Final Report
(Executive Summary)

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EU Enlargement and Multi-level Governance in European Regional and Environment Policies: Patterns of Institutional Learning, Adaptation and Europeanization among Cohesion Countries (Greece, Ireland and Portugal) and Lessons for new members (Hungary and Poland)

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1. Introduction

This booklet is a collection of summary reports to signal the completion of the ADAPT project by presenting an overview of the conceptual and methodological framework of the project, summarizing the main comparative results on the two policy-areas and the five countries under consideration and providing some lessons for the CEECs and some broader policy recommendations for European, national and regional/local policy-makers. The summary papers included in this booklet have been based on the work undertaken by all the project’s participants throughout the duration of the project and have been revised following the comments received by the external participants during the final workshop of the project in Brussels on the 13th of October 2003. External participants included: Dr P. Fisch (DG Research), Dr Rodolfí (DG Regio) and Mr Saramandis (DG Regio).

The following reports have been based on the work undertaken by all the project’s participants:

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2. Theoretical, conceptual and methodological framework on adaptation and Europeanization

The project has focused on facilitating the adaptation process of the prospective new member states of the EU (CEECs-Hungary, Poland) to the multi-level system of governance in the regional and environmental policy areas, by conceptualising learning, institutional and policy adaptation within the EU system of governance, and by drawing lessons from the experience of previous enlargement waves’ -Cohesion- countries (Ireland, Portugal, Greece). Hence, its main goal has been twofold: first, to evaluate, on a comparative basis, the impact of Europeanization of public policy on the governance structures of three traditionally unitary previous enlargement waves’ -Cohesion- countries (Ireland, Portugal and Greece), and their response, in terms of learning and adaptation, to the European environment in the regional and environmental policies; and second, to utilize this research outcome in identifying the appropriate reforms that the new member states, and in particular Poland and Hungary, should undertake, in order to facilitate the adaptation and adjustment of their public policy (administrative and governance) structures to the -new- European environment in the selected policy areas.

Within this framework, in regional policy –and especially in the case of the Cohesion and CEE countries- Europeanization has been viewed as an independent variable crucially affecting and challenging well-established structures within the domestic systems of governance and playing an important role in the administrative restructuring and devolution processes within the member states and in enhancing the institutional capacity at the sub-national (regional and local) levels. In particular, its impact on the regional and local policy-making arenas has been supposed to be twofold: a direct one, by providing increased resources through redistribution; and an indirect one, by shaping intra-regional interactions and thus promoting local institutional capacity through the creation of intra, inter and transregional networks that support local development initiatives. In that respect, the Europeanization function in regional policy may be considered as almost synonymous to “sub-national mobilization” at the European level.

In the environmental policy Europeanization has traditionally been interpreted as a process by which new member states, either contribute to the formulation and/or advancement of the EU environmental policy towards their own national priorities (higher standards in environmental protection), or adopt the already more advanced European regulations into their domestic policies. This takes place within the framework of the intergovernmental bargaining between the so called “pioneers-forerunners” group, consisting -prior to the last enlargement- mainly of Germany, Denmark and Netherlands, and the “latecomers” group, which comprises mainly the cohesion countries (Spain, Portugal, Ireland and Greece) (Andersen and Liefferink, 1997). This, in turn, has led to important institutional innovations in almost all cohesion countries. In this respect, especially in the case of the Cohesion and CEE countries, Europeanization has, again, been viewed as an independent variable crucially affecting and challenging well-established structures within the domestic policy-making structures in environmental policy.

The theoretical part of the project has explored the academic and political debate on the EU multi-level system of governance in public policy in general and in regional and environmental policies in particular, with emphasis on exemplifying the notion of
institutional “goodness of fit” as a crucial intervening variable affecting policy and institutional change at the national and sub-national levels of government. The outcome of this exploration constitutes a comprehensive theoretical framework for understanding any possible differentiation in the transformation of governance structures between the Cohesion (Ireland, Greece and Portugal) and the CEE (Poland and Hungary) countries.

The empirical part has involved comparative case studies in regional and environmental policies in all participating Cohesion and CEE countries, incorporating analyses of both the national (central state) and sub-national policy-making structures. Based on the empirical findings the research has: first, identified any possible differentiation in learning, adaptation and Europeanization processes among the three Cohesion countries; second, explored the emerging different patterns in the transformation of their governance structures (patterns of multi-level governance); third, identified the appropriate reforms –if any- for the Hungarian and Polish regional and environmental policy-making structures to improve their capacity for adaptation to the EU policy environment.

Finally, the conceptual part has concentrated on exemplifying the qualitative features of a governance paradigm that fosters learning and adaptation processes in EU public policy in general and regional and environmental policies in particular, based on the notion of institutional “goodness of fit”.

The methodology has been based on comparative public policy research methods focusing on measuring the impact of the Europeanization process on domestic institutional structures and systems of governance. In particular, it has involved quantitative and qualitative analyses of a wide range of socio-economic data (national and regional) of the relevant case studies in the participating countries and Social Network Analysis (SNA) at the domestic (national and sub-national) levels of governance. This methodological approach has enabled a comparison between complicated systems of interactions, focusing on both interactions among actors and interactions between structural and cultural features. Thus in regional policy the research has concentrated on the implementation of Structural Funds programmes (National and Regional Operational Programmes) in selected regions of the three Cohesion countries, while in the CEECs specific regions have been selected as well, according to relevant criteria (i.e. border or disadvantaged regions, PHARE regions). In environmental policy, a specific policy area (Waste Management) has been selected for facilitating the comparative analysis among the countries.

Given the specific criteria that have been identified for measuring the impact of the Europeanization process on domestic institutional structures and systems of governance, the research has focused on evaluating the following aspects of public policy, which correspond to the six research objectives of the project: a) qualitative and quantitative analysis of policy implementation; b) policy change/policy adaptation; c) contribution of the private sector to the implementation of the EU programmes; and d) level of network development/institution-building. Additionally, for capturing all aspects of the “goodness of fit” -namely on both strands of the “new institutionalist divide”- the project has also concentrated on the following crucial aspects of public policy-making: a) identification, through SNA, of points of resistance to change, that is multiple veto points –if any- at the national and regional levels; b) identification, through SNA, of the level of expertise (i.e. think-tanks, professionals) involvement in the policy-making process and subsequently of the presence of relevant forms of governance, i.e. epistemic/advocacy/issue networks, at the national and sub-national levels; and, c) identification of social capital, as crucial informal norm/institution playing a key role in the creation of co-operative (political and/or organizational) culture at the national and sub-national levels of government.
Finally, for the evaluation of the learning capacity of the domestic institutional infrastructure (institutional networks), the following criteria have been used:

a) Given the importance of dialogue and communication for the learning process, the presence of fora for dialogue, such as conferences and committees focusing on specific fields, will be used as the first indicator for the identification of learning;

b) The building of new institutions and the expansion of the already existing institutional networks, bringing in new actors in response to changing external conditions that necessitate new policy areas and subsequently new sources of information and knowledge, are seen jointly as the second criterion for learning capacity;

c) The problem identification procedures and the gradual achievement of general consensus among the actors about the problem, which can be seen as the previous stage of the Sabel’s ‘learning to co-operate’ capacity, constitutes the third indicator of learning;

d) The presence of a good amount of formal and informal communication channels among the policy actors of the public sphere, broadly defined, and private interest actors (firms), whereby the public/private divide is being overcome, is seen as the last but not least necessary prerequisite for institutional thickness and learning.
3. The Cohesion and the CEE countries – The Europeanization of regional development, domestic governance structures and adaptation

Introduction

In this summary we look comparatively at the Europeanisation of regional development in the cohesion and CEEC states, focusing on the domestic governance structures and adaptation. The report analyses and compares the adaptational pressures and reactions in the cohesion states (Greece, Ireland and Portugal) and the CEECs (Hungary and Poland). We consider the degree to which the pre-existing domestic governance structures in the cohesion states enabled adaptation to EU policy, and whether the domestic structures fitted with EU policy, or created policy misfits. It is often assumed that EU policy is a major catalyst for policy adaptation and institutional change, and that the reform of the EU’s structural funds in 1988, created pressures for such change in the cohesion states. This assumption, however, needs to be examined in the overall context of the domestic structures and civil society in each of these states. The new regional policy requirements were likely to challenge pre-existing national approaches to regional policy as the states were required to adopt new National Development Plans/CSFs in congruence with EU regulations. Were the cohesion states in a position to meet this challenges and what lessons can we draw from these experiences for the CEE states? The 1988 and subsequent reforms challenged the states to change their approaches to regional policy planning and particularly required a broadening of the consultation process, thereby ensuring that both public and private actors at the regional and local levels were involved with central state actors in the policy-making process. Similar types of challenges to the domestic governance structures and civil societies have faced the CEE states in preparing for accession and responding to the pre-accession instruments in regional policy making and implementation.

The report is organised around three core Parts. Part A looks at both the cohesion and the CEEC countries and the evolution of policy misfits and adaptational pressures in regional policy. Part B examines the five cases and the goodness of fit of the domestic governance structures by considering in each country (a) the evolution of central state policy-making, (b) the resistance to change, both at an institutional and societal level (c) the participation level of the non-state actors (e.g. private actors, experts, etc) in regional policy making and (d) civic culture. Finally, in Part C an assessment of the learning capacity in each of the five states is examined by looking at the learning capacity of the domestic governance structures, the range of actors involved in regional policy and the societal context. In particular, our conclusions draw on a range of qualitative data and on the Social Network Analysis undertaken in each of the case study regions.
Part I: Europeanisation Of Policy-Making And Domestic Levels Of Governance

The Evolution of Policy Misfits and Adaptational Pressures

In examining the goodness of fit (or misfit) between EU regional policy and the domestic structures in the five states we find that all of the states have faced considerable difficulties, or adaptational pressures, to varying degrees. In no case could it be observed that there was an initial ready fit between EU policy requirements and existing domestic political and social structures.

With the exception of Ireland, the transformation of the systems of governance primarily through administrative restructuring, devolution and decentralisation in the other participating cohesion (Greece, Portugal) and CEE (Hungary, Poland) countries - put forward as necessary steps towards meeting the EU conditionality criteria and facing the challenges of Europeanisation - have coincided with the transition from authoritarianism. Thus Europeanisation is associated with democratisation and modernisation, and should be viewed as a primarily independent variable, affecting the institution building and learning processes at both the national and sub-national levels of government. Consequently, in regional policy, Europeanisation has led to substantial administrative restructuring, involving devolution, network creation and institution building at the national and more importantly at the sub-national level of government in all these countries, albeit in varied degrees. In Ireland, on the other hand, Europeanisation is viewed as significantly affecting the governance structures that are traditionally based on the so-called Westminster model of government.

Therefore, in sum, the degree of adaptational pressures facing all the participating countries should be considered as generally high, though a crucial diversification variable might be the duration of authoritarianism. Nonetheless, other domestic variables, such as culture and institutional infrastructure, may be important in accounting for variation in the degree of adaptational pressures than merely the duration of authoritarianism.

Part II: Goodness Of Fit Of Domestic Governance Structures

Section 1: Evolution of central state policy-making structures

Focusing on the evolution of the central state policy-making structures it needs to be noted that there have been varying degrees of change in each of the states arising out of Europeanisation and in response to adaptational pressures.

In all three of the cohesion states there have been changes in the way and manner in which the central state policy-making process manages EU regional policy. In Greece and Portugal the existing central state structures and administrative processes made it initially hard to adapt existing practices and approaches to cope with the exigencies of EU policy. Whereas in Ireland, while there was also a traditional reluctance to develop a strong regional policy, the reforms of the structural funds accelerated the change in national policy-making practices and procedures, and acted as a catalyst to broaden the range of actors involved in the planning and implementation of interventions. Ireland, of course, having joined the EEC in 1973, had a greater understanding and knowledge of how the EU worked than Greece or Portugal, as well as having a different history from the other two cohesion states. The key
point here is that Ireland has had a much longer period to adapt its domestic structures and policy-making processes to EU membership, and while the adaptation is far from complete, it has learnt valuable lessons from its work with the DG Regional Policy in the Commission (as well as other EI institutions) from its early experiences with the structural funds.

Nevertheless, the cohesion states have adapted their national administrations and regional structures in response to the requirements of an evolving EU regional policy. The change in structural funding has induced a certain amount of social learning and adaptation of domestic institutional structures, especially at the sub-national levels. In the cohesion states, significant administrative change has occurred, with administrative reorganisation and changes in the responsibilities and roles of central government departments evident. New sub-national regional actors have been created in two of the three states; perhaps strongest in Greece, still relatively new (and weak) in Ireland and non-existent in Portugal. In Greece decentralisation did lead to the creation of a new regional tier and the introduction of administrative regions in 1987. Whereas in Ireland eight regional authorities were established in 1994 and in 1999 two regional assemblies were created. The Portuguese government adopted an approach based on decentralisation, through the Regional Coordination Commissions, and has sought to include non-state actors and local government, at least since the 2nd CSF, as an integral part of the consultation process. This is an interesting finding, given that the adaptation pressures have been high in Portugal and yet change has largely been confined to administrative reorganisation rather than formal institution creation. Such a finding raises fundamental questions about how well EU regional policy should fit with existing territorial structures, and whether it is sufficiently flexible to deal with domestic contexts.

Poland and to some extent Hungary have followed the ‘South European’ - primarily the Greek and to a less extent the Portuguese - paradigm of administrative adjustment to the Europeanisation of the policy process, involving devolution and decentralisation. This is particularly evident in the establishment of regional governance units at the NUTS II level. Given, however, the inherent weaknesses of the institutional infrastructure, especially at the sub-national level, they followed the trend of recentralisation –encouraged by the EU Commission - since the mid-1990s. Hungary is widely considered as a “frontrunner” in administrative adaptation at both the national and sub-national levels of government (Goetz and Wollmann, 2001).

The dominant issues facing Hungary and Poland in relation to their adaptation to the EU regional policy-making structures largely concern the coordination of the actions financed by EU funds (mainly Phare/CBC, ISPA and SAPARD) and the gradual adoption of the principles of concentration, programming, partnership and additionality. In Hungary this has led since 1990 to a series of reforms decentralising the state administration, re-establishing the autonomy of local governments and delegating to them broad responsibilities in delivering local public services were introduced. The formal policy-making structures for regional policy, however, were established in the period 1996-1999 by the Act on Regional Development and Physical Planning 1996 (amended 1999) and the creation of a three-tier system of Regional Development Councils at the county, regional and national levels of government. The main administrative innovation in terms of regional policy has been the establishment, in 1999, of the seven administrative regions/Regional Development Councils (NUTS 2), as the main locus for coordination of the activities of de-concentrated government departments. Decentralisation and reform of the regional governance system, however, has gone hand in hand with increasing concerns about the strengthening central administrative capacity.
Poland faces similar challenges to Hungary with the Phare, SAPARD and ISPA programmes acting as initiators of the democratic programming approach to development. Poland follows Hungary in the process of administrative reform at the central state level, demonstrating similar patterns of “enclaves” of professional and expertise excellence, mainly confined in the sectors dealing with the EU (Goetz and Wollmann, 2001). The objective of the reform of the administrative system after 1989 has been to re-establish the self-government structures and gradually decentralise the policy-making process. The reform of 1999 introduced three tiers of local and regional government territorial units, that is 16 voivodships (NUTS 2), over 300 poviats (NUTS 3) and the local level (communes-gminas). The elected regional councils (Sejmiks) and the management boards directed by the Marshal represent the self-government structures. The reform in terms of the decentralisation of competences was a success; however, lack of sufficient financial resources and over-dependence on the central government prevented regional self-governments from fulfilling their statutory roles and they are limited to drafting regional development plans (Gilowska 2001: 145). Overall, the lack of co-ordination between the national and sub-national actors and levels of government as a result of unclear allocation of competences constitutes a serious problem for the planning and implementation of the EU structural policy.

The following table summarises some of the key policy fits / misfits in the regional policy arena.
Table 1: Institutional and Policy Fit and Misfit

<table>
<thead>
<tr>
<th>State</th>
<th>Policy Fit</th>
<th>Policy Misfit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greece</td>
<td>Centralised administrative system</td>
<td>Centralised policy-making</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Poor administrative tradition</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Institution building</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lack of consensus</td>
</tr>
<tr>
<td>Ireland</td>
<td>Administrative pragmatism</td>
<td>Centralised policy-making</td>
</tr>
<tr>
<td></td>
<td>Strong civil service tradition</td>
<td>Weak local government</td>
</tr>
<tr>
<td></td>
<td>Moderate degree of institution building</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Consensual policy-making</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Strong civil society</td>
<td></td>
</tr>
<tr>
<td>Portugal</td>
<td>Centralised administrative tradition</td>
<td>Centralised policy-making</td>
</tr>
<tr>
<td></td>
<td>Deconcentration</td>
<td>Absence of institution building</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Absence of regional policy tradition</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lack of consensus</td>
</tr>
<tr>
<td>Hungary</td>
<td>Adoption of EU acquis</td>
<td>State-led policy-making</td>
</tr>
<tr>
<td></td>
<td>Growing civil service expertise on EU matters</td>
<td>National coordination poor</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Administrative capacity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Weak sub-national institutions</td>
</tr>
<tr>
<td>Poland</td>
<td>Adoption of EU acquis</td>
<td>State led policy-making</td>
</tr>
<tr>
<td></td>
<td>Growing civil service expertise on EU matters</td>
<td>Poor coordination between ministries</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Poor institutional adaptation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Institutional capacity</td>
</tr>
<tr>
<td>Country</td>
<td>Policy Misfit</td>
<td>Adaptational Result</td>
</tr>
<tr>
<td>---------</td>
<td>---------------</td>
<td>---------------------</td>
</tr>
</tbody>
</table>
| Greece  | Centralised policy-making  
          Poor administrative tradition  
          Institution building  
          Lack of consensus | Slow change  
          Slow change  
          Resistance  
          Slow change | Central structure/clientilism  
          Centralised institutions  
          Static system  
          Weak civil society |
| Ireland | Centralised policy-making  
          Weak local government | Slow change  
          Slow change | Central structure  
          Central structure/political climate/civil society |
| Portugal | Centralised policy-making  
          Absence of institution building  
          Absence of regional policy tradition  
          Lack of consensus | Slow change  
          Resistance  
          Slow change  
          Some change | Central structure  
          Central structure/society  
          Central structure  
          Weak civil society |
| Hungary | State-led policy-making  
          National coordination poor  
          Administrative capacity  
          Weak sub-national institutions | Some change  
          Improving  
          Improving  
          Slow change | Centralised structure/clientilism  
          Government  
          Civil Service  
          Centralised state/funds/ |
| Poland  | State-led policy-making  
          Poor coordination between ministries  
          Institutional Building  
          Institutional capacity | Some change  
          Improving  
          Slow change  
          Slow change | Centralised structure/clientilism  
          Government  
          Central structure/funds  
          Multiple veto points |
The patterns of change described above are evident in the types of central actors identified in the Social Network Analysis as involved in regional policy in the five regions in the following table. It is notable that in Portugal and Poland these actors are largely deconcentrated national representatives, whereas in Ireland and Hungary the key actors are institutions representative of the region and locality.

Table 3. The most central actors in regional policy in the five regions

<table>
<thead>
<tr>
<th>Notio Aigaio, Greece</th>
<th>Mid-West Region, Ireland</th>
<th>Lisbon and Tagus Valley, Portugal</th>
<th>South Transdanubian Region, Hungary</th>
<th>Lodz Region, Poland</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong> ROP Managing Authority</td>
<td>Shannon Development</td>
<td>Ministry of Planning</td>
<td>South Transdanubian Regional Development Council</td>
<td>Voivodeship Office in Lodz</td>
</tr>
<tr>
<td><strong>2</strong> Regional Secretariat</td>
<td>Mid-West Regional Authority</td>
<td>Regional Development Directorate General</td>
<td>South Transdanubian Regional Development Agency</td>
<td>Marshal Office, Department of Economy</td>
</tr>
<tr>
<td><strong>3</strong> Cycladese Development Agency</td>
<td>Limerick County Council</td>
<td>Lisbon and Tagus Valley Coordination Commission</td>
<td>Assembly of Somogy Council</td>
<td>Marshal Office, Department of Development Regional Policy</td>
</tr>
<tr>
<td><strong>4</strong> Cyclades Prefecture</td>
<td>Ballyhoura Partnership</td>
<td>Lisbon Metropolitan Area</td>
<td>Assembly of Baranya Council</td>
<td>Foundation for Enterprise Development</td>
</tr>
<tr>
<td><strong>5</strong> Dodecanese Prefecture</td>
<td>Department of Environment and Local Government</td>
<td>Abrantes Municipality</td>
<td>University of Pécs</td>
<td>Incubator Foundation in Lodz</td>
</tr>
</tbody>
</table>

Section 2: Non-state actors

In the case of Portugal and Greece the evidence suggests a low level of participation by non-state actors, experts and private actors with limited fora in which participation might take place, whereas there are greater levels of organised non-state actor activity in Ireland that is aided by the existence of a range of fora at the national, regional and local levels. Both Hungary and Poland demonstrate low level of performance in all the indicators of participation and cooperative culture (fora for dialogue, expertise, PPPs and NGOs), which
may be attributable to authoritarianism. These conditions may be similar to the experience of Greece and Portugal. This of course does not necessarily mean that the performance of the latter has been dramatically improved.

**Existence of fora for dialogue and negotiation:**

In Greece there are limited fora for dialogue in which non-state actors have an opportunity to participate in the policy-making process, with regional policy still predominantly a public sector activity under the control of the Ministry of National Economy. In Ireland over the three programme periods there has been increase in the level of formal consultation and involvement of non-state actors. At the national level, non-state actors, such as the social partners, have played a growing formal role in the formulation and implementation of regional policy arising out of three National Development Plans. At the regional level, in the Mid-West the preparation of the second (and also the third) NDPs involved an extensive consultation process (Quinn 1999). The Social Network Analysis highlights the key role played by the Mid-West regional authority, as a forum for such dialogue. In Portugal there has been an incremental and growing involvement of non-state actors in the planning process, reflecting a slightly stronger civil society than in Greece. The central actors remain the Ministry of Planning and the Regional Development Directorate General. At the regional level, the Lisbon and Tagus Valley Coordinating Commission, provide the main forum for dialogue.

In Hungary the Regional Development Councils constitute the main fora for dialogue. At the central state level, the National Regional Development Council is viewed as the most important forum for dialogue, despite its consultative role in policy formulation. At the regional and county levels the crucial role of the respective Development Councils, as fora for interest intermediation, dialogue and policy consultation is revealed by their central position within the regional policy network (see Palme et al., SNA Report, 2003). In Poland the existing fora for dialogue at both the national and sub-national levels of government are related to institutional innovations brought about, either directly or indirectly, by the Europeanisation of policy-making. Thus, as the fieldwork suggests (Czernielewska et al., SNA Report, 2003), the main fora for dialogue at the national level, such as the Agency of Enterprise Development, the Agency for Regional Development, the Agency for Agriculture Market and the Committee for European Integration, mostly deal with either the administration or distribution of pre-accession funds. At the regional level, on the other hand, the main forum for dialogue is the Marshall’s Office.

**Role of experts:**

In all five states the role of policy experts, such as research centres and individual experts, is fairly limited. In Greece, there is very limited evidence of any involvement in the Notio Aigai region. In Ireland and Portugal the role of experts remains limited but has grown reflecting an increasing use of independent experts for policy analysis and assessment, although largely integrated into the existing central government policy-making frameworks.

In Hungary there has not been identified significant presence of expertise - in the form of think tanks - in the formulation of policy. There is some evidence, however, of issue-specific networks. Thus, at the regional level, the development council is assisted by a non-profit regional development agency, operating as a public utility company and participating in the management of the Phare pilot programme. There is no evidence of expertise involvement in the policy-making process in the form of think tanks in Poland. Experts’ involvement is usually constrained to professional and advice consultancy on the drafting of legislation while
the implementation stages are characterised by the predominance of the central government administration.

**Role of the private sector:**

In all the cases private interest actors do not play a direct role in policy-making, but are often involved in the implementation of programmes. In Greece most interviewees considered private actors, such as trade union and associations, to be poorly informed. The exception are the chambers of commerce. In Ireland individual private actors and private organisations are not involved in policy-making, but are involved through associations and chambers of commerce on the Mid-West’s EU operational committee, although not on the regional authority’s management or operational committee. In the private sector in Portugal there is a wide range of profit and non-profit organizations but with relatively little involvement in national or regional fora. The interviews with actors suggested that there has been an increase in the number of entrepreneurial associations at local level. The major objective of these associations is to develop lobbying power with regard to national decision makers, namely ministries, in order to obtain financial support.

The level of private sector and PPPs participation in the Hungarian policy process is generally low. The only significant actors are associational actors, namely Chambers of Commerce, but with limited representation at the Development Councils. In Poland the main form of private sector and PPPs participation is that of associations and primarily chambers at the regional (i.e. Polish Chamber of Textile Industry, Lodz Chamber of Industry and Trade) and local (i.e. Lodz Business Club, Chamber of International Economic Cooperation) levels, there is some presence of public-private agencies (i.e. Agency for Regional Development), which are almost exclusively related to EU programmes. In general, there are serious doubts about the success of PPPs in Poland, given the unfavourable cultural environment, in terms of lack of trust and cooperative culture (Czernielewska et.al., SNA Report., 2003).

**Participation of NGOs:**

In Greece there is limited NGO participation, outside of the two chambers of commerce, which are considered private actors. The local university is identified as an actor in our analysis, and as a part of the network, but is not a central player. The finding is not surprising, given the weakness of civil society in Greece, and the predominant role of state actors. In Ireland there are many local and regional organisations, as would be expected given a strong civil society, but many of these actors are not directly involved in regional policy. Civil society in Portugal is relatively weak, with NGOs not normally involved in the development of regional policy. The exceptions would appear to be regional business associations (e.g. Leira Regional Business Association), which do play a role in the regional process, some limited trade union activity, and lastly, Agricultural Development Associations have developed strong links with other NGOs, municipalities and municipal associations. In Hungary and Poland the presence and role of NGOs in the policy-making processes are very limited and is an indication of the weakness of civil society in these states. In Poland although there are numerous NGOs (around 41,500) the majority are weak and do not play significant role in the policy-making (Klon-Jawor, 2002). The legal and regulatory environment is perceived as detrimental to the development of the NGOs.

Section 3: *Resistance to change*
In all three cohesion states there have been varying degrees of resistance and evidence of veto players. The evidence suggests, however, that there have been higher levels of resistance among national level actors to EU regional policy in Greece and Portugal, than in Ireland, where such resistance has been offset by pragmatic considerations. Hungary and Poland, while considered as frontrunners in terms of learning, adaptation and Europeanisation among the CEECs, face problems of resistance to change in their domestic institutional and policy-making structures. The points of resistance are identified with both veto players/points related to specific constellations of actors/interests and crucial cultural aspects of the domestic institutional infrastructure. In this respect, they are similar primarily to Greece and secondarily to Portugal and Ireland.

**Institutionalised veto points:**

The centralised character of the Greek state has militated against successful adaptation to EU regional policy. In the Greek case strong central government departments and a weak civic culture have provided an impediment to change, resulting in incremental adaptation. In the case study, the regional secretariat and CSF managing authority were perceived central actors, although not necessarily veto points. Ireland has had a positive outlook on Europeanisation, although in practice there has also been some resistance to change at both the national and local levels. National government departments did resist attempts at devolution, preferring to adapt existing procedures and practices, and only finally accepting limited regional structures when EU funding appeared under threat. Local actors were also resistant to change and to the development of regional structures and questioned their necessity in a small state. In contrast to the Irish and Greek cases, there has been considerable resistance to change in Portugal. Notably, the referendum in 1998 at which the public were consulted as to whether regions should be created or not, lead to a no vote. This reflected opposition to creating new structures that might threaten the authority of national and local structures. The central government, and in particular the Ministry of Finance and the Ministry of Planning, are the main central players that are most likely to be veto points.

Although Europeanisation of public policy in general and of regional policy in particular is popular in Hungary, resistance to the changes in policy styles that it entails is possible. This can be explained either by high compliance costs, vested interests or long lived institutional traditions. Despite the fact that it is difficult to clearly identify institutionalised veto points, there are certain actor constellations that have some strong motivation to resist change. These may include: central government actors/interests; territorial interest groups; and other vested interests (elite professionals, technocrats etc.) (see Palme et.al., SNA Report., 2003). In Poland resistance to formal changes is weak with the country having moved to adopt formal changes ahead of EU membership. Nevertheless, devolution to the regions and application of EU principles has encountered difficulties. Against the background of underdeveloped regional identities, weakness of the new institutional structures and their financial dependence on the centre lead to strengthening the ‘gate-keeper’ role of the central administration in the regional policy-making and public funds redistribution.

**Cultural aspects:**

There is evidence to suggest that the lack of crucial institutional infrastructure elements, such as cooperative culture, at the domestic level of governance may have serious consequences for the learning and adaptation process, in the sense that it may result in the absence of crucial mechanisms that facilitate the learning process (i.e. for a for dialogue and experts for the diffusion of new norms etc.). In the Greek case, long-term consolidation of societal
corporatist arrangements capable of negotiating social pacts has not emerged. Trade unions and employer organisations are fragmented and have played a limited role in the policy formation process, whereas the state remains characterised by party-dominated political clientelism. The process of adapting to European programmes has been slow and organised interests seem to lack the capacity to play a part in the policy formation process. Similarly, the Portuguese state remains highly centralised with limited civic participation. The involvement of NGOs in policy-making structures is limited and the public show little interest in playing a role in regional development. Whereas in Ireland the adoption of the partnership model in the 1980s and the overall corporatist nature of the Irish state has made it easier to adapt to EC funding requirements.

In Hungary and Poland, like Greece and Portugal, there are low level of cooperation, weak civil society, and political clientelism. As in Greece, in both the CEECs the role of party-dominated clientelism serves as a strong socio-cultural veto point. In particular, the problems related to the lack of cooperative culture and the other relevant mechanisms for facilitating the learning process (i.e. fora for dialogue and experts for the diffusion of new norms etc.) are more acute in Poland than in Hungary (see Czernielewska et.al., SNA Report, 2003). Subsequently, low levels of cooperation, extremely weak civil society and political clientelism seem to be intrinsic elements of the domestic institutional structure and may constitute the main impediments to the learning and adaptation processes.

Section 4: Civic culture

In both Greece and Portugal civil society and social capital are quite weak, although stronger in Ireland. It is noteworthy that while there seem to be fora for dialogue and communication, public, private and NGO participation remains quite low in most of the states under examination. Such a finding is important in terms of the goodness of fit between EU policy and domestic governance structures. In Poland and Hungary the data suggest a relatively low level of social capital and weak civil society. The situation is worse in Poland than in Hungary, especially in the level of corruption and the extent of clientelism. This has severe implications for the capability of the institutional and policy-making structures, especially during the period of transition and facing the challenges of Europeanisation.

Greece has a weak civil society, with low citizen involvement and limited awareness by the public of their rights and obligations. The strongly centralised and clientelist nature of the state with limited intermediary institutions and fora for dialogue works against citizen involvement. The lack of social capital, such as trust, norms and networks, is a further feature of the system. There was a clear mismatch between European policy expectations and the nature of civil society in Greece. The Portuguese case is very similar to that of Greece in that the state has been highly centralised with limited citizen participation and involvement in policy matters. In interviews participants did identify the importance of a strong civil society and social capital as a part of the policy process, but nonetheless, saw this as absent with the public distant from and uninterested in the policy process. In contrast Ireland has a strong civil society and one in which NGOs have become formally involved in the policy-making process. While the Irish political system is characterised as clientelistic, it has been underpinned by a strong civil society, in which trade unions and employers’ organisations have since the 1980s been involved in partnership with government.

The main features of social capital and civic culture in the CEE countries are: relatively high level of interpersonal trust; low level of trust in public institutions; increased levels of corruption and political clientelism. These features are closely linked to the long duration of
authoritarianism and have important implications for the strength of the civil society and cooperative culture in these countries (see Mishler, and Rose, 1995, 2001; Rose, 2002). Although Hungary demonstrates these characteristics, it is considered to be in a better position than most of the other CEECs, especially corruption (Rose, 2002). This is partly attributed to the less oppressive character of its authoritarian past. Nevertheless, these characteristics crucially affect the capability of the domestic institutions and policy-making structures of the country. Poland exhibits a weaker position than Hungary on all the social capital/civil society indicators mentioned above, and especially on corruption and the extent of political clientelism (e.g. Mishler and Rose, 1995, 2001; Rose, 2002), with serious consequences for the capability of the institutional structures.

Part III: Assessment Of Learning Capacity

In assessing the learning capacity of the cohesion and CEE countries it would appear important to consider the pre-existing domestic structures and societal norms in assessing the capacity of the systems to adapt to Europeanisation. There are clear similarities between the Greek/Portuguese and Hungarian/Polish cases, with the former exhibiting slow learning tendencies and having a limited capacity for adaptation, which seems to be mirrored in the Polish case, and to a lesser extent Hungary. Ireland is the exception, given its pre-existing democratic structures, relatively effective system of governance and strong civil society. Nevertheless, there are similarities between Ireland and the other two cohesion states, with intergovernmental relations still in a state of change and flux. In all of the cases, the regional level of identity remains weak, with a poor policy fit with EU regional policy characterising all but the Irish cases.

On the basis of the indicators discussed above the following table summarises the strengths and weaknesses of the learning capacity in each of the five regions.

Table 4. Key indicators of learning capacity in the five regions

<table>
<thead>
<tr>
<th>Country/indicator</th>
<th>Greece</th>
<th>Ireland</th>
<th>Portugal</th>
<th>Hungary</th>
<th>Poland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resistance to change</td>
<td>Strong</td>
<td>Medium/Weak</td>
<td>Strong</td>
<td>Medium</td>
<td>Medium/Strong</td>
</tr>
<tr>
<td>Decentralisation trends</td>
<td>Weak/Medium</td>
<td>Medium</td>
<td>Medium</td>
<td>Weak</td>
<td>Medium</td>
</tr>
<tr>
<td>Participation of non-state actors in regional policy making</td>
<td>Weak</td>
<td>Medium</td>
<td>Medium</td>
<td>Weak</td>
<td>Weak</td>
</tr>
<tr>
<td>Civil society</td>
<td>Weak</td>
<td>Strong</td>
<td>Weak/Medium</td>
<td>Weak</td>
<td>Weak</td>
</tr>
<tr>
<td>Co-operation climate</td>
<td>Weak</td>
<td>Strong</td>
<td>Medium</td>
<td>Medium</td>
<td>Medium</td>
</tr>
<tr>
<td>Fora for dialogue</td>
<td>Weak/medium</td>
<td>Strong/medium</td>
<td>Weak/medium</td>
<td>Medium</td>
<td>Medium</td>
</tr>
<tr>
<td>Development of PPP’s</td>
<td>Weak</td>
<td>Weak/Medium</td>
<td>Weak/Medium</td>
<td>Weak</td>
<td>Weak/medium</td>
</tr>
<tr>
<td>Common understandings</td>
<td>Strong</td>
<td>Strong</td>
<td>Strong</td>
<td>Strong</td>
<td>Strong</td>
</tr>
<tr>
<td>Institution building</td>
<td>Weak</td>
<td>Medium/Strong</td>
<td>Weak</td>
<td>Medium</td>
<td>Medium</td>
</tr>
</tbody>
</table>
In summary:

- There is resistance to change in all of the states, with it being strongest in Greece, Portugal and Poland, in comparison to Hungary and Ireland. Resistance is likely to limit change and in turn learning.

- There is limited decentralisation in all of the states, although deconcentration has occurred in Greece and Poland, and there has been moderate decentralisation in Ireland and Greece. In those instances in which there has been decentralisation, such as in Ireland, there have been greater opportunities for non-state and peripheral actors to participate in regional policy-making and implementation. In such cases there is also likely to have been a greater exchange of knowledge and more innovation leading to an improved regional (and national) learning capacity.

- The participation of non-state actors is limited in all the case studies, expect for Ireland and Portugal, where there appears to be a moderate level of NGO and expert participation.

- All of the cases, except for Ireland, exhibit weak civil societies and are characterised by low citizen participation. In the case of Ireland, the strength of the civil society provides an important underpinning that enhances its learning capacity. This would appear to be supported in the Social Network Analysis wherein Ireland has a high level of network centralisation and density. This suggests there is a greater degree of communication among the actors in the Mid West region with a more dense flow of information, knowledge and ideas, which increases the learning capacity of the actors involved in the policy network.

- The existence of a climate of cooperation and consensus appears strongest in Ireland, and to a less extent in Portugal, Hungary and Poland, while being weak in Greece.

- In all of the cases examined a variety of formal fora exist at the national, regional and local levels, wherein state and non-state actors interact, although the impact of such fora on the policy process is less clear and in some instances appears largely designed to satisfy EU requirements for consultation.

- The growing importance attached to developing PPPs is not yet reflected in the practical growth of such arrangements on the ground and while some states such as Ireland, Portugal and Poland favour such arrangements, implementation still seems problematic.

- There seemed to be a common understanding of development problems in all of the case studies, although with actors perceiving such problems in different ways and offering different solutions and approaches to dealing with regional problems.

- New institutions and structures have been developed in all the states to facilitate the development and delivery of regional policy. The practice on the ground, however, reflects the difficulties that most of the states face in changing their governance structures to accommodate EU regional policy requirements. It is particularly worth noting that Greece and Portugal have made limited process in this area and that changes in Ireland have not led to broader political institutions at the regional level. The evidence in relation to Poland and Hungary suggests that there will be similar problems in both of these states, as the realisation of regional structures remains problematic in such centralised, unitary political systems.
These findings are in the main supported in the results of the Social Network Analysis undertaken in the five case study regions, which are summarised on the basis of two indicators in the following table.

<table>
<thead>
<tr>
<th>Region/Network characteristics</th>
<th>Centralisation degree</th>
<th>Density</th>
</tr>
</thead>
<tbody>
<tr>
<td>Noitio Aigaio, Greece</td>
<td>61,58</td>
<td>1,143</td>
</tr>
<tr>
<td>Mid-West Region, Ireland</td>
<td>137,09</td>
<td>1,76</td>
</tr>
<tr>
<td>Lisbon and Tagus Valley, Portugal</td>
<td>105,56</td>
<td>1,24</td>
</tr>
<tr>
<td>South Transdanubian, Hungary</td>
<td>56,1</td>
<td>0,406</td>
</tr>
<tr>
<td>Lodz Region, Poland</td>
<td>106,40</td>
<td>1,46</td>
</tr>
</tbody>
</table>

In general, there are low degrees of centralisation in Greece and Hungary, with lower levels of density, whereas in Poland, Portugal and especially Ireland, the findings suggest higher degrees of centralisation, with higher levels of density. In the former cases, this may lead us to suggest that the networks are more likely to facilitate the flow of information and exchange of knowledge thereby enhancing learning. Nevertheless, in all of the cases central state actors still dominate the networks in the cohesion and CEEC states. These findings, however, need to be qualified by noting that the sample of actors surveyed in the Greek and Portuguese cases were small, while in the Irish case a larger population of actors were identified, but not all actors were willing to be interviewed. In using Social Network Analysis we need to be aware of the limits of the data and it should be used in conjunction with the qualitative findings in drawing reasoned conclusions.

Further conclusions can also be drawn in relation to learning by looking at the networks’ structural equivalence in the five regions. In examining the structural equivalence of the matrices that were used in the analysis of the relations between the actors it is possible to look at what sub-groups of actors emerged as being strongly related to each other. In all of the cases four sub-groups of actors were identified (i.e. those that were strongly or negatively related). In the case of the cohesion states (e.g. Noitio Aigaio Region, the Mid West Region in Ireland, and Lisbon and Tagus Valley) the central state and regional actors tend to fall into the first and second groupings, although there are some variations, arising from the response rate to the questionnaire that need to be considered. The third and fourth groups tend to include the more peripheral and less connected actors. Similar findings are apparent with regard to the CEECs (i.e. Lodz Region, Poland and the South Transdanubian Region, Hungary) where central state actors dominate in the first sub-group. Again, when we look at the other sub-groups it becomes harder to generalise, although the data largely supports the

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1 Centralization degree refers to the extent to which this cohesion is organized around specific actors: those with the greatest number of linkages. Centrality measurement reveals actors’ involvement in network relations and demonstrates the structure -horizontal or vertical- of the networks and also constitutes an indicator of the distribution of power among the actors.

2 Density measurement refers to the degree of connectedness of the entire network whereby zero indicates no connections between any actor and one means that all actors are linked to one another. Because density demonstrates the strength of ties, it can be used as a partial measurement for thickness. However, thickness has qualitative features, which will be explored during the interviews.
qualitative findings about the growing importance of regional authorities and the limited (but growing) role of non-state actors and private interests.

In summary, as in EU environmental policy, the process of Europeanisation in the regional policy arena has had an important impact on the domestic governance structures and administrative and policy practices in the five states leading to significant learning. The nature and pace of learning has been affected by the differing political and administrative cultures and structures, the degree of institutionalisation and the system of institutional interactions, the range of actors involved and their respective roles, the types of network that exist and the levels of social capital and civic engagement. It would seem important to bolster and underpin the development of dense networks in order to facilitate the flow of information and co-operation at all levels of governance and to build a strong and effective institutional infrastructure.
4. The Cohesion and the CEE countries – The Europeanization of waste management, domestic governance structures and adaptation

Introduction

The aim of this report is to analyse and compare the adaptational pressures and reactions which have come about in three of the Cohesion states (Greece, Ireland, Portugal) and two of candidate countries (Hungary and Poland), in the field of environmental policy (waste management). We consider the degree to which the pre-existing domestic governance structures in the five countries under consideration were in a position to adapt to the EU environmental policy, and the extent to which these domestic structures fitted with EU policy, or alternatively created policy misfits. It tends to be assumed that EU policy is a major catalyst for policy adaptation and institutional change in the field of the environment. We have also tried to incorporate the added value of the Social Network Analysis by linking the results to the issue of learning capacity. The summary report examines from a comparative perspective, the impact of the EU’s policies and programmes in the environmental (waste management) policy area in the three Cohesion countries and the two accession states in terms of policy fits and misfits and learning capacity.

The report is organized around three core Parts. Part A looks at both the Cohesion and the CEEC countries and the evolution of policy misfits and adaptational pressures in the area of environmental policy. Part B examines the five countries under consideration and the goodness of fit of their domestic governance structures, by analyzing in each country a) the evolution of central state policy-making, b) the resistance to change, c) the participation level of the non-state actors in the environmental policy making and d) the civic culture. Finally, in Part C the assessment of the learning capacity in the five countries under consideration attempted through the evaluation of the learning capacity of the domestic institutional structures of the environmental policy.

Part I: Europeanization Of Policy-Making And Domestic Levels Of Governance

Section 1: Evolution of policy misfits and adaptational pressures

The five countries under consideration have faced important challenges during the europeanization process of their national environmental policy. In all of the cases there was an acute pressure put on, in order to harmonize their national environmental policy with the European standards. The majority of the policy misfits in each case study have been mainly related to the non-compliance with the EU’s legislative framework. Though, all of the above countries have made explicit efforts to harmonize their national laws with those of the EU. Within this framework the Cohesion countries have managed earlier than the CEECs to comply “on the ground” with the European standards. Nevertheless, in all five countries the most important policy misfit, in the field of environmental policy, is the delay in the implementing European laws.

Ireland and Portugal compared to the other three countries seem to face less policy misfits in the field of environmental policy. Within this framework, both countries have developed, to a
satisfactory degree, institutions and co operational networks capable of embodying the standards of the European environmental policy. In addition, Ireland has also made important steps in the field of administrative changes. In contrast, in Greece, Poland and Hungary there has been limited institutional building. The absence of the necessary institutions in the field of environmental policy strengthens the existence of policy misfits. Furthermore, the Greek and Polish environmental policies are characterized by state-led policy making processes, which is contrary to the pro-active type of policy provided by the EU. Greece, compared to the other two Cohesion countries, has not adopted the appropriate environmental policy tools, mechanisms, networks and styles to enable it to comply with the EU requirements.

In relation to the CEE countries, only Hungary has sought to adopt new environmental policy instruments. Also, in Hungary and Poland the main reason for the policy misfits in the environmental area is the absence of the adequate financial support.

Comparatively, the evolution of policy misfits in the five studied countries is presented in the following two tables.

Table 1. Goodness of fit by country

<table>
<thead>
<tr>
<th>Country</th>
<th>Fit</th>
<th>Misfit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Greece</strong></td>
<td>• Legal harmonization</td>
<td>• Regulatory policies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Implementation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• State-led policy-making</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Absence of cooperation climate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Institution building</td>
</tr>
<tr>
<td><strong>Ireland</strong></td>
<td>• Legal harmonization</td>
<td>• Implementation</td>
</tr>
<tr>
<td></td>
<td>• Policy innovation</td>
<td>• Ad hoc reactions</td>
</tr>
<tr>
<td></td>
<td>• Consensus climate</td>
<td>• Regional designation for waste management</td>
</tr>
<tr>
<td></td>
<td>• Institution building</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Local authority funding</td>
<td></td>
</tr>
<tr>
<td><strong>Portugal</strong></td>
<td>• Legal harmonization</td>
<td>• institution building</td>
</tr>
<tr>
<td></td>
<td>• Improved policy-making</td>
<td>• implementation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• regulatory policies</td>
</tr>
<tr>
<td><strong>Hungary</strong></td>
<td>• Legal harmonization</td>
<td>• Implementation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Rule-making</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Political decisions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Regulatory policies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Institution building</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• State-led policy-making</td>
</tr>
<tr>
<td><strong>Poland</strong></td>
<td>• Legal harmonisation</td>
<td>• Implementation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• State-led policy-making</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Institution building</td>
</tr>
</tbody>
</table>
Table 2. Cases of misfits, adaptational results and mediating factors.

<table>
<thead>
<tr>
<th>Country</th>
<th>Misfit</th>
<th>Adaptational result</th>
<th>Mediating factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greece</td>
<td>Regulatory policies</td>
<td>Slow change</td>
<td>Centralized structure</td>
</tr>
<tr>
<td></td>
<td>Implementation</td>
<td>Resistance</td>
<td>Multiple veto points</td>
</tr>
<tr>
<td></td>
<td>State-led policy-making</td>
<td>Resistance</td>
<td>Centralized structure, static system</td>
</tr>
<tr>
<td></td>
<td>Absence of cooperation climate</td>
<td>Slow change</td>
<td>Personalistic attitude, weak civil society</td>
</tr>
<tr>
<td></td>
<td>Institution building</td>
<td>Slow change</td>
<td>Static system</td>
</tr>
<tr>
<td>Ireland</td>
<td>Implementation</td>
<td>Slow change</td>
<td>Centralized structure</td>
</tr>
<tr>
<td></td>
<td>Ad hoc reactions</td>
<td>Partial Change</td>
<td>Learning capacity</td>
</tr>
<tr>
<td></td>
<td>Regional designation for waste management</td>
<td>Slow change</td>
<td>Centralized structure</td>
</tr>
<tr>
<td>Portugal</td>
<td>institution building</td>
<td>Slow change</td>
<td>Centralized structure</td>
</tr>
<tr>
<td>Hungary</td>
<td>Implementation</td>
<td>Slow change</td>
<td>Insufficient funds</td>
</tr>
<tr>
<td></td>
<td>Rule-making</td>
<td>Partial change</td>
<td>Centralized structure</td>
</tr>
<tr>
<td></td>
<td>Political decisions</td>
<td>Resistance</td>
<td>Politisation, Static system</td>
</tr>
<tr>
<td></td>
<td>Regulatory policies</td>
<td>Slow change</td>
<td>Centralized structure, Multiple veto points</td>
</tr>
<tr>
<td></td>
<td>Institution building</td>
<td>Slow change</td>
<td>Insufficient funds</td>
</tr>
<tr>
<td></td>
<td>State-led policy-making</td>
<td>Resistance</td>
<td>Centralized structure</td>
</tr>
<tr>
<td>Poland</td>
<td>Implementation</td>
<td>Slow change</td>
<td>Insufficient funds</td>
</tr>
<tr>
<td></td>
<td>State-led policy-making</td>
<td>Partial change</td>
<td>Centralized structure, Civil society</td>
</tr>
<tr>
<td></td>
<td>Institution building</td>
<td>Slow change</td>
<td>Insufficient funds, Multiple veto points</td>
</tr>
</tbody>
</table>

Part II: Goodness Of Fit Of Domestic Governance Structures

Section 1: Evolution of formal institutional and policy-making structures
Looking at the evolution of central state policy making in the five countries under consideration, it must be stressed that in all cases there has been important progress. The policy making process in the field of environment has been significantly affected in all cases by Europeanization with the Irish and the Portuguese central state environmental policy making most affected when compared to the other three countries. More specifically, in both cases the coordination/consensus climate has been increased and new mechanisms and integrated practices have been adopted. Moreover, in Ireland policy innovation was introduced (e.g. establishment of EPA) and in Portugal the environmental policy was improved. In Greece, the central state’s environmental policy making process was not empowered by Europeanization in comparison to the other two Cohesion countries. The least progress has been evident in Hungary and Poland.

In examining the administrative processes in Greece, Ireland and Hungary there has been limited progress, as the environmental policy making process remains state-led. Within this framework, in these three cases, the Ministries of Environment, their national bodies as well as other Sectoral Ministries are in charge of the environmental policy formation. In comparison, in Portugal and Poland there has been a more decentralized administrative environmental policy making structure. In these two cases with the exception of the Ministries, the regional and local authorities have been actively involved in the environmental policy making process.

In terms of importance of the institutional actors in the process of environmental policy making, it is clear that the role of NGOs and other civil organizations is very limited in the cases of Greece, Hungary and Poland. In Ireland, NGO involvement tends to be fragmented but nonetheless does exist. The most progress is emerged in Portugal where a series of institutional changes has lead to a greater participation of NGOs in the environmental policy making process.

The dominance of the central state actors concerning the environmental policy making in all five countries is depicted by the SNA conducted in the five case-study regions (Attica Region, Mid-West Region of Ireland, Lisbon Metropolitan Area, Region Central Hungary, Lodz Region). In the following table the most central actors in the field of waste management in the five case study regions are identified.
Table 3. The most central actors in the field of waste management concerning the five case study regions

<table>
<thead>
<tr>
<th>Attica Region - Greece</th>
<th>Mid-West Region of Ireland</th>
<th>Lisbon Metropolitan Area - Portugal</th>
<th>Central Region of Hungary</th>
<th>Lodz Region - Poland</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Ministry of Environment, Urban Planning and Public Works</td>
<td>Limerick City Council</td>
<td>Ministry of Environment</td>
<td>Environmental Protection Chief Directorate of the Middle Danube Valley Region</td>
<td>Voivodeship Office in Lodz, Department of Environment</td>
</tr>
<tr>
<td>2 Region of Attica</td>
<td>Environmental Protection Agency</td>
<td>Waste Institute</td>
<td>Ministry for Environment Protection and Water Management</td>
<td>Voivodeship Inspectorate for Environment Protection in Lodz</td>
</tr>
<tr>
<td>3 Union of Municipalities and Communities of the Prefecture of Attica</td>
<td>Department of Environment</td>
<td>Quercus NGO</td>
<td>Municipal Public Space Management Shareholder Company (public utility firm)</td>
<td>Voivodeship Fund for Environment Protection and Water Economy</td>
</tr>
<tr>
<td>4 Ministry of the Interior, Public Administration and Decentralization</td>
<td>Clare County Council</td>
<td>GEOTA NGO</td>
<td>Association of Public Owned Waste Management Service Providers (civil trade association)</td>
<td>Eko-Boruta in Zgier (private company)</td>
</tr>
<tr>
<td>5 Managing Authority of the Operational Programme “Environment”</td>
<td>Limerick County Council</td>
<td>AMTRES</td>
<td>Office of County Pest</td>
<td>Marshall Office, Department of Agriculture and Environmental Protection</td>
</tr>
</tbody>
</table>

The data depicted in the above table confirms the dominance of the central state actors in the process of policy making in the field of waste management, as only in the Lisbon Metropolitan Area there is a broad participation of institutionalized actors (NGOs). Also, in Poland, under the wide liberalization progress, the participation of the private sector is also emerging.
Section 2: Non-state actors

Referring to the existence of fora for dialogue, many weaknesses can be discerned in the three Cohesion countries. The principal fora are developed and controlled by the state. Among the three Cohesion countries, Ireland appears to have the most formal fora for dialogue, while in Greece and Portugal there is a significant absence of dialogue concerning environmental issues. In addition, especially in the Greek case study, dialogue takes place on the basis of personal relations. In the case of the CEEC countries there are also many weaknesses that can be discerned concerning the existence of fora for dialogue. Nevertheless, they have developed a more satisfactory level of formal fora for dialogue in comparison with the three Cohesion countries. In both countries, the main formal fora are developed and controlled within the operational framework of state actors and European programs. What is common between the three Cohesion countries and the two CEE countries is the absence of citizens’ and NGOs’ participation from the environmental policy making process.

Regarding the role of the private sector in the sector of environmental policy in the three Cohesion countries not many steps have been taken to enable its empowerment, despite the overall agreement on the necessity of the development of co-operation between the public and the private sector. On the contrary, in all three countries, the public-private partnership model remains weak and rather marginal. Only in the Portuguese case study did some municipalities develop public-private partnerships with the participating private companies being responsible for the implementation of the multi-municipal waste management systems or for the design, building and operation of those systems. In the Greek and Irish case studies no public-private partnerships have emerged because municipalities provide the necessary waste management services directly to the citizens without co-operating with private companies. In Ireland no PPP’s currently exist in relation to recycling facilities but the private sector is increasingly becoming involved in the collection of waste and recycling. In this case the collection of municipal domestic waste as a service provided by local authorities is declining and a number of private contractors have come on the scene in the past three years. With reference to the role of the private sector in the field of waste management in the three Cohesion countries, the following basic similarity has been discerned: private companies, related to waste management, contract with municipalities in order to undertake specific parts of waste management, like landfilling, waste collection and recycling. These companies are smaller operators (Poland) or larger companies/multinationals (Hungary). In the case of Hungary foreign private companies are also involved in the sector of waste management.

In comparison, many steps have been taken in the process of liberalization of environmental policy and waste management market in Hungary and Poland. Within this framework various schemes of public-private partnerships have been developed in both countries. Extending public-private partnerships are established in order to support financial waste management infrastructure projects. Within that framework, local/county authorities in both regions have developed public-private partnerships with private companies in order to implement regional or EU Programmes. With reference to the role of the private sector in the two CEE countries, the following basic similarity has been discerned: private companies, related to waste management, contract with local authorities in order to undertake specific parts of waste management, like landfilling, waste collection and recycling. These companies are smaller operators (Poland) or larger companies/multinationals (Hungary). In the case of Hungary foreign private companies are also involved in the sector of waste management.
The role of the experts in the environmental policy making structures in the five studied countries remains limited. It is only in Portugal, that mechanisms capable of ensuring the participation of the experts in the environmental policy making structure have been developed. In Ireland the role of experts is weak but is increasing. Also, in Hungary, in comparison with Greece and Poland, the experts have a small participation degree in the policy-making, but even in this case their role remains limited.

The role of the NGOs also remains limited in the majority of the Cohesion and CEE countries under consideration. The only case, where NGOs have a satisfactory participation degree in the environmental policy making structure, is Ireland. This happens because of the country’s traditional strong civil society and cooperative and consensus climate. In Portugal and Hungary there is only a limited participation of NGOs in the environmental policy making structure, while in Greece and Poland their role remains even more limited.

Section 3: Resistance to change

In all the five countries under consideration there are important institutionalised veto players who are opposed to the Europeanization process in environmental policy. The most important institutionalised veto players in all the five case studies are the local authorities. Particularly, in Greece and Portugal local authorities are the only veto players, who are also responsible for the existence of the NIMBY syndrome. In Ireland the main veto players are the locally elected representatives. In Poland and Hungary, except from local authorities, the NGO’s and civil organisations are acting as veto players causing the NIMBY syndrome.

Regarding the cultural aspects that adversely affect the Europeanization process in the environmental field, it must be stressed that in all five countries there is resistance to change. Nevertheless, these aspects are differing in each country. Within this framework, the aspect of clientelism characterises the Greek and Irish environmental policy. The personalism and the egoist attitude are highly developed in Ireland and Portugal. The politicisation of the general political climate as well as the local/regional political climate exist in Greece, Hungary and Poland. The lack of a consensual and co-operational climate characterises the Greek, the Portuguese and the Hungarian environmental policy-making, while the lack of ecological awareness characterises Hungary and Portugal. Finally, the aspects of low organisational culture, transparency and accountability are typical in Poland.

Section 4: Civic culture

The role of the social capital endowments as well as of the civil society is considered indispensable for the Europeanization of the environmental policy. Nevertheless, in Greece, Portugal, Hungary and Poland there is a weak civil society. In those four countries the existence of a weak civil society is expressed by the absence of awareness on environmental issues. Furthermore, in Greece, Portugal and Hungary there is a limited citizens’ participation in civil organizations, in comparison to Poland where, although there is a high level of citizens’ participation in civil organization, only a small percentage of them are actively involved. Also, in Greece and Poland there is an increased general climate of distrust, which negatively impacts upon the social capital endowments. In the above-mentioned countries the
existence of a weak civil society comes as a result of the absence of a consensus climate and the lack of intermediary institutions and information.

In contrast, Ireland has a traditionally strong civil society, which is characterized by the high degree of citizens’ participation in civil organizations, by the existence of empowered civil organizations and by the development of a strong co-operative climate. What is positive for the future development of the civil society in the five countries is the common understanding of the development problems by almost all the actors. This fact can lead to a higher degree of citizens’ participation and to a higher degree of awareness on environmental issues.

Part III: Conclusions - Assessment Of Learning Capacity

Section 1: Evaluating the learning capacity of the domestic institutional structures in the environmental policy area

In general, the Cohesion Countries have succeeded a more extensive europeanization of their domestic institutional infrastructure than the CEECs, because the last two decades they had a better compliance of their national legal framework with EU’s directives and regulations. Moreover, the participation of the Cohesion Countries in the CSF’s and Programmes financed by the Structural Funds offered them more opportunities to transform their domestic institutional infrastructure. On the other side the absence of adequate funds in the Accession Countries deficits their opportunities to harmonize their domestic institutional infrastructure. This is why in the Accession Countries more delays emerge in the implementation of environmental projects, and problems regarding environmental infrastructure. In addition, the cohesion countries have developed environmental management practices to a great extent, but in some cases there are still problems related to the allocation of new sanitary landfills and to the existence of uncontrolled dumping sites.

In the following table the comparative results of the parameters indicating/affecting the learning capacity in the five studied countries are presented.
Table 4. Parameters defining learning capacity in the five studied countries

<table>
<thead>
<tr>
<th>Country/Parameter</th>
<th>Greece</th>
<th>Ireland</th>
<th>Portugal</th>
<th>Hungary</th>
<th>Poland</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resistance to change</td>
<td>strong</td>
<td>medium</td>
<td>medium</td>
<td>strong</td>
<td>medium /</td>
</tr>
<tr>
<td>Decentralisation trends</td>
<td>weak</td>
<td>weak</td>
<td>medium /</td>
<td>weak</td>
<td>medium</td>
</tr>
<tr>
<td>Participation of non-state actors into the</td>
<td>weak</td>
<td>weak</td>
<td>weak</td>
<td>weak</td>
<td>weak</td>
</tr>
<tr>
<td>environmental policy-making process</td>
<td>medium</td>
<td>medium</td>
<td>medium</td>
<td>weak</td>
<td>weak</td>
</tr>
<tr>
<td>Civil society</td>
<td>weak</td>
<td>medium</td>
<td>weak</td>
<td>weak</td>
<td>weak</td>
</tr>
<tr>
<td>Co-operation climate</td>
<td>weak</td>
<td>strong</td>
<td>medium</td>
<td>medium</td>
<td>medium</td>
</tr>
<tr>
<td>Fora for dialogue</td>
<td>weak /</td>
<td>medium</td>
<td>weak</td>
<td>medium</td>
<td>medium</td>
</tr>
<tr>
<td>Development of PPP’s</td>
<td>weak</td>
<td>weak</td>
<td>medium</td>
<td>strong</td>
<td>weak /</td>
</tr>
<tr>
<td>Common understanding</td>
<td>strong</td>
<td>strong</td>
<td>strong</td>
<td>strong</td>
<td>strong</td>
</tr>
<tr>
<td>Institution building</td>
<td>weak</td>
<td>medium</td>
<td>weak</td>
<td>medium</td>
<td>medium</td>
</tr>
</tbody>
</table>

From the above Table the following comparative conclusions can be extracted:

- In all countries there is resistance to change, which is more intense in Greece, and Hungary, compared to Ireland, Poland and Portugal. The higher resistance to change means less communication and exchange of knowledge, which in turn reduces the learning capacity.
- In Portugal and Poland there is more decentralization in comparison to the other three countries. That means that in these two countries there are more opportunities for non-state and peripheral actors to participate in the environmental policy making process, increasing the exchange of knowledge and innovation among actors.
- The participation of non-state actors is limited in all the five countries, except in Portugal where a more extended participation degree of NGOs and experts into the environmental policy-making is recorded.
- Regarding social capital endowments, in all countries there is a weak civil society and limited participation of citizens and civil organizations, with the exception for Ireland, which has a traditionally strong civil society. The existence of a strong civil society in Ireland means a wider communication between actors and a more dense flow of information, knowledge and ideas, which increase the learning capacity of the institutional actors in environmental policy.
- The existence of a consensus and cooperation climate is stronger in Ireland, Hungary, Portugal and Poland, respectively, in comparison to Greece where a cooperation climate is absent.
In regard to the existence of fora for dialogue, in all countries under the EU initiatives informal fora have been established and controlled by the state. Nevertheless, in the most cases they have many weaknesses in how this has operated.

In all five countries there is a common understanding of development problems.

The development of PPP’s is stronger in Hungary and Portugal, respectively, in comparison to the other three countries, where this model has not yet been developed.

New institutions have emerged at national and regional/local level (regional/local authorities) in order to facilitate environmental policies and implementation. Nevertheless, In relation to institution building there are more deficiencies in Greece in comparison to the other four countries, where a wider range of institutions have been established.

We can also draw further conclusions for the learning capacity from the results of the Social Network Analysis that was undertaken in the five regions of the studied countries. Regarding basic characteristics of identified policy networks in all regions one should study comparatively the centralization degree and the density degree of these networks. The less centralized networks are more horizontal, facilitating the distribution of funds and power in more levels of governance, as also the more dense networks facilitate cooperation, formation of partnerships and consequently the flow of information. The centrality degree and the density of the five studied networks are presented in the following table.

Table 5. Structure of the networks in the five case study Regions

<table>
<thead>
<tr>
<th>Region/Network characteristics</th>
<th>Centralization degree</th>
<th>Density</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attica Region - Greece</td>
<td>99,26</td>
<td>0,7</td>
</tr>
<tr>
<td>Mid-West Region of Ireland</td>
<td>121,43</td>
<td>1,65</td>
</tr>
<tr>
<td>Lisbon Metropolitan Area - Portugal</td>
<td>81,90</td>
<td>1,15</td>
</tr>
<tr>
<td>Central Region of Hungary</td>
<td>110,54</td>
<td>0,45</td>
</tr>
<tr>
<td>Lodz Region - Poland</td>
<td>195,86</td>
<td>1,1</td>
</tr>
</tbody>
</table>

Within this framework the Cohesion regions, in general, have less centralized networks compared to the CEEC regions and more dense networks. This means that, in the three Cohesion countries there is a wider flow of information and exchange of knowledge and ideas in comparison to CEEC countries, where these networks display more weaknesses. Nevertheless, what is common in all Cohesion and CEEC case studies is that central state actors dominate the networks.

More conclusions concerning the learning capacity can be derived from looking at the networks’ structural equivalence in the five studied Regions. Analyzing the structural equivalence of valued matrices it’s crucial to study how central actors are apportioned in the networks.

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3 Centralization degree refers to the extent to which this cohesion is organized around specific actors: those with the greatest number of linkages. Centrality measurement reveals actors’ involvement in network relations and demonstrates the structure -horizontal or vertical- of the networks and also constitutes an indicator of the distribution of power among the actors.

4 Density measurement refers to the degree of connectedness of the entire network whereby zero indicates no connections between any actor and one means that all actors are linked to one another. Because density demonstrates the strength of ties, it can be used as a partial measurement for thickness. However, thickness has qualitative features, which will be explored during the interviews.
sub-groups. In all five regions’ networks four sub-groups emerge. In the cases of the Attica Region, the West Region of Ireland, the Lodz Region and the Region of Central Hungary there is a dominance of the central state actors in the most subgroups, while the other groups, where there are no central state actors, have less power. On the contrary, in the Lisbon Metropolitan Region the central state actors along with the most important NGO’s dominate the formed sub-groups. This fact shows that in Portugal there is an increased participation of the non-state actors, which increases the exchange of knowledge and ideas and as a consequence enforces the learning capacity.

Overall, the process of Europeanisation has impacted significantly on administrative and policy practices in the five countries leading to widespread learning. The nature and pace of learning has been affected by the political and administrative cultures and structures, the institutionalisation level of those structures, the system of institutional interactions, the procedures determining information and communication flows, the range of actors involved and their respective roles, the types of network which exist and the levels of social capital and civic engagement.

In conclusion, in both CEECs and Accession (especially in the CEECs) regions, further steps must be taken towards the europeanization of the domestic institutional infrastructure. Within this framework, it is necessary for all case study regions to adopt the required stable rules in order to reduce uncertainty among actors, to support the emergence of dense networks, to facilitate the flow of information and co-operation at all levels of governance and of course to proceed with the building of the necessary institution infrastructural basis. This will lead to the emergence of stable intra-regional networks with a good learning capacity capable to adapt to the dynamically changing environment.
5. Assessing policy outcomes and implementation - patterns of learning and adaptation in the Cohesion and CEE countries

1. Greece

1.1. “Goodness of Fit” of the Domestic Institutional Infrastructure

Statism, namely the centralized and simultaneously weak administrative structure has been the main feature of the formal institutional infrastructure in public policy in general and -with little variation- in the selected policy areas in particular. In particular, 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. Overall, the “goodness of fit”/learning capacity of the domestic institutional infrastructure is very poor.

1.2. Learning within MLG Structures in Public Policy

Despite the fact that institution building/institutional creation is considered as the main outcome of the learning process -crucially affected by the Europeanization of policy-making given the generally poor level of the pre-existing institutional infrastructure- the strengthening and the stability of institutions still remains a key challenge for Greece’s public policy arena within the EU MLG structure. Indeed, institution building was significantly absent from the democratization/Europeanization agenda during both the first post-authoritarianism (1974-81) and, most importantly, the first post-accession (1981-1990s) period. Additionally, in the first period after the emergence of modernization on the domestic public policy agenda in the early 1990s, institution building was substantially misconceived as almost synonymous to “marketization”. Thus, arguably, the serious process of institution building, albeit mostly reluctant and not always successful, started in the mid-1990s.

Policy outcome/implementation: Overall, better policy outcomes in regional than in environmental policy.
2. Ireland

2.1. “Goodness of Fit” of the Domestic Institutional Infrastructure

Ireland’s formal institutional and public policy-making structure can easily be captured by the so-called Westminster model of public administration, namely centralized and relatively efficient public bureaucracy. With regard to the specifics of the domestic institutional structure in public policy in general and the selected policy areas in particular, Ireland demonstrates: some experts’ involvement in the policy process, primarily at the central state level, usually taking the form of professional advice and management consultation and not of think-tanks; presence of NGOs, albeit fragmented and limited; relatively overall high level of resistance to change, especially at the local level; relatively high level of social capital and strong civil society; presence of fora for dialogue and consultation; significant presence of the private sector and PPPs. Despite its relative efficiency, this institutional structure cannot be considered as favourable for the learning process.

2.2. Learning in Public Policy-making

The learning process in Ireland has significantly affected the centralized Westminster-like institutional and policy-making structure. However, its primary impact has been the transformation, rather than the expansion of the existing institutional structure. Thus, institutional innovation has taken place especially at the central state level and the building of new institutions has been rather limited. Overall, the top-down administrative hierarchy corresponds to Ireland’s pragmatic, ad hoc and reactionary stance towards the Europeanization of policy-making.

Policy outcomes/implementation: Economic boom of the 1990s vs. environmental concerns.

3. Portugal

3.1. “Goodness of Fit” of the Domestic Institutional Infrastructure

French-style centralization of policy planning accompanied by some institutional innovation, especially at the regional and local levels, is the main feature of Portugal’s public policy-making structures in general, and, with some variation, in the selected policy areas in particular. Indeed, the specific features of Portugal’s policy-making structure point to: some presence of expertise in the policy process, primarily in the form of experts’ associations rather than of independent think-tanks; some rather significant resistance to change, primarily at the local level; relatively high level of social capital –i.e. well above Greece and CEECs– especially with regard to trust in public institutions/civil service; significant presence of fora for dialogue at the both the central and regional levels of government; significant presence of PPPs, especially at the regional and local levels.
3.2. Learning in Public Policy-making

In a similar vein to Greece, the learning process has resulted in significant and rather extensive institution building at the central state and regional levels since the early 1990s. It is debatable to what extent this process should be exclusively attributed to the influence of the EU.

Policy outcomes/implementation: Better picture in environmental than regional policy.

4. Hungary

4.1. “Goodness of Fit” of the Domestic Institutional Infrastructure

“Western-like” centralization and enclaves of “Europeanized elites” at the level of core executive is the main feature of Hungary’s policy-making structures and particularly in the selected policy areas. Regarding the specific features of the domestic institutional infrastructure Hungary demonstrates: very limited involvement of expertise in policy making, especially in the form of independent think-tanks; some very limited involvement of active NGOs particularly at the local level; a relatively significant presence of the private sector (multinationals); rather limited level of resistance to change; relatively low level of social capital and cooperative culture, considerable presence of political party-dominated clientelism and corruption, though the situation appears to be better than in other countries (i.e. Poland, Greece); some presence of fora for dialogue primarily at the national level the creation of which seems to have been influenced by considerations for compliance to EU and may not reflect the dynamism of the pre-existing institutional structures; some, comparatively significant, presence of PPPs. Overall, Hungary’s institutional structure is not favourable to learning, but better when compared with the other CEECs.

4.2. Learning in Public Policy-making

There is comparatively limited evidence on the outcomes of the learning process. There is some evidence though of significant but not very extensive institution building at the central state level, given in particular the collapse of the pre-existing institutional infrastructure. There has been, however, extensive institutional restructuring at the regional and local levels. Overall, there is strong evidence that Hungary’s forerunner status among the CEECs and relatively good level of institutional infrastructure should be attributed to the prompt/early starting up of the reform process under the previous regime (the so called “Kantar-ism”). Overall, though, institution building remains the crucial challenge ahead with regard to the content of the learning process.

Policy outcomes/implementation: Slightly better picture in environmental policy.

5. Poland

5.1. “Goodness of Fit” of the Domestic Institutional Infrastructure

“Southern-style” centralization and, as in the Hungarian case, enclaves of “Europeanized elites” at the level of core executive is the main feature of Poland’s policy-making structures
in general and in the selected policy areas in particular. Regarding the specific features of the domestic institutional infrastructure Poland demonstrates: very limited experts’ involvement in the policy process, at least in the form of think-tanks; some significant presence of the private sector; limited role of NGOs, despite the strong “tradition” of active NGOs, especially in environmental policy; some rather strong resistance to change mainly but not exclusively related to cultural aspects; low level of social capital and a civic culture dominated by distrust in political institutions; extremely weak civil society, clientelism and corruption; some presence of fora for dialogue, primarily at the central state level, mainly related to consultation for policy formulation under the EU pressure; some presence of PPPs, especially at the regional level. In sum, Poland’s institutional infrastructure is very poor in terms of learning capacity.

5.2. Learning in Public Policy-making

As in the case of Hungary, there is limited evidence on the outcomes of the learning process. There has been however, some institution building at the both the national and subnational levels with particular emphasis on the administrative and territorial restructuring at the regional and local levels of government. Institutional reforms are linked to the collapse of the pre-existing structures and the extensive administrative restructuring is strongly influenced by considerations/expediencies related to the need for compliance with the EU. As in the case of Hungary, institution building remains the crucial challenge ahead with regard to the content of the learning process.

*Policy outcomes/implementation:* Similarly low performance in both policy areas.

<table>
<thead>
<tr>
<th>Country</th>
<th>“Goodness of fit” of Domestic Institutional Structure</th>
<th>Patterns of Learning</th>
</tr>
</thead>
<tbody>
<tr>
<td>GREECE</td>
<td>Very poor; some positive albeit sporadic evidence since mid-1990s;</td>
<td>Institution building as institutional creation in both policy areas;</td>
</tr>
<tr>
<td>IRELAND</td>
<td>Medium; Stands out vis-à-vis the other countries, but not ideal;</td>
<td>Transformation/adaptation of the pre-existing institutional structures;</td>
</tr>
<tr>
<td>PORTUGAL</td>
<td>Medium to poor; Central state capacity but at a cost;</td>
<td>Extensive institution building;</td>
</tr>
<tr>
<td>HUNGARY</td>
<td>Poor to medium; “Western-style” core executive;</td>
<td>Institution building as a challenge; danger of limited -“formal”- compliance;</td>
</tr>
<tr>
<td>POLAND</td>
<td>Poor; “Southern-style” central administration;</td>
<td>Institution building as a challenge; danger of limited –“formal”- compliance;</td>
</tr>
</tbody>
</table>
6. Coping with multi-level governance in public policy-making - Hungary, Poland and the ‘other’ CEECs

By applying for the European Union Poland, Hungary and other Central and Eastern Europe countries (CEES) declared their readiness to assume the obligations resulting from the membership, i.e. to the legal and institutional framework, known as the acquis, by means of which Union implements its objectives. It calls for the existence of modern administration. The process of the integration with the European Union (from the first contacts established at the turn of 1990s. via the association by virtue of the Europe Agreements, accession negotiations to anticipated membership) has always been a driving force (once a stick, once a carrot) behind institutional change in CEES, although it is widely argued in the literature that adaptation pressures have also been exerted by the adherence to other international organisations such as NATO, OECD, WTO, the Council of Europe as well as different regional initiatives. Although it is impossible to abstract in both qualitative and quantitative terms a “pure EU effect” from multilateral policy-making CEEC takes part in, the EU membership is special, as B. Lippert et al.\(^5\) point out, for the specifics of the EU management model, whose prominent features are: multilevel governance, hard and soft policy co-ordination as well as transgovernmentalism.

Although the mechanisms of the Europeanisation processes differ among CEES, there are some common features as well as problems and dilemmas encountered. The lowest common denominator – as evaluated by the European Commission in its regular Progress Reports – is the assessment that there is a significant degree of compliance with the acquis in terms of the transposition rate of legal acts and considerable implementation deficit.

There are also some tensions between centralising and decentralising tendencies\(^6\). Although, a majority of EU policies operate in a decentralised matter and there are strong arguments for the decentralisation\(^7\), so far the competences for the EU affairs have been concentrated at the highest political and governmental level. What is more, some sectoral strategic policy decisions have been contradictory to the announced trend towards decentralisation\(^8\) (e.g. single operational programmes in the domain of regional policy) and the deficiencies of public administration at sub-national level (especially financial dependency of self-governmental units\(^9\) and the shortage of human resources) have been expected to reinforce the centralisation of the management of EU policies.

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It should be pointed out quite clearly that there has not been a uniform pattern of the institutional change in CEES countries and political elites in the post-communist countries have been interested in the third way. The applicants have tried to streamline and strengthen their own institutional arrangements. Such an approach to the building of administrative capacity might result from the fact that there is no uniform “European” model to be adapted and the extent to which the EU prescribes specific institutional solutions is limited. What is more, in many policy areas, there is a shift towards deregulation and liberalisation. Nonetheless, it seems that due to the conditionality of the integration process, there has been a considerable degree of emulation of the administrative structures existing in the EU Member States. Although the imitation of the European patterns have its advantages\textsuperscript{10}, it should be pointed out quite clearly that it might lead to the deepening of internal incompatibility of the whole institutional system, though external compatibility (the approximation with EU requirements) is progressing\textsuperscript{11}.

A worrying phenomenon in public administrative sphere in CEEC is still its politicization, being the legacy of the communist system. As political scenes in the applicant countries are still in the state of flux, with political parties alternating in popularity, with deep ideological cleavages, it results in the lack of the continuity of powers. The extent to which the institutional systems are “politically driven” differs among the prospective Members, but even in Hungary, said to be a front-runner of civil service reform, it is still a problem, as subsequent governments have always taken the opportunity to change personnel in public administration.

Empirical surveys indicate that another dangerous phenomenon in the administrative systems in CEES is its deepening dualism. There is clear evidence of professionalization and depoliticization of civil service dealing with the European affairs\textsuperscript{12}, especially in the policy domains where the EU imposes some institutional solutions such as cohesion policies, whereas the quality of the institutional performance of non-EU related administration lags behind. There is debate in academic milieux if the existence of such “islands of excellence” is a factor mediating or prohibiting domestic institutional change and whereas it serves the whole system well.

\textsuperscript{11} Hausner, J. Marody, M., “The Quality of Governance: Poland Closer to the European Union” EU-monitoring IV, Friedrich Ebert Stiftung, Krakow: Malopolska School of Public Administration of Cracow University of Economics, 2000
7. Policy Recommendations

The results of the ADAPT project allow us to draw the following broader comparative conclusions regarding the Europeanisation of regional and environmental policy-making and the extent of adaptation in the Cohesion (Greece, Ireland, Portugal) and CEE (Hungary and Poland) countries under consideration:

1) The Europeanisation of regional and environmental policy-making has considerably impacted upon the policy-making processes, administrative structures and institutions in all the countries under consideration and has subsequently led to widespread learning and adaptation. Learning and adaptation have been more extensive in Ireland regarding regional policy-making with Greece, Portugal, Poland and Hungary all demonstrating slow leaning tendencies and limited adaptation capacity. In the field of environmental policy-making, the three Cohesion countries are much better off though learning and adaptation are on-going processes with still a long way to go.

2) The pace of learning, institutional restructuring and subsequently of adaptation has been very much affected by a number of factors, such as the pre-existing political culture, the administrative structures and the level of institutional embeddedness, the state-society relations, the policy-making processes and the range of actors involved in them, the types of networks that exist and the levels of social capital and civic engagement.

3) The pace of learning, institutional restructuring and subsequently of adaptation has also been affected by the extent of adaptational pressures exerted by the EU. With the exception of Ireland, all countries have faced medium to high adaptational pressures. To a certain extent this could be explained by the fact that Ireland has been the only country in which adaptation did not coincide with democratization and modernization. This means it was realized within a less demanding environment.

4) In the field of regional policy-making, in all countries under consideration, Europeanisation led to considerable administrative restructuring, institution-building and broadening of the policy-making processes to a number of previously excluded social actors. With the exception of Ireland, one could argue that the countries under consideration are being characterized by ‘half-way adaptation’.

5) In the field of environmental policy-making all countries can be characterized as ‘laggards’ facing high policy misfits. Europeanisation has led to significant legal harmonization but has not been successfully followed by the necessary institution-building and the establishment / functioning of the required implementation / enforcement mechanisms.

6) In both fields and in all the countries under consideration Europeanisation has led to the emergence of networks, new forms of public-private partnerships and a greater involvement of the private sector and the civil society thus creating a good basis for
learning and more rapid and efficient adaptation. Still the impact of all these new factors on the policy-making processes seems to be rather weak; all these often reflect a procedural need to satisfy EU requirements for consultation.

7) Despite serious attempts to decentralization of public administration and policy-making processes, the central state continues to play the key role in policy-making, to dominate networks and partnerships and to control the majority of power and financial resources setting considerable impediments for learning and adaptation. Unfortunately, the bureaucratic requirements of the Commission (especially in the filed of regional policy-making) seem to be re-enforcing that trend.

From the above and following a three-level approach to regional and environmental policy-making, the ensuing policy recommendations can be drawn:

**European level:**

1) **Cohesiveness of EU Policies:** It is worth reminding that local, regional and national institutions emerge and operate within the broader European context. It is important to stress that Europeanisation itself is not a cohesive process but has rather been characterized by vertical and horizontal fragmentation indicating a lack of a cohesive single policy network at the Community level. There is a pressing need for more horizontal policy integration which means that the Community should create the necessary cohesive mechanisms and tools that will achieve cohesion and synergy among the different policies and their outcome providing crucial support for implementation while eliminating emerging contradictions (for example one could mention the environmental impact of the structural policies in the Cohesion countries or the contradiction between diminishing internal regional disparities and simultaneously covering the gap with the West in the CEECs).

2) **Vertical integration:** The Community should also promote more vertical policy integration through the better interconnection within the framework of multi-level governance between the Community institutions and the member-states’ governments, as well as between the national and sub-national governmental bodies in the policy-making processes.

3) **Efficiency and legitimacy concerns:** A balance should be pursued between ensuring legitimacy, which demands more extensive participation and involvement of a greater number of local and regional authorities and social actors, and ensuring efficiency towards problem-solving and effective monitoring and evaluation. The current trend in several member-states for more centralized methods presents a potential threat towards the domination of the central state institutions and structures and demands an urgent re-orientation towards a greater balance between central state and regional governance institutions.

4) **State-society relations:** In this respect, although the Community’s priority for strengthening the central state administrative capacity (especially in the CEECs) may be right, this is difficult to be achieved without taking into account the state-society relations and their interaction within the domestic level of governance. Thus, in policy design in both policy areas, the processes of institution building, social capital creation, civil society strengthening through enhancing networking, NGOs consultation etc. should constitute Community’s key priorities as well.
5) **Trans-national networking:** A step towards that direction is trans-national networking. Accordingly, the Commission should promote direct links with sub-national actors and institutions, as well as promote networking among sub-national actors in different member states, thus facilitating the exchange of knowledge and information and increasing the negotiating power of these actors. This would necessitate the allocation of special funds and incentives for creating communication channels above the national barriers (e.g. creation of databases with potential partners across Europe).

6) **Good practice code in policy-making:** The Community should consider creating depositories of knowledge with good practice cases and should insist on the member-states using them for consultation at all stages of policy-making and implementation.

7) **Enhancing expertise involvement at the national level:** The Community should focus on encouraging the creation and enhancing the role of expertise (preferably in the form of independent think-tanks) in policy-making at the domestic/national level of governance, given the crucial importance of experts’ involvement for the learning process. This should constitute a priority in policy design in the sense of incentives provision etc.

8) **Human capital investment for regional / local community capacity building:** The Community should also consider the allocation of special funds for the development of local / regional community capacity building to increase understanding and commitment at all levels of governance. The EU has to deliberately promote human capital investment to facilitate and accelerate adaptation.

**National level:**

9) **Decentralisation towards better competence allocation:** Institutional and political traditions do matter and should be taken into consideration. It should always be kept in mind that it is fairly difficult to substantially decentralize a centralized state structure. Instead of trying to put aside central state institutions and governmental bodies, it would be more useful to clarify competencies and responsibilities among different levels of governance allowing the central state to have the overall strategic, coordinative, regulatory and re-distributive role (Irish case).

10) **Duplication and fragmentation reduction:** It is important to avoid duplication of powers and responsibilities among national, regional and local actors. Similarly, it is necessary to avoid over-institutionalization in order to reduce the fragmentation of policy-making and the overlapping of competencies.

11) **Towards elected regional authorities:** Special attention should be given on not replacing old demons by new ones. More specifically the institutionalization of the intermediate, regional level of governance should be promoted in a way that enhances the active involvement of sub-regional authorities and facilitates networking and partnership building at regional level. This means it should have a good legitimacy basis and enjoy a relative financial autonomy rather than simply functioning as a deconcentrated bureaucratic state agent. Recent re-centralization trends seem to be hindering the functioning and effectiveness of the newly formed regional governance structures.

12) **NGOs’ involvement:** It is important to involve NGOs and private actors at the earliest stages of policy making and implementation. Only by having a say in the
drawing of the plans (including their needs and demands) they will have a greater interest in getting involved in the implementation. Regarding the private sector, it is necessary to decrease bureaucracy and uncertainty in order to increase private investment. Especially third level social actors, chambers etc. should be actively involved in the preliminary policy-making and implementation stages.

13) **Partnership building:** It is necessary to institutionalize partnership formation and networking and to promote the exchange of knowledge, information and know-how through proper mechanisms that are accessible at all levels of governance and from all the concerned actors.

14) **Expertise creation and involvement in policy-making:** The role of expertise (preferably in the form of independent think-tanks) in policy-making at the national level of governance is of crucial importance for the learning process and subsequently for the more rapid and efficient adaptation. Thus, the creation of expert groups and the enhancement of their role in policy-making should constitute a priority in the policy-making agenda.

15) **Social capital / civil society / co-operative culture building:** For political stability, for government effectiveness, and even for economic progress social capital may be even more important than physical and human capital (Putnam 1993). Norms of reciprocity and networks of civic engagement create horizontal civic links, bound to lead to higher levels of economic and institutional performance. Where such norms and networks are absent, the outlook for collective action seems doubtful. Thus, a special attempt opening up participation should be made to build social capital no matter how long the temporal perspective might be.

**Regional level:**

16) **Regions as the most crucial Europeanisation fields:** The regional level of governance constitutes the most important ‘field’ of adaptation / Europeanisation. The institutionalization of the regional level of governance should be promoted in a way that ensures legitimacy and relative financial autonomy next to active decentralised state-units. Each region once institutionalized should be seen as a unique entity with special characteristics and qualities, a different environment for policy-making and implementation with varying learning and adaptation capacity. This means that different mechanisms should be used in different cases to promote adaptation and enhance rapprochement with the Community requirements.

17) **EU-oriented vocational training:** Special attempts should be made to ‘educate’ and train social actors and regional and local authorities on the EU requirements, networking, lobbying at a higher level and partnership building in order to create the necessary knowledge base. The implementation of works should have a tangible outcome creating new opportunities and bringing new resources for local and regional actors.

18) **Creation of incentive schemes for private participation:** Stronger partnerships should be created intra-regionally with greater private and civic participation to ensure duration and viability upon completion of a given action. Implementation of policies incentive schemes to encourage private sector to participate. Joint involvement of public and private sector in planning, funding and implementation of projects.
19) **Civic engagement and consultation:** Mechanisms should be created to allow the consultation between the regional authorities and the civil society on various local concerns. Moreover, the public should have better access to information (info campaigns, special events) and the scientific community should be consulted more often. Groups of experts and NGOs should play a great consultative role in local affairs.

20) **Human capital investment in training and education:** It is important to improve the quality (education level, know-how) of the human resources at both the regional and the local levels through the establishment of an adequate and sustained programme of recruitment based on merit and fitness and the elaboration of training programmes.

21) **Increase participation at early stages of planning:** All actors should be included at the early stages of planning. Focus should be placed on very specific needs and problems of the region, especially in case of small budgets. This is particularly important for the CEECs where the funds are limited and often insufficient for the implementation of all the foreseen actions.

22) **Create social capital endowments:** As already mentioned, for political stability, economic progress and government effectiveness social capital may play a crucial role since norms of reciprocity and networks of civic engagement establish horizontal civic links, which are bound to lead to higher levels of economic and institutional performance. Where such norms and networks are absent, the outlook for collective action seems doubtful. The thing is that building social capital from outside is no easy. Existing political, economic and social structures often constitute a considerable and durable barrier to such an attempt. Thus, special attempts should be made to acquaint the local community with such notions and to create the conditions that in the long term might lead to durable social capital endowments.

**Overall,** special attention should be paid on building institutions of regional governance. The Community should provide special support to the establishment and effective function of new institutions at that governance level. Within the context of the 3rd Cohesion Report under preparation by the Commission, the European Convention and the draft Treaty establishing a constitution for Europe and in accordance with the discussion over the revision of the Structural Funds operation, the concepts of Territorial Cohesion and poly-centrism emerge as the focal points for all future EU policies. Both concepts are vitally linked to the regional level (NUTS II) and functional urban areas / metropolitan regions as the most appropriate governance units. This means that the Community should focus on, and directly promote, through the elaboration of the necessary tools and mechanisms, institution-building, learning and innovation as well as stronger legitimacy and efficiency at the regional / metropolitan level of governance. This is particularly important in the current re-centralisation climate that seems to pre-dominate in the majority of the member-states and the CEECs.

**Lessons for the CEECs**

The expansion of the list of the conditionality/compliance criteria for the CEECs’ negotiation for entry to include institution building, fighting corruption etc. may be viewed as a major innovation on the part of the EU Commission, with regard to the impact of Europeanization on domestic institutional structures. Indeed, focus on such “soft or low level”, but
simultaneously crucial aspects of governance initiates a break with the past -previous waves of enlargement- where negotiations were primarily dominated by the relevant case-sensitive economic and/or policy issues and secondarily by general considerations (qualitative criteria) regarding the domestic socio-political system, namely functioning democracy, human rights and so on.

This, however, should constitute an integral part of the every day public policy-making in general and the selected policy areas in particular in these countries. Therefore, institution building should be raised as the main priority at both the supranational and domestic levels of governance. Relevant policy tools at the supranational and/or national levels of government may include: a) conditionality/compliance criteria at any phase of public policy-making (policy design, planning, implementation etc.) regarding institution building considerations; b) motivation (incentives) related to institution building functions, such as network creation, fighting corruption and so on. Overall, institution building must have the status of absolute priority on the modernization agenda in these countries.
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