The added value of EU cohesion policy in the Greek periphery: the case of Epirus

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The article assesses the added value of cohesion policy for the Greek region of Epirus in the period 2000–2006. The concept of added value is employed in order to identify the impact of the EU-financed Regional Operational Programme ‘Epirus 2000–2006’ on the economic performance of the region, the substance of regional policy in the area, and the subnational institutions of Epirus, as well as the local politics and policy style. The main message derived from this exercise is that, in the absence of serious domestic institutional reform, EU regional programmes in underdeveloped and centralized (multiregional) countries do not have a strong potential for generating added value.

Keywords: EU cohesion policy; regional policy; added value; Greece; Epirus

Introduction

Officially, the mission of EU cohesion policy is to achieve the objective of economic and social cohesion as set out in Article 158 of the Treaty – that is, to reduce inter-regional and inter-country disparities within the EU. However, it has been argued that the contribution of cohesion policy goes beyond economic – and quantifiable – results. From this perspective, cohesion policy has also a qualitative impact on domestic or regional policy objectives, activities, and institutional frameworks. Accordingly, the organizational aspect of cohesion policy occupies a prominent position in each reform agenda of the Structural Funds (SF).

A notion that has been widely used of late in order to capture both the economic and the non-economic dimension of cohesion policy is the concept of ‘added value’. In particular, this idea is being used in order to justify expenditure on the cohesion policy of the EU. While views may differ on whether this policy should be carried out at EU level, and on the scale of budgetary resources for cohesion, there is common ground among many member states, EU institutions and regional bodies, that future interventions should seek to maximize their ‘added value’ (Mairate 2006, 168). The basic proposition is that a justification exists when the action of member states does not suffice to achieve the objective of cohesion and when the intervention generates benefits for the Union as a whole. Therefore, the ‘added value’ of a policy involves a discussion of the need for such an intervention – its rationale and relevance – as well as its effectiveness in attaining its stated objectives (Mairate and Hall 2001).

For the Commission, the value added by Community involvement in regional development is related not only to the expenditure incurred as such, but also to the

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**method of implementation** developed in the 1988 reform of the SF and revised in each subsequent programming period (EC 2001, 145). As stated in the *Third Report on Economic and Social Cohesion*:

Beyond the net impact of policy on GDP or employment, its added value arises from other aspects, like the contribution made to regional development by factors such as strategic planning, integrated development policies, partnership, evaluation and the exchange of experience, know-how and good practice between regions. (EC 2004, 138)

More recently, the Commission has argued that the value added by cohesion policy is manifested in a number of ways: a) there are signs of convergence at national and at regional level; b) the innovative capacity of member states and regions has increased; c) cohesion policy has fostered integrated approaches to development; d) the quality of public investment has improved, largely thanks to the SF; and e) cohesion policy has promoted partnership as a key element of good governance² (EC 2007a, 2–4).

The goal of this paper is to assess the added value of cohesion policy for the Greek region of Epirus in the period 2000–2006. Specifically, its main task is to identify the impact of the EU-financed Regional Operational Programme (ROP) ‘Epirus 2000–2006’ on: a) the economic performance of the region; b) the substance of regional policy in the area; c) the subnational institutions in Epirus; and d) the regional and local politics and policy style.

This particular region was selected for three reasons. Firstly, while Epirus is ranking among the poorest regions of EU-15, there is evidence of its ‘catching-up’ with the EU average; it would be thus useful to assess the economic contribution of the aforementioned programme to the process of convergence. Secondly, Epirus is located in Greece, a centralized and statist polity with a very poor record on regional development activities; in this respect, it would be interesting to examine whether the regional programme of Epirus has generated any policy and institutional changes. Finally, the case of Epirus presents a number of similarities with many regions in the new EU member states (especially regarding institutional structures), the main difference being the length of programming experience; the record of Epirus in added value could thus be suggestive of future developments in the new member states.

The first section of this paper explores the concept of added value and discusses its main determinants. The next section exposes the factors shaping the added value of cohesion policy in the region of Epirus. An appraisal of the added value of the ROP Epirus 2000–2006 follows. The last section concludes.

**Defining and assessing added value**

The most systematic attempt to capture the different dimensions of added value has been made by Bachtler and Taylor (2003). To begin with, they defined added value as ‘something which has been enabled or which would not have been done, without Community assistance’ (Bachtler and Taylor 2003, 9). Moreover, they approached the concept from a regional perspective and subdivided it the following categories:

- **Cohesion added value.** The largest SF programmes have had the most tangible net economic development impacts (macroeconomic effects). However, EU co-finance has enabled projects to be undertaken that are bigger, better and/or have been implemented sooner than would otherwise have been the case (microeconomic effects). Programmes have also influenced the allocation of resources (by
safeguarding or increasing the level of domestic regional development spending) and encouraged forward-looking regional development strategies (local effects).

- **Political added value.** An intangible effect of the SF is to make the EU more visible. Among the perceived benefits is stronger support for European integration. There are tangible outcomes in terms of the encouragement given to regional and local organizations to become involved in European political and policy debates and to ‘internationalize’ their operations. Positive effects on businesses are harder to identify.

- **Policy added value.** The EU programming approach has promoted a more strategic dimension in regional development policymaking. Regional development has become more integrated and coherent; multi-programming periods have also provided a more stable policy environment, allowing for longer-term planning. There is evidence that the lessons of EU programming are being transferred into domestic policies. The SF have contributed in pioneering new types of intervention and have been associated with institutional innovations in management.

- **Operational added value.** The most cited area of added value associated with the SF is partnership, which is deemed to have brought enhanced transparency, cooperation and coordination to the design and delivery of cohesion policy, and better-quality regional development interventions as a result. The perceived benefits are improved vertical coherence, stronger involvement of local actors, a greater awareness of the bigger picture, collaborative working and cooperation, and improved decision-making in the management of interventions.

- **Learning added value.** The SF have provided a stable yet adaptable policy framework, promoting a dynamic of learning and innovation.

That said, the authors recognize that the added value of SF programmes varies greatly across the EU. These divergences in added value are attributed to a number of factors:

- **The financial and geographical scale of programmes.** The larger and nationwide Objective 1 programmes have greater scope to achieve and demonstrated added value in various policy dimensions (GDP, employment, investment, etc.). The smaller programmes (including the regional Objective 1 programmes) tend to highlight the more qualitative aspects of added value.

- **The type of administrative system.** Under subsumed systems (when resource allocation is subsumed within domestic policy structures and systems), added value may be less visible and more difficult to achieve. Under differentiated systems (when separate resource allocation systems have been put in place specifically to implement SF programmes), there is more scope for using EU funding to pursue distinctive strategic priorities and to innovate, establishing new processes and systems.3

- **The maturity of programming experience.** There is an evolutionary cycle in generation of added value. In a first phase – labelled ‘accommodation’ – the priority is to establish the basic systems for managing the funds and to spend the money.4 Much effort may be consumed in dealing with ‘teething problems’ and addressing misconceptions or unrealistic expectations among partner organizations. In a second stage – termed ‘development and innovation’ – the basic structures are established and begin to be better understood among partner organizations. There is scope for generating added value; however, the degree to which this is feasible is conditioned by the external constraints. At the last stage...
– named ‘consolidation’ – the structures are well established, partners know how to utilize the system, and it may be difficult to generate fresh ideas or for new entrants to ‘break into’ the system. Among beneficiaries, elements of grant dependency may develop (Bachtler and Taylor 2003, 10–11).

According to Bachtler and Taylor (2003, 11), final outcomes in terms of actual and perceived added value are affected by a combination of the above factors, especially the administrative system and the maturity of programming experience. However, there are a number of variables that are also crucial for the generation of added value. As Morata (2001, 44) argues, the impact of the SF depends, among other factors, on the degree of regional devolution, the complexity of the public networks involved in implementing the Community programmes, and the degree of area-based policy at subregional level. Moreover, the Commission maintains that the effectiveness and the impact of European cohesion policy are influenced by the efficiency and effectiveness of public administrations at national, regional and local levels (EC 2007a, 2). Thus, one has to add a fourth mediating factor, namely the nature and the quality of governance at the national, regional, and subregional level.

It can be argued that the concept of added value offers a conceptual bridge between the disciplines of economics and political science in the study of the implementation of EU cohesion policy. On the one hand, mainstream economic analysis is usually limited in the evaluation of macroeconomic and microeconomic impact of cohesion policy. On the other hand, political scientists generally approach cohesion policy with the aid of the conceptual tools of ‘multilevel governance’ and ‘Europeanization’. In terms of Europeanization and multilevel governance approaches, the key question about cohesion policy is whether EU policies, practices, and preferences increase the influence of subnational and non-state actors, either by redistributing resources in their favour (rationalist explanation) or by reshaping the preferences of domestic actors (reflectivist explanation); the effect in both cases is that influence over decision-making and its outcomes becomes more diffuse (Bache 2008a, 21–2). It is evident that the political, policy, operational, and learning aspects of the added value of cohesion policy are conceptually equivalent to its governance and Europeanization effects. Put differently, employing the notion of added value offers the opportunity to integrate a problem-oriented approach with an interaction-oriented approach when assessing the impact of cohesion policy.

Discussing the criticisms of the multilevel governance and Europeanization approaches – and by, default, of the qualitative aspects of added value – is certainly beyond the scope of this paper. It is nevertheless useful to focus on one specific strand of criticism that concerns the perceived ineffectiveness of theses approaches when encountering governance forms in the new member states and/or South East Europe. At a general level, it has been argued that the multilevel governance literature, being based on a neopluralist theory of the state, does not fit the complexities and paradoxes of ‘failed’, ‘weak’, ‘authoritarian’, and ‘captured/clientelist’ states in South East Europe (Stubbs 2005, 73). A similar argument has been developed in the context of cohesion policy; according to this view, the experience and influence of SF programmes in the new member states has been qualitatively different from that in older member states: in several Central and Eastern European Countries (CEECs), domestic funding for regional development has been extremely low, regional development interventions have traditionally been very weak or non-existent, and processes
of regional administrative reform have been piecemeal. Accordingly, analytical models applied to older member states – and looking at longer-term, interactive, or adaptive relationships between domestic and EU regional development priorities and delivery systems – may have to be adjusted to take into account the regional development contexts of the CEECs (Ferry 2007).

These criticisms are certainly helpful, as they highlight the need to develop further the multilevel governance and Europeanization approaches by placing greater emphasis on a) the interaction between formal (and orderly) and informal (and disorderly) governance and b) the actual distribution of power (Bache 2008b, 167). However, it would be erroneous to dismiss these theoretical tools simply on the basis of a dichotomy between old and new CEE member states (or, even more problematically, by isolating the experience of a ‘South East Europe’ that might or might not include Greece and Cyprus). Firstly, not all forms of governance in Western Europe are particularly ‘strong’ or ‘successful’; for instance, Sotiropoulos (2004) maintains that Greece, Italy, Portugal, and Spain should be set apart from the rest of Western European bureaucracies since, until recently, they were exhibiting a number of common characteristics (such as party politicization of the higher civil service, patronage patterns of personnel recruitment to the public sector, uneven distribution of human resources, as well as formalism and legalism).

Moreover, when addressing cohesion policy, one should bear in mind that a) the main recipients of EU assistance after the reform of the SF (1989) were regions located in peripheral, economically backward and politically centralized member states and b) in three out of the four original ‘cohesion countries’ – Ireland, Portugal, and Greece – a policy that was regional by name and design became predominately a national policy (Andreou 2006, 241). Hence, what actually distinguishes the old and the new ‘cohesion countries’ (the main recipients of cohesion policy) is the extent of the programming experience of the former; and whether this experience has been translated into increased programming maturity is an open question. To conclude, it is highly plausible to expect a high degree of differentiation in the nature and the quality of governance across the EU states; nevertheless, it would be incorrect to assume that this differentiation follows a consistent geographic pattern.

Turning back to the central theme of this paper, it can be deduced that governance is the single most important factor affecting the milieu of cohesion policy; put differently, the nature and the quality of governance affects all dimensions of the added value of cohesion policy (cohesion added value, political added value, policy added value, operational added value, and learning added value). On the other hand, the other three mediating factors (the financial and geographical scale of the programmes, the type of administrative systems and the maturity of programming experience) are SF-specific. However, while the financial and geographical scale of the programmes is by definition linked with cohesion added value, it is plausible to expect that the maturity of programming experience and the type of administrative systems will have more diffuse effects, directly influencing the policy, operational and learning added value, and indirectly influencing the cohesion added value of the SF programmes.

Factors shaping the added value of cohesion policy in Epirus

Epirus is a NUTS-II region located in northwest Greece, situated between Albania to the north, the gulf of Amvrakia to the south, the mountain range of Pindus to the east,
and the Ionian Sea to the west. It occupies an area representing 6.7% of the Greek territory. The population of Epirus amounts to 341,000 inhabitants, representing approximately 3% of the country’s total population. Epirus is characterized as an ‘enclave periphery’ (Rokkan and Urwin 1982, 61–5) in that, apart from the general lack of infrastructure and the sea border with the Italian regions of Puglia and Calabria, it also borders the regions of Western Macedonia and Continental Greece, which are equally underdeveloped (Hatzaras 2005, 9). In the period 1983–1995, Epirus was the poorest region in the EU-15 in terms of GDP per capita. In the following decade, its relative position has improved (there were five Greek regions with a lower GDP per capita in 2004), yet it still lags behind the national average by 20%. According to the latest available data (2004), GDP per head in Epirus is 67.5% of the EU-27 average (EC 2007b, 184).

Following the analysis of the previous section, the next step is to identify the influence of the factors affecting the added value of cohesion policy in Epirus – the financial and geographical scale of EU programmes, the administrative system, the maturity of programming experience, and the nature and the quality of governance. Given the hierarchical and centralized nature of the Greek political system (Bache 2008b, 59), it makes sense to expect that the relative influence of national variables will be much greater in comparison to regional and local variables.

**Governance – the national, regional, and subnational context**

The Greek political system is unitary and highly centralized: government in Athens determines the allocation of resources, sets the rules, and determines planning, with subnational authorities highly dependent on its authorization and favours. Greece now has four levels of governance – the national government, the 13 administrative regions (NUTS 2 level), the 54 prefectures (NUTS 3 level) and the local government authorities (LGAs: 900 municipalities and 133 communities). A series of limited reforms was initiated, with the establishment of 13 administrative regions (‘peripheries’) in 1987. These reforms nevertheless did very little to strengthen the participation of regional actors in the decision-making process or to promote a truly regional approach in policymaking. As a consequence, after 21 years of life, and despite a series of piece-meal reforms, the Greek regions still occupy a precarious position in the domestic politico-administrative system.

Generally speaking, the present territorial setting is characterized by vagueness and uncertainty as to the distribution of roles and levels of responsibilities between the four current levels of government. Besides, this incomplete and imprecise devolution of powers was not accompanied by the financial emancipation of the subnational levels of government. Far from it: the Greek fiscal system remains highly centralized, the Ministry of Economy retaining almost complete control over all categories of revenue and expenditure10 (Andreou 2006, 243–6). There is very little evidence on the nature and the degree of subnational mobilization in the region of Epirus. Nevertheless, it has been documented that in the second CSF (1994–1999) the participation on behalf of local groups and associations was of very limited significance. Subnational actors were described as having little knowledge on the state of development of region and country and documenting their proposals inadequately (Hatzaras 2005, 15). Consequently, it appears that the institutional potential of the region of Epirus is limited.
The financial and geographical scale of EU programmes in Epirus; regional versus national programming

Since 1989, the region of Epirus has received a substantial amount of EU funding in the name of cohesion. First, during the past three programming periods (1989–1993, 1994–1999, and 2000–2006) the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the ‘Guidance’ section of the European Agriculture Guarantee and Guidance Fund have co-financed three successive ROPs that are tailored – in theory, at least – to the specific development needs of the region. Secondly, Epirus has benefited from three generations of nationwide sectoral OPs covering a wide range of activities (infrastructure, education and training, business support, environmental policy, rural development, information society, health policy, etc.). Third, since 1994, the Cohesion Fund has financed a number of projects in Epirus in the areas of transport infrastructure and environmental policy. Lastly, several actions under the Community Initiatives (CIs) have been implemented in the region.

Table 1 provides a general overview of the amounts committed in the framework of these diverse programming instruments. The relevant sums are broken down into five major areas of expenditure: a) human capital; b) environment, culture, and tourism infrastructure;11 c) infrastructure; d) entrepreneurship; and e) technical assistance (including actions on publicity and information).

An examination of this table leads to some interesting observations. First, it is worth noting that the financial weight of the two ROPs is less significant than the contribution of the non-regional co-financed OPs and projects.12 Second, there is a spectacular increase in the committed amounts for Epirus under the third CSF; the rate of increase in the budget of the ROP is roughly proportional to the average rate of increase. Third, the overall predominance of expenditure on infrastructure is striking. Fourth, expenditure on entrepreneurship in the region of Epirus is undertaken mainly by the sectoral OPs (although there is a significant increase in the share of the ROP in the period 2000–2006). Conversely, expenditure on environment, culture, and tourism is provided largely by the ROPs. Finally, activities aiming at the development of human capital are funded mainly by the sectoral OPs, and this trend is heavily reinforced in the period 2000–2006. As a consequence, it makes sense to assume that the ROP Epirus will have a relatively modest contribution in terms of cohesion added value.

The administrative system

Before the Integrated Mediterranean Programmes13 and the launching of cohesion policy, Greek regional planning had an indicative character that served, at best, as a framework to orientate public interventions in infrastructure and investment incentives, and at worst as wishful thinking for pre-electoral announcements by local politicians (Plaskovitis 2006, 1). Given that the – highly centralized – core administrative structures of the country have remained unchanged since 1989, the institutions that have taken over the monitoring and managing of the co-financed OPs are SF-specific (in other words, differentiated). Then again, it is important to determine whether these new institutions have become integral parts of the highly problematic mainstream public administration,14 or, conversely, whether they have acquired significant institutional and policy autonomy.

Since 1989, SF programmes in Greece are coordinated by the central government and administration. The Ministry of Economy (ME) has assumed a tight control over
Table 1. Region of Epirus: total public expenditure, 1994–2006 (EU€ million, current prices).

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<tr>
<td>Environment, Culture, Tourism</td>
<td>48.154</td>
<td>16.795</td>
<td>64.949</td>
<td>81.392</td>
<td>35.372</td>
<td>116.764</td>
<td>181.713</td>
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<tr>
<td>Infrastructure</td>
<td>232.411</td>
<td>307.593</td>
<td>540.004</td>
<td>409.689</td>
<td>584.222</td>
<td>993.911</td>
<td>334.162</td>
<td>1,868.077</td>
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<tr>
<td>Entrepreneurship</td>
<td>17.936</td>
<td>172.701</td>
<td>190.637</td>
<td>85.457</td>
<td>237.919</td>
<td>323.376</td>
<td>514.013</td>
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<tr>
<td>Total</td>
<td>318.970</td>
<td>545.260</td>
<td>864.230</td>
<td>617.127</td>
<td>1,048.862</td>
<td>1,665.988</td>
<td>334.162</td>
<td>2,864.380</td>
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Note: The period 1989–1993 is not covered due to insufficient data for the expenditure outside the ROP; the numbers for the period 1994–1999 represent actual payments, while the numbers for the period 2000–2006 stand for committed amounts.
all stages of the policy process. EU cohesion policy in Greece is thus a national development policy. Throughout the period 1989–2006, policy monitoring was undertaken by a Monitoring Committee (MC) for the Community Support Framework (CSF) as a whole, assisted by the MCs in charge of each of the sectoral Operational Programmes (OPs) and the 13 ROPs. These MCs were made up of national administrators (for the sectoral OPs) or regional and prefecture officials (for the regional OPs), Commission officials, a representative of the ME, and representatives of the relevant social partners. The size of the MCs depended on the size of the OP they were monitoring and the number of actors involved in its implementation. The MCs usually met once or twice a year and had a permanent secretariat staffed by civil servants of the relevant ministry or region. The membership of the MCs has been progressively extended, with more subnational and non-state actors participating in each successive CSF; however, the monitoring system has remained centralized and hierarchical.

During the first two programming periods (1989–1993 and 1994–1999), the services that were in charge of the management of the sectoral OPs and the ROPs were the ministerial and regional secretariats, respectively. There was little infrastructure, and low quality of human capital to support these OPs at the regional level. The ministerial and regional secretariats were in an inferior position with regard to the ME, and had to comply with the demands; at the same time, they retained some degree of formal autonomy owing to the fact that they were directly responsible to the Ministry of Home Affairs, Public Administration, and Decentralization. On balance, the performance of the new regional entities was disappointing, as the regional authorities were unable to perform many of their tasks and had to rely on the ministries (essentially on their services at the prefecture level), which themselves were inefficient and/or unwilling to devolve their powers (Andreou 2006, 248–9).

However, things started to change during the second CSF. At the initiative of the Commission (which pushed for the creation of SF-specific administrative structures), a number of specialized institutions were established. These were the Management Organisation Unit (MOU), the Hellenic Centre for Investment (ELKE), the Joint Steering Committee for Public Works (MEK), the Expert Agent for the Sampled Quality Control of Infrastructure Projects (ESPEL), and the National Accreditation Centre for Continuing Vocational Training (EKEPIS). Moreover, a number of semi-independent companies were set up to manage major infrastructure projects according to the Public–Private Partnership (PPP) model. Of particular significance for the ROPs were the activities of MOU: in 1997–2000, after a series of lengthy and rigid selection procedures, the MOU recruited 13 ‘teams of administrators’ that were posted in the regional secretariats and took over the management of the ROPs.

Finally, with the advent of the third CSF (2000–2001), the administrative structures of the SFs underwent a general overhaul, as the management of all OPs was transferred to Managing Authorities (MAs) – ‘special services’ falling under the authority of the responsible ministry or region. These new agencies (including the bodies under the ME responsible for the coordination of management, paying, evaluation, and control) were staffed by personnel selected by the MOU under the scrutiny of the Commission. On the other hand, the hierarchical nature of the system was further enhanced, with the ME assuming the overall responsibility for ‘sound management’.

To conclude, since 2000, the administrative system of cohesion policy in Greece has become centralized and hierarchical. It also presents two very interesting features: firstly, it is managed by technocrats operating ‘outside’ mainstream public
administration; secondly, it is embedded within the traditional state structures (the ministries and the regions), and thus is not immune from political control, especially in the framework of the MCs. In other words, it appears that the current administrative structures, while complying with the official management requirements of the EU, do not facilitate the maximization of policy, operational and learning added value of cohesion policy at the regional level.

The maturity of programming experience

The Greek experience testifies to the existence of an evolutionary process regarding the maturity of programming experience. In the first and the second CSF, ‘accommodation’ was undoubtedly the basic priority of all planning, managing, and monitoring agencies. It is worth stressing that this transitory stage lasted actually for more than a decade, owing largely to the weakness of the pre-existing institutional apparatus (at both ministerial and regional level) and to the reluctance and/or inability of successive governments to reform it. As a consequence, only limited progress occurred in terms of strategic thinking, integrated management, partnership, project selection, monitoring, and so on. At the same time, the administrative reforms initiated in the second half of this period generated some potential for the creation of added value at the central level, primarily in the area of transport infrastructure (Paraskevopoulos 2005).

It can be argued that, thanks to the general reform described in the previous section, the beginning of the third CSF signalled a move towards the next evolutionary stage, ‘development and innovation’. Specifically, the importance of the new MAs as would-be generators of added value cannot be overstressed. It remains to be seen, however, whether these new institutions have actually been able to fulfil this potential in the face of a weak and underperforming public administration. Moreover, one should not forget that the new regional MAs are not integrated in the regional administration, and are not perceived as representatives of regional interests.18 This fact does cast some doubt on the assumption that the new administrative system can create significant policy, operational and learning added value at the subnational level. Anyway, only a case-by-case approach can shed light on this issue; this is precisely the task of the next section.

The added value of the ROP ‘Epirus 2000–2006’: a first appraisal

Cohesion added value

It has been already noted that the financial contribution of the regional development programmes targeted on Epirus is smaller than the one of the other actions co-financed by the EU and undertaken on a national scale. This difference is also reflected on the macroeconomic impact of the abovementioned interventions. According to a study of the Technological Educational Institute (TEI) of Epirus (2006), in 1994–2006, per capita GDP in Epirus increased by 8.39% because of EU funding. Specifically, the contribution of the sectoral OPs and CIs was 4.07%, the contribution of the two ROPs was 2.25% and the contribution of the Cohesion Fund was 2.07% (Table 2).

A comparison of Table 2 with Table 1 yields two rather disappointing results. Firstly, the macroeconomic impact of the ROPs is disproportionally small in relation to the other interventions (while the opposite is the case for the Cohesion Fund). Secondly, despite the increase of funding in 2000–2006, GDP in Epirus grew only by
0.8% thanks to the ROP (while the relative impact of the ROP 1994–1999 was 1.45%). This deterioration must be attributed largely to the significant delays in the implementation of the ROP 2000–2006 (to be discussed later).

In terms of its programming content, the ROP 2000–2006 has received a positive verdict. In the words of the Mid-Term Evaluation (Hypodromi SA et al. 2003: 2), the ROP is judged as a comprehensively and appropriately designed Programme, whose development philosophy and strategy still remain valid and correct, while its design is characterized by strong internal coherence and synergy.\(^{19}\) It was noted, however, that in successive stages of planning, a progressive ‘flattening’ of the initially set objectives and priorities of the Region was observed, as a result of external guidance and/or, sometimes, imposition of choices by the central authorities on the Region.

On the other hand, implementation has been far from successful. A series of evaluations (Hypodromi SA et al. 2003, 2005) conclude that the progress of the ROP is ‘not satisfactory’ in either physical or financial terms. This delay has been largely caused by a combination of factors beyond the control of the region’s authorities. Special mention is made of the inability of the central authorities to create the necessary technical, legal, and institutional conditions for the implementation of several large projects – some of which, while lacking any regional focus, were imposed on the region at the initial planning stages of the ROP.\(^{20}\) That said, it has been also recognized that many local stakeholders (and especially the smaller municipalities) failed to meet the increased managing and monitoring requirements of the EU regulations.\(^{21}\)

These deficiencies have had a further detrimental effect on the allocation of resources and, more generally, the added value of the ROP: in their effort to adhere to the ‘n + 2’ rule,\(^{22}\) the national and regional programming authorities resorted to successive revisions, the main aim of which was to transfer funds to the measures ensuring the maximum rate and speed of absorption. It is obvious that, under these circumstances, there has been very little room for the implementation of innovative regional development initiatives.

### Political and policy added value

EU cohesion policy has surely made the EU more visible in Epirus; the presence of large numbers of blue signposts bearing the ring of 12 stars alongside many local roads and public buildings testifies to this. Moreover, the EU has a positive public image, which is largely associated with cohesion policy.\(^{23}\) However, there is no evidence that cohesion policy – or the ROP Epirus in particular – has encouraged regional and local organizations to become involved in European political and policy debates or to ‘internationalize’ their operations.

As it has already been mentioned, although the ROP has strengthened the strategic dimension of policymaking in the region, its added value in this domain is

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**Table 2. The macroeconomic impact of EU cohesion policy in Epirus, 1994–2006 (first quarter).**

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<td><strong>ROPs</strong></td>
<td>1.45%</td>
<td>0.8%</td>
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<td><strong>Sectoral OPs and CIs</strong></td>
<td>1.9%</td>
<td>2.16%</td>
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<td><strong>Cohesion Fund</strong></td>
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<td>2.07%</td>
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circumscribed by the omnipresence – and ineffectiveness – of the central government and administration. The reform of the managing system in 2000–2001 has led to the improvement of vertical and horizontal coordination of cohesion policy in Epirus, at least at the strategic level. Still, there is insufficient horizontal coordination at the implementation stage. For instance, the MA of the ROP does not possess detailed information about the progress and the impact of the interventions carried out by other OPs in the region. At the same time, the mainstream regional administration lacks the human and technical resources to perform policy planning; this role has been assumed by the MA of the ROP, which effectively functions also as policymaker.

Evaluation of the implementation, management, and auditing systems of the ROP has revealed a generally satisfactory picture as to the comprehensiveness, effectiveness, and efficiency of the organization and operation of the MA of the ROP, the clarity and effectiveness of the implementation, monitoring and auditing mechanisms, the procedures for project selection, and the compatibility of the programming and implementation systems with EU policies and priorities. On the other hand, significant weaknesses are observed on the part of some of the final beneficiaries of the ROP (especially the smaller ones) in matters such as the regular collection and submission of the necessary monitoring data or their full adjustment to the managerial demands related to the management information system of the CSF; these shortcomings led to significant delays in the registration of physical progress and payments in some measures of the OP (Hypodomi SA et al. 2003).

Operational added value

Application of the partnership principle in the framework of the ROP Epirus 2000–2006 has not led to spectacular policy improvements. While the participation of subnational and social actors in the MC of the ROP has certainly improved transparency, very little progress has been made in the area of collaborative working and cooperation. Generally speaking, local governments (prefectures and municipalities) lack the administrative, political, financial, and informational resources to influence programming; in most cases, their participation in the MC is all but symbolic. Consequently, the MC is being dominated by the MA, which effectively dictates policy-making.

Then again, these actors possess enough political influence to place themselves in the list of final beneficiaries, undertaking mainly small infrastructure and training projects. As a consequence, they are often granted projects without having the necessary resources and capacity for management and monitoring.

At the same time, it is worth mentioning that, thanks to the assistance of the ROP, a number of ‘development companies’ – controlled by local governments and local interest groups – have been set up. The main area of activity of these entities is the implementation of interventions financed by the ROP and the other OPs in the region.

Learning added value

The establishment of a new management system in 2001 and the growing planning and implementing maturity have certainly encouraged learning. Moreover, the role of experts has become more important in the period 2000–2006. The main catalyst for change is the MA itself. Its establishment has led to a significant improvement in both
the quantity and the quality of personnel, and has also generated some diffusion of
good practices. However, the smaller subnational actors are inherently weak and often
express a ‘traditional’ mentality.

This phenomenon can also be viewed as learning lag. For instance, in the deliber-
ations preceding the adoption of the new ROP for 2007–2013, the MA of the ROP
found it very difficult to convince the local authorities that a strategy shift from ‘hard’
to ‘soft’ actions is necessary and that they must upgrade their capabilities as final
beneficiaries.27

On top of that, one should not forget that expertise has increased almost exclu-
sively in the area of management, and that policy formulation remains a task of the
conventional regional administration, which remains untouched by reform. As a
consequence, regional policy planning for 2007–2013, despite the widening of participa-
tion, was again dictated by the MA of the ROP.

Conclusion
This paper attempted to take advantage of the concept of added value in order to
explore the quantitative and qualitative impact of the ROP ‘Epirus 2000–2006’. Two
economic studies and a short trip to Epirus provided enough material for a first
appraisal, which yielded some interesting results. The main conclusion is that, despite
institutional innovations and accumulating planning and implementing experience, the
contribution of the ROP to economic development, policy innovation, and subnational
mobilization in the region of Epirus has been meagre. In other words, while the estab-
lishment of a new MA in the beginning of the programming period led to visible
improvements in policy delivery, this change did not bring about significant advances
in the policy dimensions explored.

This finding brings to light the importance of mediating factors, and of the nature
and quality of governance in particular. Operating within a highly centralized (and
simultaneously politically fragmented) system, and having to work together with a
very weak regional administration and a multitude of equally weak but politically
effective local actors, the MA had little room for manoeuvre. At the stage of policy
planning, the regional actors were obliged to conform to the blueprint from the Minis-
try of the Economy (which had followed a general compromise between the most
powerful ministries), while having very few original ideas of their own. At the imple-
mentation stage, the MA had to concentrate its efforts on meeting the immediate
management demands – and on assisting many final beneficiaries who were unable to
do so.

Furthermore, while the delivery system itself has undergone a number of reforms,
virtually all the regional and local actors involved continue to operate according to
‘traditional’ criteria. The overall picture is one of a novel but immature administrative
apparatus that is operating alongside consolidated, grant-dependent, and rent-seeking
structures. Such being the case, it is no surprise that the quantitative and qualitative
added value of the programme has been significantly restricted.

It must not be assumed, however, that this judgment is unique to the ROP Epirus: there are strong indications that all Greek ROPs have been suffering from the same
shortcomings (Hypodomi SA et al. 2003). The experience of Epirus – and, one can
argue, of most Greek regions – suggests that, in the absence of serious domestic
institutional reforms, EU regional programmes in underdeveloped and centralized
(multiregional) countries do not have a strong potential for generating added value.
Given this, the possibility of placing greater emphasis on a national approach to cohesion policy and/or of focusing on improving institutional infrastructure is worth considering.28

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Notes
1. Hence, in its Second Report on Economic and Social Cohesion, the Commission ascertained that any reform of cohesion policies should take the opportunity to increase the added value and the visibility of Community policy (EC 2001).
2. ‘The partnership principle is a fundamental principle underpinning all aspects of cohesion policy – programming, implementation, monitoring and evaluation – and has now been widely accepted as a key element of good governance. The system of multi-level governance, based on strategic approach and involving Community, national, regional and local authorities and stakeholders helps to ensure that actions are adapted to circumstances on the ground and that there is a genuine commitment to success’ (EC 2007a, 4).
3. Several EU countries have adopted ‘composite systems’ that rely on domestic systems but with additional, SF-specific elements. A more detailed analysis of SF decision-making systems is made by Taylor, Bachler, and Rooney (2001).
4. The pressures of understanding and accommodating a new type of policy in a short space of time allow limited opportunity for adding value in areas such as strategic thinking, integrated programme management, partnership, project selection, monitoring, etc.
5. This concept describes the changing relationships between actors situated at different territorial levels across the EU, highlighting the increasingly blurred distinction between domestic and international politics (Marks 1993; Marks et al. 1996; Hooghe 1996). According to its advocates, multilevel governance is prominent at the implementation stage of cohesion policy.
6. The term ‘Europeanization’ is usually used to describe processes of constitution, diffusion and institutionalization of formal and informal rules, procedures, policy paradigms, styles, ‘ways of doing things’ and shared beliefs and norms that are first defined and consolidated in the making of EU decisions and then incorporated in the logic of domestic discourses, identities, political structures and public policies (Radaelli 2000, 3).
7. In both accounts, learning is seen to be a feature of change, but has a different meaning in each. The central distinction is between ‘thin’ (or single-loop) and ‘thick’ (or double-loop) forms of learning. Thin learning refers to the readjustment of actor strategies to allow them to achieve unchanged goals in a new context, or how to get around an obstacle by using a menu of well-known responses in various ingenious ways. Thick learning involves a modification of actors’ values, and thus a reshaping of their preferences and goals (Bache 2008a, 5).
8. For a discussion of these approaches in the context of cohesion policy, see Andreou 2007, 1–2.
9. It must be stressed, anyway, that the conceptual usefulness of the notion of added value does not extend beyond the study of the implementation of cohesion policy.
10. The Ministry of Economy has the first and the last word regarding the yearly allocation of the Public Investment Programme. The latter covers all investment expenditure, including the national co-financing of EU programmes.
11. Direct aid for tourism is classified under the ‘entrepreneurship’ heading.
12. This ‘division of labour’ brings into the forefront the question of compatibility between the goals of regional and national development; this is surely an issue that merits a more detailed examination when assessing the added value of the ROP 2000–2006.
13. The Integrated Mediterranean Programmes (1985–1992) acted as pilot cases for the continuous stream of obligatory planning frameworks and operational programmes, which stemmed from the post-1988 revision of Community structural policy. Nevertheless, they were drafted and implemented essentially by the central authorities in a piecemeal manner, and had no impact on regional administrations (Andreou 2006, 247).

14. The domestic institutional infrastructure is characterized by: low level of expertise involvement in policy formulation and/or consultation, especially in the form of think-tanks; a relatively strong resistance to change closely linked to the patterns of interest intermediation; low level of social capital and weakness of civil society, accompanied by the predominance of political parties (the so-called ‘partitocracy’) and clientelism in the policy process; limited and problematic/not fully institutionalized fora for dialogue and negotiation; low presence of PPPs (Paraskevopoulos and Leonardi 2004, 343).

15. In 2000–2006, the ME hosted all central planning, managing, monitoring, and evaluating bodies. It was in charge of the coordination, monitoring, and evaluation of the various OPs; it represented Greece to the Commission; it was solely responsible for the Cohesion Fund, the OP ‘Information Society’ and Interreg III, and managed the Community Initiative ‘Urban II’ in cooperation with the Ministry of the Environment, Physical Planning and Public Works.

16. Their number has varied in each programming period.

17. MOU is a non-profit institution reporting to the Ministry of Economy that is responsible for the supply of advice, administrative tools, and know-how to the monitoring authorities and the implementation agencies. It was founded in 1996, following a joint decision by the Greek government and the Commission that was expressed in a Memorandum defining its nature and functions in detail.

18. They have a specific legal status; they are task-specific; they are staffed by technocrats selected by a central institution; they operate according to ‘Europeanized’ rules, and are accountable to the MEF.

19. The analyses carried out by the Evaluator (based mainly on the Methods for Evaluating Activities of a Structural Nature (MEANS) methodology developed by the European Commission) revealed that the individual measures of the ROP show strong coherence with the strategic goals and objectives of the OP, the operational objectives of the corresponding priorities, the positive and negative factors brought out by the strengths, weaknesses, opportunities, and threats, (SWOT analysis), the objectives of the horizontal policies of wider European Union interest, the principal objectives and guidelines of the New European Strategy for Employment, the pillars of the National Action Plan for Employment and the goals of the National Action Plan for Social Inclusion, while they also exhibit strong synergy with each other.

20. Characteristically, until 2005, an amount equal to 16.2% of the total public funds allocated to the ROP remained ‘frozen’ because of the immaturity of one single large project (a part of the Western Greece Motorway planned by the Ministry of the Environment and Public Works).


22. At the beginning of the programming period, annual financial allocations were made to each OP. The amounts available for each OP must then be spent by the end of the second year following the year in which they are allocated.

23. Interview with an official of the MA of the ROP Epirus, 11 April 2008.

24. Ibid.

25. Ibid.

26. Ibid.

27. Ibid.

28. This is essentially a repetition of the proposals of the Sapir report on cohesion policy (Sapir et al. 2003, 146–7).

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