitoring, evaluation and peer review within Cohesion Policy. This is especially the case in the context of the Partnership Contracts, but in general objectives and evaluation and monitoring criteria will be agreed *before* executing programs. This will result in an increased synchronisation of reporting and an enhanced comparative and peer review capacity.

Conclusion

The introduction of strategic reporting mechanism in 2007 greatly enhanced the role of reporting and peer review in Cohesion Policy. Its quality will further increase in the coming years. So, judging Lisbonisation on this variable, Cohesion Policy is increasingly Lisbonising.

5.4. Periodic revision

EU Cohesion Policy is organised in seven year periods, coinciding with the EU Multi-annual Financial Framework, colloquially known as the EU budget cycles. As is obvious from the preceding, EU cohesion is systematically reviewed, evaluated and adjusted every seven years. This has been the case since the seven yearly first cycle following the Maastricht Treaty (1993-1999). Since I operationalised this variable as being binary, periodic revision happens in all periods studied. As a result, Lisbonisation is constant and "positive" on this variable.

6. Conclusion and Discussion

The concluding chapter will summarise my findings and answer the research question posed. Finally, the result will be reflected upon in the discussion.

6.1 Conclusion

The starting point of this thesis was the academic interest in how the governance of the European Union's Cohesion Policy is developing. It was found that the key development since 2000 has been the alignment of Cohesion Policy with the Lisbon Strategy and its successor, Europe 2020. This alignment has influenced the well established governance practices of EU Cohesion Policy. The Lisbon strategy has been the staging ground of new modes of governances, such as the open method of coordination, and related to this the introduction of new experimental governance practices. In this context, the initial research question was narrowed down to the question whether such new experimental governance practices are being introduced to EU Cohesion Policy.

To answer this question, the development of governance of governance practices in the subject was examined firstly, concentrating on the period post 2000, the year the Lisbon strategy was initiated. Related to this development, Cohesion Policy was increasingly geared towards competitiveness objectives and some Lisbonised governance practices were introduced. Since 2000, the vast patchwork of Objectives, Community initiatives and complex funding was greatly simplified (see table 2). The 2007 reform was a radical one and implemented or reinforced several new experimental governance practices such as the Common Strategic Framework and the strategic reporting mechanism. The 2014 reform is likely to be less ground-breaking, but the trend of Lisbonisation will be continued when judging by the four variables of Lisbonisation defined in chapter 2 and 3. The analysis of chapter 5 can be summarized with the following table:

	(2000-2006)->(2007-2013)	(2007-2013)->(2014-2020)
Joint setting of goals and indicators	Increase: introduction cascading planning instrument	Further increase: <i>applying</i> cascading planning instruments and joint setting of evaluation measures between Commission and Member States.
Freedom of implementation	Increased freedom	Decreased freedom
Reporting and peer review	Increased with strategic reporting mechanism	Increase of quality
Periodic revision	Profound seven-yearly revision	Profound seven-yearly revision

Table 3: Summarizing Chapter 5

The analysis was performed by comparing the 2007 and 2014 reforms, as such the relative Lisbonisation of the previous, current en upcoming periods. The shift from the 2000-2006 period to the 2007-2013 period resulted in Lisbonisation on all variables. Analysing the upcoming changes yields a more mixed picture. Lisbonisation is proceeding on two variables:

both the joint setting of goals and indicators, and the reporting and peer review are still qualitatively increasing. However, the freedom of implementation is slightly decreasing somewhat, while periodic revision remains constant over all periods. So, Lisbonisation is slowed down to some extent, but still preceding. So, in conclusion, the initial positive hypothesis can be confirmed.

6.2 Discussion

The European Union's strategy for competitiveness has profoundly influenced its regional policy, itself a major activity of the EU in the form of Cohesion Policy. Each Cohesion Policy reform since 2000 has aligned this policy closer to the goals and priorities of the overarching Lisbon Strategy, and later on the Europe 2020 programme. Regarding this major development, this research has attempted to understand how the governance of Cohesion Policy has changed since 2000. Change in governance can be studied in many ways, and, after considering governance architecture, I choose to focus on the more fluid governance practices. The four variables of new experimental governance practices of Sabel and Zeitlin proved a useful framework to capture the development of new governance practices linked to the Lisbon strategy (which has been identified as the major influence on regional policy). At the same time, as a result of this approach, other developments in governance practices remained relatively underexposed in this thesis. For instance, the admission of twelve new Member States in the years 2004-2007 have increased the heterogeneity within the Union enormously, both in economical diversity as in governance practices at sub-European level. The implications for the governance of Cohesion Policy of this increased heterogeneity could justify a study on its own right.

Confined by the limitations of a bachelor thesis, I also generalised the sub-national governance of European Cohesion Policy, which consist of 27 NSRFs in the 27 Member States and many more Operational Programmes. To provide a more comprehensive view of developments in governance practices, one could elaborate on national-local interactions in EU Cohesion policy context. This could be done, for instance, by constructing a representative sample of Member States and local layers of governance as described in Chapter 3.

In this thesis, we have found a clear trend of Lisbonisation, especially furthered by the 2007 reforms. This has been established by studying both EU documents and, especially, academic reflection upon these developments. Lisbonisation is expected to continue as a result of the 2014 reforms, although in a slowed down manner. Nonetheless, this is an ex ante evaluation of pending reforms. Therefore, a follow up research is recommended in 2017 at earliest, when the first mid-term review reports will appear and academic reflection on the real proceedings of the 2014 start to materialise.

The 2007 reforms were a major step in Lisbonising Cohesion Policy governance practices. However, the realities of programme implementation proved to be remote from top intentions on some cases, for instance the reflection of the CSF in the Operational Programmes. In the words of Becker(2009:19), Lisbonised governance practices are a set of coordinating instruments applied to a strongly bureaucratised field concerned with

European, national and regional administrative acts. They require to be legally binding to be effective, which wasn't the case. The Lisbon strategy doesn't suit the well established reality of Cohesion Policy implementation and isn't "landed" at sub-European level. It is my opinion that the 2014 reforms will probably close this gap somewhat, specifically by the Partnership Contracts that will be introduced.

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8. Appendix

8.1 Operationalisation of Governance Architecture

1.Scope of Jurisdictions

The scope of jurisdictions can be broad, or narrow and task-specific. A jurisdiction might be dedicated to one specific task, such as fire protection or the administration and collection of taxes. In fact, this type of jurisdictions is widespread at local level. At EU level, the numerous agencies such as Europol and the European Food Safety Authority are good examples of task-specific organisations. This type of jurisdictions is problem centred.

On the other side of the spectrum, type I jurisdiction are general-purpose and community based rather than problem based. Functions are bundled in and organised in one jurisdiction. A typical instance is a local municipality, serving the community in many different fields.

In applying this variable for analysing Cohesion Policy, the relevant jurisdictions must be identified. Subsequently, the purpose of those jurisdictions can be identified in order to grasp how Cohesion Policy decision making is dispersed across jurisdictions. Probably, a patchwork of type II jurisdictions nested into type I governance architectures will be unveiled. After analysing the to-be situation, a shift in the bundling of competences of jurisdictions might be identified.

2.Memberships of Jurisdictions

A jurisdiction is usually no stand-alone unit of governance. Jurisdictions are connected to other jurisdictions and/or subject to other jurisdictions operating at other levels. Traditional type I jurisdictions are typically geographically organised, they are a part of hierarchical structures on a territorial base. At their specific level of governance, a jurisdiction enjoys exclusivity in their domain. Memberships of jurisdictions at lower tiers are fully encompassed in those of higher tiers, and nested into hierarchical structure of nation states.

(Hooghe and Marks,2010). Hence, they don't intersect with other jurisdictions. For instance, a Dutch municipality has an exclusive "membership" to only one province at the higher tier of governance, just like the German Bundesländer have an exclusive membership to the German federal government, and have no overlapping memberships to neighbouring states. Likewise, the border region municipality of Enschede is only part of the larger jurisdiction province of Overijssel, and not the Bundesland Nordrhein-Westfalen.

This is not the case in type II governance, where the link between territory and authority is often broken. Instead, jurisdictions can have many intersecting memberships. Authority is fragmented and shared by overlapping jurisdictions. For instance, border region often cooperate in combating cross-border crime. By establishing functional and flexible cross-border jurisdictions, memberships intersect.

Analysing the intersection of memberships of jurisdictions relevant to Cohesion Policy is not a stand-alone operation. The question whether memberships are geographically tied or have intersecting memberships is much related to the function of those jurisdictions and the number of jurisdictional layers.

3. Number of Jurisdictional Levels

Jurisdictions are subject to multiple levels of governance. Generally, three levels of governance can be distinguished: a local level (municipal), an intermediate level (regional) and central level (national). The number of governmental tiers can greatly differ from country to country. In Malta, only two tiers of governance can be distinguished. In Belgium citizen, however, is not only subject to the federal state, the province and local municipality, but also to the region (Flandres, Wallonia, or Brussels) and the language community (French, Dutch or German).

In the Belgian situation, boundaries between jurisdictional levels are sometimes quite diffuse, and more akin to a level II type of governance. In Type II governance, authority is dispersed across many different levels of authority, and there are no clear-cut boundaries between them. Regarding the very increasing European and international cooperation, combined with the decreasing role of national governments, in many fields a slow shift towards type II is occurring.

In European Cohesion Policy, the number of jurisdictions differs from country to country. A representative picture of the number of involved levels of governance will be sketched, by comparing several countries at a glance.

4. Architecture of Jurisdictions

A type I governance architecture is defined by hierarchical and historically grown institutional structures. These multi-purpose and often territorially bounded governance structures are durable and inflexible, fundamental reform is costly and unusual. Also, they often include all elements of trias politica: an independent elected legislature, executive branch and court system.

Contrastingly, a type II structure is flexible and fluid. They are often established in response to changing societal needs, and can easily be reformed or disestablished when the respected when the jurisdiction no longer serves its original purpose. Its existence can be temporarily. Furthermore, not all elements of trias politica are present, as is the ability to directly tax its subject. (Hooghe and Marks, 2010).

In analysing the architecture of those jurisdictions relevant to EU Cohesion Policy, I will focus on the flexibility and durability of the involved jurisdictions. Is Cohesion Policy governance increasingly governed by type II like jurisdictions, like taskforces or specialised agencies, or is its governance more embedded in existed institutional structures?