Europeanization, Adaptational Pressures and Social Learning (in Structural and Environment policies):

Cohesion (Greece, Ireland, Portugal) and CEE (Hungary, Poland) Countries in Comparative Perspective*

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Abstract: The underlying assumption of the paper is that, although the Europeanization process plays a crucial role in the transformation of the domestic governance structures, the adaptation process is significantly dependent on the learning capacity of the pre-existing institutional infrastructure. Thus it attempts to conceptualise and exemplify the notion of institutional thickness as a fundamental precondition for social learning within the EU public policy environment, and thus to enrich and substantiate the so called “goodness of fit” approach to the adaptation and Europeanization processes within the multi-level system of governance of the European Union. Within this theoretical framework, the paper presents recent comparative research outcomes on the key adaptational pressures facing the domestic policy-making structures of three cohesion (Greece, Ireland, Portugal) and two CEE (Hungary, Poland) countries in the regional and environment policy areas and concentrates on drawing lessons for the CEE prospective member states with regard to the institution-building process in public policy.

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Introduction: Europeanization, Adaptation and Institutional “Fitness”

Contemporary studies on EU public policy-making and the relevant academic debate about governance in the EU are currently concentrated on the interactions between the Europeanization of public policy on the one hand and the domestic structures of the member states on the other. Indeed, Europeanization, defined as the “emergence and development at the European level of distinct structures of governance” (Risse, T., et.al., 2001), refers to the complementary notions of opening the structures of the traditional nation state to the supranational level, and, consequently, to the adaptation of domestic policy-making structures to the EU multi-level system of governance. The notion of “multi-level governance” in the EU (Marks, 1993; Scharpf, 1994; Kohler-Koch, 1996; Marks et.al, 1996a) implies that sub-regional, regional, national and supranational authorities interact with each other in two ways: first, across different levels of government (vertical dimension); and, second, with other relevant actors within the same level (horizontal dimension). Although it could be argued this system of governance merely reflects the multiplicity of governance structures among member states in any sphere of public policy, the multi-level system of governance, especially in the cases of member states with a centralized state structure, is considered as an ‘unintended consequence’ of the Europeanization of public policy.

In regional policy, in particular, Europeanization has constituted a challenge for well-established structures within the systems of governance at both the national and subnational levels and played a decisive role in the administrative restructuring process within the member states and in enhancing the institutional capacity of the subnational systems of governance, by shaping the public/private relations and promoting networking at the regional and local levels. Hence, its impact on the endogenous local development capacity is supposed to be twofold: a direct one, by providing increased resources, and an indirect one, by shaping intra-regional interactions and thus promoting the creation of intra, inter and transregional networks that support the local development initiatives. In that sense, the Europeanization function in regional policy is almost synonymous to “subnational mobilization” at the European level (Hooghe, 1995).

In the environment policy Europeanization has been traditionally interpreted as a process by which new member states, either contribute to the formulation or advancement of the environment policy towards their own national priorities (higher standards in environmental protection) through the intergovernmental bargaining, 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”

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1 The term refers to the way in which the outcomes of intergovernmental bargains, such as the 1988 reform of the Structural Funds, can, as perfectly as neofunctionalist theory would have predicted, lead to the mobilization of the dynamics of the system, and in this particular case to “multilevel governance” (see Marks G., et.al, 1996a, and M. Pollack, 1995).
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.

As it is obvious, within this complicated system of interactions, the crucial issue facing the member states with regard to the public policy planning and implementation functions is the challenge of adapting to a multi-layered policy-making environment at the EU level. In this respect, given the multiplicity of governance structures, organizational routines, norms and policy styles among the member states, the notion of “goodness of fit” between the Europeanization processes of policy-making on the one hand and the domestic institutional settings, rules and practices on the other has been identified as a crucial parameter for the adaptation process of the national structures to the European policy-making structures in public policy in general (Risse, T., et.al., 2001; Cowles, Green M. and Th. Risse, 2001) and regional policy in particular (Boerzel, T., 2001, 1999). What the term implies is the degree of “adaptational pressures” that domestic institutions and policy-making structures will face in order to comply with the European rules and practices. In particular, given the distinctive character of the policy-making structures at the European level on the one hand and the fact that the Europeanization process is fundamentally conceived of as a system of continuous interactions between EU policy-making rules and regulations and domestic policy structures on the other, the better the “goodness of fit” between EU rules and domestic practices the weaker the adaptational pressures will be for the domestic institutional structures (Risse, et. al, 2001). Conversely, policy misfits between the supranational and the domestic levels of governance is expected to exert high adaptational pressures which in turn lead to domestic structural change (ibid: 6-9).

What becomes clear from the above analysis is that although the Europeanization process plays a key role in the transformation of the national systems of governance and in the improvement of their institutional capacity, domestic institutions and especially the pre-existing institutional infrastructure at the national level matters for adaptation (Lenschow, 1997; Jeffery, 2000; Paraskevopoulos, 2001,a,b; Risse, et.al, 2001; Boerzel, 2001). Moreover, this importance of the pre-existing institutional infrastructure has become evident in the transition of the CEECs as well (Offe, C. 1996; Goetz, K, 2001; Goetz, K and Hel. Wollmann, 2001). This approach to the institutional function conceives of important institutions for the domestic policy-making arena, such as veto points, political and organizational cultures, as “thick” mediating mechanisms that affect crucially actors’

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2 Although significant variation from one policy area to another is considered as the main feature of the EU policy-making structures and practices, it has been argued that the EU institutional structure is more federal than unitary and its policy-making processes more pluralist than statist (Schmidt, V. 1997). In that respect, it has been predicted, that the more centralized and unitary member states is likely to face stronger adaptational pressures than the decentralized and federal ones (ibid.).
preferences through the “logic of appropriateness”, thus leading to the re-conceptualization of their interests and identities (Risse, et.al, 2001; Checkel, 2001b). This interpretation of institutions is sociological in principle and therefore contrasts substantially with both the liberal intergovernmentalist and the rational choice institutionalist approaches to integration, in two important respects: first, both liberal intergovernmentalism (Moravcsik, A, 1993, 1998) and rational choice institutionalism (Shepsle, K, 1989; North, D, 1990; Hall, P. and R. C. R.Taylor, 1996; Schneider, G and Lars-Erik Cederman, 1994; Garret, G and G. Tsebelis, 1996; Pollack, M, 1996, 1997), based to a significant extent on Olson’s (1965) collective action and interest group theory, view actors as purely rational self-interested utility maximizers and accordingly their preferences as exogenous from the broad institutional environment; and second, consequently, they adopt a “thin” interpretation of the role of institutions which are viewed: as factors simply contributing to the enforcement and credibility of the agreements between actors by the former; and as merely intervening variable between actors’ preferences and policy outcomes within the fundamental equation of political science by the latter.

However, although institutions may provide opportunities or incentives to actors or even affect their preferences and identities and thus facilitating or inhibiting structural change, they cannot bring about change on their own. This is done by actors and in that sense the crucial actors-related process here is learning (Paraskevopoulos, C.J, 1998b, 2001a,b; Risse, T. et.al., 2001). Yet, while the learning process fits well with the “thick” interpretation of institutions by the “goodness of fit” approach, the problem is that this approach does not provide an explicit institutional framework for facilitating learning and hence the adaptation process, given that the conception of both the multiple veto points and the political/organizational cultures are quite problematic with regard to the learning and adaptation processes (Paraskevopoulos, C.J., 2002). In particular, although the concept of multiple veto points/players as it is used in the recent globalization literature (see Swank, D, 2002) may be an important institutional mechanism of the domestic policy-making structure for counterbalancing the global pressures, in the EU system of governance it is likely to lead to consistent resistance to change, thus inhibiting the policy innovation and adaptation processes, as it has been illustrated by the case of Germany (Knill, A. and A. Lenschow,

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3 New institutionalism has emerged relatively recently in EU studies, “borrowed” from political science, as a new and perhaps dominant theoretical framework of regional integration (see Aspinwall, M. and Gerald Schneider, 2001).

4 Institutions constitute a crucial component of this equation, a synopsis of which is: 
Actors’ preferences x Institutions = Policy Outcomes

5 Adr. Windhoff-Heritier’s (1991) notion of institution as ‘restriction and opportunity’ shows the compatibility between new institutionalism and rational choice approach and hence it may be seen as the foundation of rational choice institutionalism (see also Keith Dowding, 1994; James Coleman, 1988; Moe, Terry, 1990; and G. Peters, 1999).
The political and organizational cultures, on the other hand, is a very broad term for a variety of institutional functions which may facilitate or inhibit the learning and adaptation processes, but it does not provide an explicit description of appropriate institutional structure for facilitating the learning process.

This weakness of the “goodness of fit” approach is evident in almost any field of public policy, where, while it is widely accepted that there is no any pan-European convergence paradigm, but rather domestic institutions, and, in particular crucial and sensitive aspects of the institutional structure, such as cooperative culture, matter for the adaptation and Europeanization processes (Jeffery, Ch, 2000; Paraskevopoulos, 1998a,b, 2001,a,b; Keating and Hooghe, 1996; Boerzel, T, 2001; Featherstone, K, 2002), there is no provision of any specific institutional framework that would facilitate the learning process.

This leads to the formulation of the main research hypothesis of this paper/project, which attributes a crucial role to the domestic institutional infrastructure as an important variable for integration in general and the study of the multi-level system of governance in European public policy in particular. Thus institutions matter, in all their functions –either regulative, cognitive or normative (Laffan, 2001)- and across all levels of government for both the learning and integration processes and hence the process of institution-building is crucial for the learning and adaptation processes in the CEEcs as well. This paper provides a conceptualization and exemplification of the notion of institutional thickness as a fundamental precondition for the learning process within the EU public policy environment. The first section analyses the concept of social learning in the light of the new institutionalist approach to integration and examines the capacity of the learning approach for capturing the complexity of the domestic preference formation function. The second section introduces the notions of social capital and networks as important components of institutional thickness and hence of the learning process within the multi-level governance structure in public policy. Section three presents preliminary research outcomes of a comparative study involving three Cohesion –Greece, Ireland, Portugal- and two CEE –Hungary, Poland- countries on the interaction between Europeanization and domestic structures in the regional and environment policy areas. Finally, the last section draws the main conclusions on the importance of institutions for the learning and Europeanization processes in both the Cohesion and CEE countries.

Social learning and the “Domestic Preference Formation Function”:
An evolutionary approach to policy change

The notion of learning has emerged on a wide range of social sciences as a crucial conceptual tool for explaining adaptation and change of system parameters at both the micro and macro levels. In political science learning, as an explanatory variable for major changes (paradigm shifts) in the policy-making process, has become a crucial concept for analysing the state-
society relations and hence for contemporary theories of the state (Hall, P., 1993). Thus within the theoretical framework of integration in Europe learning focuses on the complexities of the process of domestic preference formation (J. Richardson, 1996; B. Kohler-Koch, 1996; J. Checkel, 1999, 2001a,b; and C.J. Paraskevopoulos, 2001), which have been, to a significant extent, overlooked by both rational choice institutionalism and liberal intergovernmentalism (Marks, G, 1996). It is considered as a function of adaptable systems of ‘governance under uncertainty’\(^6\), and in that sense it implies the process by which actors acquire new interests and identities and form their preferences through interaction with broader institutional contexts/norms (Checkel, J, 1999). Through these “structure-actor” interactions, actors adapt their behaviour to meet the changes of the environment. As a predominantly interactive process, learning is crucially dependent on the way in which the system of institutional interactions is shaped, the adequacy of information and communication flows, and the presence of fora for dialogue among the actors. The latter enable institutional actors, by their joint involvement in the processes of “learning by doing” and “learning by past successes and failures”, to become adaptable, rather than adapted to changing conditions (Garmise, Sh, 1995). Learning in this environment is a function of past policy attempts (and the involved actors’ interpretation of their successes and failures), of the capacities of institutions to design new activities, and of the changing ideas and shifting alliances and balance of power among the actors.

In public policy the learning process has implications for the organizational structure of the domestic politico-economic system. On the one hand it requires that the involved actors are flexible to make the appropriate structural adjustments to exploit the benefits of learning. On the other, it is crucially dependent on experts who specialize in specific policy areas (P. Hall, 1993; J. Checkel, 1999). Because this combination of flexibility and specialization is best achieved in networked organizations, the network paradigm constitutes the appropriate organizational form for the learning process (Storper, 1995). Finally, since learning is a process of ‘waking up and catching up’ (Sabel, C, 1994) and therefore usually undermines the stability of relations between the transacting actors, informal social norms and conventions play a crucial role in providing the glue that cements and re-stabilizes the relations among the involved actors.

Within the EU public policy environment, learning is significantly affected by the intended and unintended consequences\(^7\) of the redistribution of power and resources between

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6 Richardson attempts to introduce the notion of ‘epistemic communities’, originally conceptualized in the field of international relations (P. Haas, 1992), within the EU policy-making. Given that the concept of ‘epistemic communities’ refers to the uncertainty of international actors and thus points to the role of knowledge and information flows in facilitating co-operative relations, it is familiar with the learning approach to regional integration in Europe (see Richardson, 1996; Peter Haas, 1992; Checkel, 1999; and B. Kohler-Koch, 1996).

7 The impact of the 1988 reforms of the Structural Funds on the redistribution of power between the levels of government, by strengthening the role of the subnational level and establishing direct linkages between supranational, national and subnational authorities through their role in managing and monitoring Operational
the supranational, national and subnational levels of government within the EU, and subsequently by the degree of decentralization and administrative restructuring of the state. In this respect it implies that compliance with the EU policy-making norms and regulations is achieved through the transformation of actors’ identities and interests that the changes of the broad institutional environment bring about (Checkel, J., 2001b). Since, however, intergovernmental relations constitute a dynamic system which cannot be simply reduced to a symptom of the state structure (Klausen, and Goldsmith, 1997), certain capacities for collective action that facilitate the shaping of interactions and the process of coalition-building among key social and economic actors are raised as the most important prerequisite for social learning and adaptation (Jeffery, Ch, 2000; Paraskevopoulos, C.J, 1998a;b)\(^8\). In that sense, both formal and crucial informal institutional arrangements play the decisive role in determining the learning capacity of regional and local systems of governance and subsequently the degree of their mobilization at the European level. Further, the increasing importance of capacities for collective action for learning and adaptation processes is underlined by the emergence of the network paradigm as an operational element of the institutional infrastructure at all stages of policy-making in the EU (Grote, J., 1997; B. Kohler-Koch, 1996; Kenis, P. and V. Schneider, 1991; Windhoff-Heritier A., 1993; Peterson, J, 1995). Therefore, institutional networks and social norms are crucial conceptual tools for facilitating the learning and adaptation processes through their capacity for resolving collective action problems: by structuring institutional interactions the former, and by providing stable rules and procedures (social norms) that facilitate exchange and flow of information and reduce uncertainty the latter.

Thus, the learning approach, while accepting the crucial role attributed by rational choice institutionalism to strategic interactions between actors as determinants of policy outcomes, it embodies path dependence and unintended consequences as important parameters of institutional and policy change processes and social norms as regulators of the uncertainty that surrounds both policy and institutional change. In that sense, social learning is a complicated process and hence should be distinguished from the simple sort of learning (the so called “single-loop learning” – Argyris and Schoen, 1978), where actors acquire new information, alter strategies but they pursue given, fixed interests. This simple learning, of course, can be captured adequately by the rational choice approach. Subsequently, the dynamic model of social learning may be seen as an attempt to bridge the gap between the

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Programmes (OPs) of the Community Support Frameworks (CSFs) constitutes a characteristic case of unintended consequences initialised by institutional or policy reforms at the EU level. Moreover, the core of these reforms remained almost unchanged even after the 1993 reform put forward after the negotiations over the 1994-99 Structural Funds programme (see Pollack 1995).

\(^8\) This point has been particularly strengthened by relatively recent research outcomes showing that the strength of associational culture and regional identity, rather than a funding/resource focusing logic, is the underlying factor of regional mobilization at the European level, (Marks, G. et.al., 1996b).
rational choice and the historical/sociological institutionalist approaches, by incorporating strategic interactions between actors, unintended consequences and social norms.

**Institutional Prerequisites for Learning:**  
*Institutional Thickness as “Goodness of fit” and the role of Social Capital*

Although the emergence of the network metaphor on the study of policy-making in the EU has been initially conceived of as a reflection of the necessity for mapping the exchange relations among the actors (Rhodes, R.A.W, 2000), the real added value of the network analysis is linked to its capacity for capturing the system of institutional interactions (Knoke and Kuklinski, 1982). This key contribution of the network paradigm is related to the re-conceptualisation of power within networks, and to its implications for the processes of exchange and interdependence. In particular, given that power within networks is ‘the ability to attain higher levels of collective action’ (Metcalf, L, 1981) and the high degree of resource interdependencies among the actors within inter-organizational networks, power relations within networks are mainly based on the process of exchange (Marin, B, 1990). The exchange process, in turn, involves a variety of resources (money, information, knowledge) and constitutes one way to achieve collective action among the actors. Thus, institutional networks are defined as systems of interactions involving both public and private institutional actors, which are linked around a certain policy domain or territory and hence bounded by it (Garmise, S., 1995; Paraskevopoulos, C.J, 2001). In that sense, the network paradigm overrides the rational choice new institutionalist approach in a constructive way, on the one hand by taking into account and mapping the rationality-based exchange process, and on the other, by capturing the main features of the broad institutional environment in terms of interactions and interdependencies among the actors. In doing so, it becomes an important component of the socialization function and hence of institutional thickness which assumes that exchange relations do not depend on the availability of resources but on actors' perceptions about their value and usefulness, and, therefore, the shaping of the exchange process is profoundly influenced by the broad social context. In this respect, the emergence of the network paradigm is viewed as consistent with economic sociology's criticism about the under-socialized character of rational choice new institutionalism and particularly the functional-neoclassical explanation of the origin of social institutions (Granovetter, 1985).

Within this theoretical framework, social capital has emerged as the second important component of the socialization function. It is theoretically based on a limited rationality model, similar in many respects to Axelrod’s evolutionary approach to norms\(^9\) (Axelrod, 1997:40-68) evolutionary approach to norms is based on a ‘limited rationality’ model which assumes that when actors make choices within complex institutional and social settings, they are more likely to use the ‘trial-and-error’ approach rather than a fully rational choice approach based on short-term calculations of utility maximization. Thus, individual actors tend to make long-term choices based on adaptation of their behaviour to successful paradigms of the environment rather than short-term, methodological individualism calculations-based choices. Within this framework, while norms may emerge through interactions among small
1997), and refers to ‘features of social organization, such as trust, norms and networks that can improve the efficiency of society by facilitating coordinated action’ (Putnam, R.D, 1993). Trust constitutes the first important form of social capital. It is linked to the volatility and hence uncertainty of modern institutional settings and seen as a crucial conceptual mechanism to resolve this uncertainty by shaping the relations between partners and facilitating collective action. Social trust in modern complex settings, however, can arise from two related forms of social capital: norms of reciprocity and networks of civic engagement. The most important norm is generalized reciprocity, which is based on continuing relationships of exchange, involving mutual expectations that a benefit granted now should be repaid in the future (Coleman, J, 1990). Thus, it is associated with dense networks of social exchange, through which the core relationships between reciprocity, reputation and trust are developed in a mutually reinforcing way (Ostrom, El, 1998). In that sense, norms, and hence social capital, are sustained by socialization and by sanctions.

Therefore, social capital, being initially itself a by-product of the exchange process, is transformed into a public good, namely a resource for action available to individual actors. In that sense, it is viewed as the appropriate conceptual tool ‘for introducing social structure into the rational action paradigm’ (Coleman, J, 1988) and hence for bridging the gap between rational or purposive action and social structure (J. Coleman, 1988; El. Ostrom, 1995) and for facilitating the socialization function. Although Coleman’s (1990) definition of social capital as ‘a set of inherent in the social organization social-structural resources that constitute capital assets for the individual’ implies that it refers to individual actors (persons), it has been acknowledged as crucial factor for facilitating collective action among corporate actors as well: ‘because purposive organizations can be actors just as persons can, relations among corporate actors can constitute social capital for them as well’ (Coleman, J, 1988). Hence, voluntary cooperation is easier in institutional settings that have inherited a substantial stock of social capital and the pursuit of collective goods is not seen as in contradiction with the pursuit of maximizing individual wealth.

number of players, they endure and become dominant through other actors’ adaptive behaviour. In this way, the most effective norms are more likely to survive over time. Among the mechanisms used for the enforcement and strengthening of norms (i.e. law, internalization, dominance) the most important is a specific mechanism called “metanorms”. This mechanism is based on the willingness of cooperating actors to punish not only the violators of a norm, but also those who do not enforce the norm, namely they do not participate in the punishment of the violators. As it is obvious, sanctions and reputation are the most important components of the metanorms mechanism. The function of the metanorms mechanism is better understood by reference to paradigms from the area of international relations (i.e. Yugoslavia).

10 It should be noted that generalized reciprocity as a form of social capital constitutes the most important prerequisite for the process of political exchange. Given that the norm is rooted in the complexities of the social exchange in broad sense, it is considered as a crucial function in which the process of political exchange is embedded. Thus, in the field of regional policy, generalized reciprocity, by sustaining the process of political exchange among the actors at the regional level, is viewed as a precondition for network creation and institution-building (see Cooke and Morgan, 1998).
To sum up, social capital and institutional networks constitute important components of the socialization function, by influencing actors’ preferences and identities the former, and by structuring the exchange process the latter. Subsequently, social capital constitutes a semi-independent variable (in the sense that it depends on the exchange process) that, by affecting the formation of actors’ preferences, facilitates the stability of intra-network relations and hence the learning and adaptation processes within institutional networks, which, in turn, function as an intervening variable between actors’ preferences and policy outcomes. As crucial components of institutional thickness and hence of the learning process, social capital and institutional networks may also be seen as important conceptual tools for bridging the gap between the rational choice and the historical/sociological institutionalist approaches. The latter, without denying the rational and purposive character of human behaviour, emphasize path dependence and unintended consequences as features of institutional development (Rose, R, 1990; Thelen Kathleen and Sven Steinmo, 1992; and Pierson, Paul, 1997) and the role of cultural norms and social appropriateness in affecting individual action (March, J. and J. Olsen, 1989; Checkel, J, 1999, 2001; Cowles and Risse, 2001; DiMaggio P. and W. Powell, 1991). Thus, they view institutions as an independent variable, which affects actors’ perceptions about their interests and identities.

In the field of the EU public policy, social capital and institutional networks are considered as important components of the local institutional infrastructure that play an important role in building forms of collective governance at the national and especially at the subnational level. Social capital, in particular, is widely recognized as intrinsic element of the institutional infrastructure that sustain political and technological innovation and competitiveness of European regions (Cooke and Morgan, 1998).

Yet, the arising crucial issue is related to the role of history and path dependence logic in the creation of social capital and hence in the enhancing of the learning process. The inherent in institutional learning evolutionist approach does not contradict the path dependence analysis, since the function of ‘learning to cooperate’ (Sabel, Ch., 1993) should be considered as a rather evolutionary process and, in that sense, it is familiar with historical institutionalism (Rose, R, 1990; Pierson, Paul, 1996; Bulmer, S., 1998). However, it should be distinguished from the deterministic interpretations of history, since it is based on the process of making collective action a rational choice. Additionally, the notions of civic engagement and strong civil society, based on the presence of social capital, constitute intrinsic elements of Western culture, which cannot be confined within the dualism of the rationality-based models of markets and hierarchies (Finnemore, M. 1996). In this respect, Sabel's optimism, based on the notion of “studied trust”\textsuperscript{11}, is relevant. It points to the bottom-
up process for the creation of social capital and hence redefines the role of public policy in encouraging initiatives, rather than imposing collective action and coordination.

Overall, social capital and institutional networks are identified as key components of the notion of institutional thickness and consequently of the learning and adaptation processes in the European public policy environment. Therefore, they constitute crucial conceptual tools for the “goodness of fit” approach to adaptation and Europeanization processes in EU public policy.

The structure of the theoretical concepts is depicted in Figure 1. As this structure demonstrates, social norms (social capital), as an important component of the socialization function, play a key role in achieving collective action, by influencing actors’ preferences about civic participation and group activity. Thus it functions as a semi-independent variable, in the sense that it depends on the exchange process which takes place within the networks. Collective action, in turn, constitutes an intervening variable for the learning, adaptation and Europeanization processes in public policy, by facilitating formal institution-building, influencing the level of institutional performance and thus determining public policy outcomes. Finally, the Europeanization of public policy contributes to the sustaining and strengthening of the institutional capacity in terms of network structures, while actors’ satisfaction with public policy outcomes reinforces again the existing “stock” of social capital endowments.

As it is obvious, under the above considerations, the ideal theoretical model of a learning institutional infrastructure in the multi-level system of governance in European public policy should be based on the presence of multiple networks at any level of governance and social capital endowments providing for the stability of the relations among the actors and enhancing the capacity of institutional networks to adapt to changes of the environment (see Paraskevopoulos, C.J., 2001a,b).

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11 the others: the parts reflect the whole and vice versa’. Sabel's optimistic view on the creation of trust is based on the hypothesis that 'trust is a constitutive -hence in principle extensive- feature of social life' (see Sabel, Ch. 1993).

12 However, the notion of network, as it is employed in the theoretical framework of governance, needs to be understood as a mainly ethnocentric concept, in the sense that it is closely related to the country-specific broad institutional environment. Thus its applicability and usefulness may be strongly constrained by qualitative features of the countries’ institutional infrastructure in terms of institutional capacity and therefore its appropriateness as an analytical tool may vary accordingly. In particular, there is evidence to suggest that the degree of validity and hence applicability of the network analysis is rather high in institutionally developed societies and relatively low in the less developed ones. What this implies, is that the relevance of the traditional models of social organization, namely state and market, should not be easily overlooked, given that the reform of any of these may have to be subject of careful consideration with regard to the necessary “investment” in institution-building for the participating countries. Moreover, these reforms may involve a combination of traditional and new organizational structures, such as network development. This may be proved a necessity, especially for the CEECs. [We owe this comment to J.Grote’s thoughtful contribution to the ADAPT Workshop organized at the LSE in February 2002].
FIGURE 1

**ACTORS, INSTITUTIONS and LEARNING in EU PUBLIC POLICY**

(1.V.) ACTORS' INTERACTIONS/INSTITUTIONAL NETWORKS

INFORMAL INSTITUTIONS (Norms)

ACTORS' PREFERENCES

COLLECTIVE ACTION

FORMAL INSTITUTION-BUILDING

INSTITUTIONAL PERFORMANCE

(D.V.) POLICY LEARNING/ADAPTATION
[EUROPEANIZATION OF PUBLIC POLICY]

PUBLIC POLICY OUTCOMES (Public Goods)

ACTORS' SATISFACTION
In that sense, the social learning-based evolutionary approach to the adaptation and Europeanization processes makes the comparative research on the experience of the previous enlargement waves –Cohesion- countries relevant for modelling the necessary reforms that the CEECs should undertake in preparing for full membership. Beyond the similarities (for Greece and Portugal) in terms of experiences of post-authoritarian transition, such a comparative analysis will allow CEECs to learn from past successes and failures of the Cohesion countries and make the necessary adjustments in their public policy-making structures, by adapting to the successful paradigms of the environment. The same applies, of course, to the Cohesion countries as well. In addition, although it is clear that the Europeanization of public policy should be viewed as an external shock for promoting institution-building, learning and policy-making innovation at the domestic -national and subnational- levels, and hence as an independent variable that affects crucially the domestic structures in both the Cohesion and CEECs, the pace of the adaptation process may be influenced by the capacity of pre-existing institutional infrastructure at the domestic level.

**Cohesion and CEE Countries in comparative Perspective**

**Cohesion Countries**

a) **Greece**

Greece is widely considered as a poor country in social capital (Paraskevopoulos, C., 1998, 2001; Lyberaki, A. and C. Paraskevopoulos, 2002; indicative data in Annex, fig.1,2,3) and consequently in strength of civil society, characterised primarily by a centralized and simultaneously weak central state structure (Sotiropoulos, 1993). This combination of a centralized state structure and weak civil society, a typical case of the so called Southern European paradigm (Putnam, 1993; Grote, 1997; Paraskevopoulos, C.J, 1998, 2001a,b), creates conditions favourable for hierarchical clientelistic networks in public policy-making that inhibit rather than encourage the long-standing process of institution building. These features are considered major impediments to the adaptation and Europeanization processes and hence the major adaptational pressures facing Greece since its accession into the EC/EU in 1981, that have led to what may be called “half-way Europeanization”.

1. **Regional Policy**: The entry into the EC/EU and, in particular, the gradual Europeanization of regional policy have constituted an external shock for the structure of the state and the system of public administration. The centralized planning system and the key role of the Public Investment Programme were challenged by the requirements of the partnership and subsidiarity principles for active participation of subnational governments in the planning and monitoring procedures. Under these pressures, substantial reforms of the intergovernmental relations took place in the 1980s and 1990s, involving the creation of the 13 administrative regions, the elected second tier of subnational government at the prefectural level, as well as
the creation of new municipalities through the compulsory merger of the communes (the so-called “Kapodistrias Plan”) in 1997. These reforms were accompanied by the restructuring of the planning system, the main feature of which was its attempt ‘to combine “top-down” control with “bottom-up” definition of priorities’ (Andrikopoulou, 1992:198).

Yet, this structure of regional planning, the financial control function of the ministry of National Economy, implicitly based on the additionality principle, and the absence of direct links between the EU Commission and subnational governments during the formulation of the Integrated Mediterranean Programmes (IMPs) created major coordination problems and inhibited the development of learning and adaptation capacities of the subnational elites (Andrikopoulou, 1992). Thus, the lack of formal and informal channels of information exchange and communication on intra or inter-regional basis resulted to the piecemeal drawing up of the IMPs and the distortion of their scope: instead of being integrated strategic plans for development, they were essentially lists of proposed by the prefectures actions on the basis of demands of local authorities (Papageorgiou & Verney, 1993).

The upgraded role of the Regional Secretariat in drawing up the ROPs and the establishment of direct links between supranational and subnational levels of government through their joint involvement in the Monitoring Committees are seen as the main improvements in the implementation of the first CSF (1989-93), which have been further strengthened in the second funding period (1994-99). However, the unfavourable politico-economic circumstances during the initial phase, the administrative weaknesses and the maintenance of the hierarchical structure of the planning procedures functioned as counter forces causing internal and external inconsistencies, significant delays and inefficiencies (CEC, 1995). With regard, in particular, to the ROPs, on the one hand the control of the ministry of National Economy upon the financial resources of the CSF and the Community Initiatives funds and the low, in general, quality of the local institutional infrastructure in terms of learning and adaptation (absence of intra-regional networks) on the other, played an important role in inhibiting the formulation of integrated development strategies.

This weakness of the subnational institutional infrastructure, marked by the role of local clientelism in the policy-making process, led to a shift in the policy priorities of the III CSF, from democratic participation towards efficiency in the management of the funds, and subsequently to further reinforcement of the decisive role of central state and the relevant administrative/political institutions (Central administration of the Ministry of National Economy, Central Payment Authority, General Secretary, Minister). This trend is gradually leading to the increasing involvement of technocrats (independent consultants, experts) in policy-making both at the national and subnational levels of government.

Nonetheless, there is evidence to suggest that: first, there is variation, both sectoral and territorial, in institutional performance; and, second, the challenge of Europeanization
constitutes a positive external shock for the systems of governance, which results to the improvement of the local institutional infrastructure, even if the pre-existing local capacity in terms of learning and institution-building was poor (Paraskevopoulos, C., 1998, 2001).

2. Environment Policy/Waste management: Greece belongs to the so called “latecomers” or “laggards” group of EU member states comprising mainly the Cohesion countries and thus facing serious policy “misfits” and hence adaptational pressures in environment policy. Environment policy in Greece, traditionally considered a branch of spatial and urban planning, formulated as a distinct and coherent policy area under the pressure of the EU in the second half of the 1980s and is based on the Environmental Protection Law, which constitutes the legal basis for the harmonisation of national legislation with EU rules. The main institution responsible for the formulation and implementation of environment policy is the Ministry for the Environment, Spatial Planning and Public Works. However, since it does not have exclusive competence over all environmental issues, the policy-making process is shared with other -sectoral- Ministries, such as the Ministry of Agriculture, the Ministry of Culture and the Ministry of Commercial Marine. Because of this fragmentation of environmental responsibilities at the central level, as well as the lack of effective co-ordination mechanisms, the Greek environment ministry has been characterized as a "weak" one, if compared to the ministries of other EU member states, such as the Danish and British ones (Getimis, et.al., 2002).

The problematic institutional infrastructure at the central state level is further aggravated by the considerable lack of decentralization measures, as well as, by the complete absence of independent or mixed bodies capable of ensuring efficient monitoring and control duties. In addition, the function of regional and local authorities, though entrusted with specific administrative competencies regarding the implementation of national statutory instruments for environmental protection, is limited either to a pure consultative or to a secondary executive role, given that they lack the necessary financial, technical and scientific resources to exercise an effective monitoring. In this perspective, several steps have been taken recently to increase flexibility and efficiency in monitoring and inspection procedures. These include the delegation of certain inspection, observation and accreditation functions to independent bodies or voluntary organizations. In addition, the establishment of an independent institute for the environment and sustainable development is being scheduled to act as the national focal point for the European Environmental Agency network. Finally, it is in the light of remedying the shortfalls and the delays in the implementation of Community environmental policy that the administration seems obliged to recourse to NGOs and independent experts for the internal management and enforcement of certain Community directives. In sum, the command-and-control type of regulation, which constitutes intrinsic element of the interventionist model of regulation and involves limited discretion and
flexibility for the administrative actors is the main characteristic of environmental policy in Greece (Getimis, et.al., 2002).

Waste management constitutes one of the most serious environmental problems for Greece, since the lack of an integrated management/co-ordination strategy that would link the national, regional and local levels of government on the one hand, and the intense conflict among social and institutional actors at the regional and local levels about the location of the disposal or recycling areas on the other, create conditions of a mis-regulated policy-making environment, especially at the local level. The repercussions of the huge tourist industry and the weakness of civil society should be considered as the underpinnings of the above described problematic regulation with serious consequences for the deterioration of the coasts and sea pollution. At the national (central state) level, the EU directives are enforced by insufficient trans-ministerial decisions and the law on “the protection of the environment”, which has a rather declarative character, resulting in a lack of effectiveness of the policy-making. Thus, although Greece has a good record of adopting EU legislation (in fact all the relevant Council Directives -75/442, 91/156, 94/62- have been transposed) there are serious delays in the process (4-6 years) and without thorough examination of the conditions and needs at the national level (e.g. through research and production of reports). It is indicative that there was a significant delay (7 years) for the incorporation of the Packaging Waste Directive (94/62) into the Greek legislation and there are still several steps that have to be taken for its enforcement (e.g. set up of an organisation for alternative waste management schemes). At the regional and local levels, the lack of co-ordination and intense conflict between local authorities -an outcome of few formal arrangements for policy co-ordination other than collective work teams and monitoring committees dealing with EU legislation and funding programmes- especially in the greater Athens area and Thessaloniki, lead to short-term political decisions and subsequently to ineffective types of governance.

Overall, the present and future trends in Greece will be determined by the interaction between the adaptational pressures imposed by Europeanization, and domestic institutional structures. Although there is increasing evidence which points to the key role of domestic institutions in this adaptation process, the changes occurring at the international environment function as external constraints that lead to domestic change. Therefore Europeanization should primarily be considered as an independent variable that may lead to a sort of “externally-induced modernization” of the domestic structures. Given, however, that modernization per se is not a clearly defined concept and hence several processes could easily be accounted for as modernization, the pathologies of the Greek case (statism etc.) have led many to view modernization as synonymous to “marketization”. Modernization, however, in the Greek and in other similar cases (i.e. Central & Eastern Europe) is primarily synonymous to institution building, and here is where social capital and civil society building becomes relevant (Lyberaki, A. and C.J.Paraskevopoulos, 2002).
b) Ireland

Ireland, like Greece and Portugal, has been characterised as a highly centralised system of government. The system is based on a strong central executive with all sub-national structures answerable to and financially dependent on the central government. In this system local authorities have largely been responsible for planning and development and environmental management and control (Loughlin 1999: 155). Unlike the other two states, however, Ireland has had a strong civil society (see Annex, figs 1,2,3), enhanced in recent years by the inclusion of women and other previously excluded groups, growing particularly during the economic boom years of the 1990s (Crotty and Schmitt 1998). The state, however, up until the 1990s also had a strong clientelistic tradition, with national politics remaining highly localised, with TDs engaged in dense local networks built on personal relationships and acting on behalf of their constituents. This was matched at the national level by the adoption of a series of social partnership agreements, starting in 1987, which included government, business, labour, farmers and other organisations. In this context, Ireland’s early membership of the EU provided an important impetus to economic development, an open door into Europe, and an attractive location for Foreign Direct Investment (FDI). Arising out of this Ireland’s adaptation to Europe was highly pragmatic and the administrative management of EU policy was less institutionalised than in some other member states (Laffan and Tannam 1998).

1. Regional Policy:

Ireland’s approach to the newly founded European Regional Development Fund was predicated on a desire to maximise Irish financial returns and was seen as important in contributing to national economic development. Initially this position was reinforced by the manner in which the regional fund operated, with the use of national quotas and the funding of large-scale infrastructure projects. Irish officials were quick to respond to Community guidelines and ensured that Ireland gained what was viewed as its “fair share” of the available funds. The state also gained a strong reputation for utilising funds allocated to projects, unlike some states where funds were allocated but not fully used. There was, then, during the period 1975-1988 little incentive to change Ireland’s approach to regional policy, as the existing system of funding rewarded Ireland handsomely. Within the state, sub-national actors played little part in this process and were largely dependent on central government departments for funding, with Department of Finance playing a pivotal role. Relations were hierarchical and sub-national actors had relatively little direct involvement with the European Commission. There was not, therefore, much adaptation or Europeanisation of sub-national government in Ireland.

The reform of the structural funds in 1988 and the adoption of a new European approach to regional policy necessitated the Irish government to change its approach to
funding, lest it lose structural funding, which had become increasingly seen as a key source of revenue and a significant contributor to GDP. The Irish government, like its counterparts in the other cohesion states, had to develop a National Development Plan, and in so doing it was expected to involve, and consult, a range of sub-national actors. Prior to this stage, the European Commission had been critical of Ireland’s centralised approach to regional funding, and officials had made it clear that future funding would necessitate change in Ireland. It is also reasonable to note that Irish attitudes to local and regional development were changing by the late 1980s, with a greater emphasis on community and local development, later aided and supported by EU programmes such as LEADER. Arising out of this changing climate, the Irish government in forming its national development plan, engaged in a process of local and regional consultation, forming regional committees for the purposes of consultation, and later formalising them as Regional Authorities (1994). The process was, however, more symbolic than real at this stage, with the plan already largely formed before the consultation process was completed.

Pressures from local community groups and associations mirrored the pressure for change from Brussels, with Ireland experiencing sustained, if still limited, local-led economic development. Ireland received noteworthy praise during this period from the OECD for its use of local partnerships and its recognition of the multi-dimensional nature of the development process. Nevertheless, elected politicians led few of these initiatives, and local government was slow to change in response to pressures for Europeanisation. The second national development plan (1994-99) provided a spur to further change, eight Regional Authorities were formally established, but with relatively few powers beyond broad coordination and consultation of local and regional actors involved in the day-to-day management of EU operational programmes. While the position of central government remained critical to understanding what was happening, local and regional actors were becoming far more involved and integrated as part of the implementation process, if still in a hierarchical relationship to national government. Many of the more progressive local authorities during this period appointed European liaison officers and became increasingly involved in a range of EU programmes (e.g. community initiatives), although the level of interregional cooperation remained low and largely concerned with the exchange of personnel and experience (Rees 1997).

The most recent national development plan (2000-06) provides further evidence of change and adaptation in response to the EU’s reformed structural funds. Ireland, in order to maintain its objective one status, designated the state as two regions for funding purposes. These two regions, the Border, Midlands and West (Objective One) and Southern and Eastern region (Objective One in Transition), have been given responsibility for managing regional operational programmes, as well as coordinating services and monitoring the impact of EU

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13 The Regional Authorities were composed of elected members nominated by the local authorities.
programmes, marking a new and significant departure in a regionalised tier of administration in Ireland. In practice, the two Regional Assemblies (1999) remain highly artificial constructions and there is little or no public identification with these bodies. Nevertheless, as this brief analysis suggests much has been changing in Ireland with a broad array of national, regional and local actors now involved in the development and implementation of regional policy. This means that more is being demanded of local and regional actors, placing an increasing strain on financial resources and staff, and they are involved in more dense hierarchical and horizontal networks, participating in their own right, and in some instances at odds with national government. It should, however, be remembered that Ireland is a small state and many of those involved in this policy sector know each other and relations are highly personalised, with officials able to operate both through formal and informal channels.

2. Environmental Policy/Waste Management

The issue of waste management has gained national prominence in Ireland in recent years, with media reports of unofficial dumping, public protests over the possible introduction of incinerators, and a general unease at what some see as the failure of the national government and local and regional authorities to come to terms with the problems of waste management. The issue is highly emotive and politically charged, with national bodies, local authorities and pressure groups at loggerheads over the issue and unable to agree acceptable solutions. Ireland’s long established claim to be an environmentally friendly state seems increasingly challenged by economic growth and subject to legal challenge in Europe for failing to implement EU directives in this area. In response to European pressures, Ireland adopted a Waste Management Act (1996; amended 2001) and has developed a number of policy documents in this area, as well as seeking to address the problem at a practical level through the Operational Programme for Environmental Services (1994-99).

The main body responsible for environmental policy in Ireland has been the Department of the Environment and Local Government, with local authorities responsible for implementation of policy (e.g. environmental protection, physical planning, water supplies and sewerage). Within the Department of the Environment a Waste Management Section was established in 1994 with specific responsibility for this area. It is the case, however, that environmental policy remains centralised with a largely hierarchical relationship existing with local authority officers. Beyond this level of government there was little attempt to seriously implement EU environmental policy in Ireland, with the state belonging to the category of “laggards” and “latecomers”, but without the excuse of being a new member state. The creation of the Environmental Protection Agency (EPA) in 1992, with the increasing regulation of waste sites, provided a marked improvement in an area lacking in administrative control. This development, linked with the requirement under the 1996 Act to develop
regional waste management plans in nine areas, suggests that central government control remained a key feature even in the late 1990s.

Public consultation in the formation of waste management plans is required under the Local Government Planning and Development Acts (1992, 1996), but such consultation appears low in many cases, despite protests over proposals for incineration and further landfill sites. In general, the administrative framework remains underdeveloped and implementation of waste management policy on a regionalised basis is very much in its infancy and local government has still much to learn about how to deal with waste management issues. A number of local authorities failed to adopt waste management plans, leading in 2001 to an amended Waste Management Act whereby powers were transferred to the County Manager. As such the regional approach to waste management in Ireland may not realistically reflect the situation on the ground, which may lend itself predominantly to a local authority level response.

In the Irish case, adaptation to the EU’s environmental regime has been pragmatic and piecemeal with the central government incorporating EU policy into the Department of the Environment and Local Government, as well as requiring local authorities to comply with these new directives. Pressures from the EU have certainly provided a critical impetus to Ireland in adapting existing and, in some cases, for example such as the EPA, creating new structures; Ireland has however remained slow to implement EU policy in this area. Policy in this area is fragmented among the institutions and the mix of actors seems to lead to a lack of action. There are, however, examples of developments at local level where new community initiatives and networks involving individuals, commercial enterprises, and NGOs which seem to be working. Such projects may be synergistic and provide impetus to further local development, as well as guides to best practice solutions elsewhere. The area of environmental policy in Ireland remains underdeveloped, with the various governmental levels still engaged in an early learning process, whereby effective strategies and approaches to environmental issues still need to be formulated and implemented to ensure compliance with EU directives.

c) *Portugal*

Portugal, like Ireland and Greece is a unitary state, with a centralised system of government, and with two autonomous regions, the Azores and Madeira. The system of government introduced after the 1974 revolution, with the 1976 constitution, provided for the establishment of a liberal democracy. As Loughlin has noted this system established a semi-presidential republic similar to that of the Fifth French Republic. It does, however, provide for direct or participatory democracy and local government has been noted for its innovative approaches to public participation (2001: 256).
1. Regional Policy

At the time of membership in 1986, Portugal lacked a regional policy or instruments, although regional state administration did exist and was based on districts, of which there were 18, and also the Commissions of Regional Coordination, while products of central government, existed in five areas. At the local level there are two tiers of authority: municipalities (305) and parishes (4,005) in which executive and deliberative functions are vested. There also exist the metropolitan areas of Lisbon and Porto, which have their own administrative governments, elected by representatives of the municipalities that make up the metropolitan areas. A further regional tier was provided for by the constitution, and the Basic Law on Administrative Regions passed parliament in 1991, but was rejected by the people in a referendum held in 1998. In Portugal the debate over regionalisation was at its most prominent in the 1980s, reflecting the states bid to join the EC and the concerns over the need for a regional policy.

Portugal, like Ireland lacked any regional tier of government, and it was only in response to the reformed structural funds in 1988 that a regional approach was adopted to planning under the direction of the Ministry of Planning and Territorial Administration (later broken up and regional functions assigned to the Ministry of Planning, 1999). These reforms led the government to engage in consultations that involved the Commissions of Regional Coordination (Comissões de Coordenação Regional)¹⁴ and representatives of civil sectors. Indeed, the CCRs originally established in the 1960s and 1970s grew in prominence during the 1980s, as more demands were made on Portugal by the EC. In 2002 the Ministry of Planning was replaced by a new ministry, the Ministry for Cities, Territorial Planning and the Environment which took on some of its functions.

Community membership challenged Portugal to define its regional development policy. It also led to the establishment of the Directorate-General of Regional Development (1983), as part of the Ministry of Internal Administration. This new body was to coordinate the EU regional fund intervention. In June 1986 this was integrated into the new Ministry of Planning and Territorial Administration, bringing together all the players under one member of the government. Portugal, like Ireland, submitted a single Regional Development Plan for the entire country, (1986-90) thereby ensuring the whole state was eligible for funding. The plans were developed through a broad process of consultation involving national ministries, the regional coordinating commissions, the autonomous regions, local authorities, business, and politicians.

As in Ireland and Greece, the initial management of the structural funds was undertaken in a very hierarchical manner, with the Council of Ministers selecting applications

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¹⁴ The CCRs are based on five areas: North, Centre, Lisbon and Tagus Valley, Alentejo and Algarve. They are on one level part of the national government, but are also important in defining the identities of these areas. Functions include urban and rural planning and coordinate with municipalities in relation to EC structural funds.
on the recommendations of the Directorate-General of Regional Development. This changed in response to the reform of structural funds and the adoption of a new community support framework. The Ministry of Planning and Territorial Administration was directly responsible to the Commission for the administration of the funds, with national and operational monitoring committees established to oversee each programme. The national and community bodies were charged with implementation, whereas the social partners role was merely advisory. This system of management continue for CSF II, but was revamped for CSF III, whereby each operational programme includes all ministries in the region, providing such departments with more significant responsibilities. The new process aims to ensure a better monitoring of the process, as well as providing for more devolved responsibilities. In the final analysis the Portuguese process, despite a degree of Europeanisation, remains highly centralised, with a lack of regional government and administration making it difficult to coordinate regional activities.

2 Environmental Policy/Waste Management

Portugal has also been among the “laggards” group, only slowly responding to EU pressures to adapt its machinery of government, attitudes and policies to ensure compliance with EU directives and broader environmental policy. In 1987 the Portuguese Assembly adopted an environmental law that led to the creation of the National Institute for the Environment, while in 1990 the Ministry for the Environment and Land Use Management was created with specific responsibility for environmental policy. In 1995 the government adopted a National Plan for Environmental Policy. This was followed by the Waste Management Act (1997) and led to the establishment of a National Waste Institute (1998); which has been an autonomous part of the Ministry of the Environment. This system of governance is reinforced by regional directorates that ensure the coordination of policy in conjunction with the environmental ministry. There is, however, limited coordination at a national level between ministries, and at a regional level between municipalities, given the lack of a regional tier of administrative governance.

In practice, waste management is the preserve of the municipalities, but their small size and limited ability to cope with waste management problems have prompted them to rely instead on public-private partnerships (PPPs) to manage the waste problem. In this sense, Portugal’s approach is different to Greece and also to Ireland, where PPPs are only slowly becoming a feature of Irish administration. Portugal has some 35 waste management systems in operation on the mainland. It has 37 landfill sites, 2 incinerators, 5 composting plants and 54 transference stations.

The Portuguese approach to Waste Management illustrates both the problems of the centralised state and its slowness to act to address environmental problems, and yet, at the same time, there is considerable innovation in some municipalities. For example, while waste
has grown as a problem in the Lisbon area, the municipal authorities that constitute the Lisbon Metropolitan Area (LMA) have responded by implementing an Integrated Waste Management System. In LMA technological solutions have been used to address the problems of waste management, with a multi-method approach being adopted to provide innovative solutions. As in Ireland there is considerable NGO pressure for change, with similar levels of protest, and there is also significant interaction with the business community, who clearly see some commercial opportunities to make money from rubbish! The Portuguese case highlights in a number of ways the innovative methods of local government in this state with a range of solutions being offered to the problem. This includes direct management by municipalities, delegated management by associations of municipalities to PPPs, and delegation and concessions to private companies.

CEE Countries

a) Hungary

Hungary faces significant adaptational pressures in all sectors of public policy which are related to the fact that the challenges of Europeanization have coincided with the transition from authoritarianism and the modernization process. Diplomatic relations between Hungary and the European Communities were established in August 1988, while the Europe Agreement between Hungary and the EC was signed in 1991, providing association status for Hungary to EC and legal foundations for relations. By 1998 Hungary was admitted to the first circle of candidates. Hungary is widely considered as a “frontrunner” mainly in administrative adaptation at both the national (central government) and subnational levels of government, when compared with the other CEE countries (Goetz, KI, and H. Wollmann, 2001). This is a result of its refusal, in relative terms, to adopt the so called “Latin”, (namely the Southern European), paradigm in the transition from authoritarianism. “Latinization” is widely considered as dominant model for some at least of the CEECs during this period of intense pressures towards modernization (Goetz, KI., 2001). In terms of strength of civil society, Hungary demonstrates the well-known from countries of Southern Europe contradictory pattern of relatively strong civil society accompanied by distrust in political institutions (Mishler, W. and R. Rose, 1995, 2001; see also Annex fig. 4).

1. Regional Policy:
Historically, Hungary has been split on Eastern and Western part, the regions to the east and west of Danube River. The western regions (Northern and Southern Transdanubia) have been economically connected to Austria, Germany and Italy, better developed and more prosperous. The eastern part of the country, in general, remained poorer and more agricultural. Nevertheless, there was no single pattern of the poor-rich division. In many cases it would go in line with the centre-periphery model, as the economic performance of all
the provincial regions remains markedly lower than of Budapest.

The basic units of the Hungarian system of local government since XII century were the counties. The main objective of their existence was to protect the interests of the nobility. This feudal structure has been maintained until the War of Independence in 1848-1849. The Soviet system of councils was introduced in 1950 but their main role constrained to the representation of the central government in the regions. Therefore, until the systemic change of the political system, the structure of the state has been strongly centralized. However, the Hungarian system of councils offered more space and freedom to the local actors when compared with the neighbouring countries (Horvath, et.al., 2002).

The dominant issues facing Hungary in relation to its adaptation to the EU regional policy-making structures since the beginning of the 1990s refer to the coordination of the actions financed by EU interventions funds (mainly PHARE/CBC, ISPA and SAPARD) and the gradual adoption of the \textit{aquis} with regard to the principles of concentration, programming, partnership and additionality. Thus, since 1990 a series of reforms decentralizing the state administration, re-establishing the autonomy of local governments and delegating to them broad responsibilities in delivering local public services were introduced. They also implemented a legal and regulatory framework to enable private participation in local infrastructure and services and tightened budget constraints. Additionally, the intermediary level of government has been reinforced by establishing Regional Development Councils and by attempts to promote municipal associations.

One of the main achievements of the reforms of the administrative system was the establishment of eight administrative macro-regions overseen by a Commissioner. Commissioners hold the rank of the state secretary and report to the Minister of Interior. Their tasks are to co-ordinate the activities of de-concentrated government departments within their region. Despite their main obligation of legal monitoring, they also play a considerable role as co-coordinators of economic development activities within their regions. Deconcentrated units of government ministries in counties or administrative regions exist in order to implement sectoral policies. These branches fall under the direct administrative control of the Ministry concerned and do not possess any autonomy. They have influence on the empowering of local actors and might act as an interface between the central government, local authorities and non-governmental organizations. They can also lend credible representation of the local and regional activities in Budapest. The task of co-coordinating regional development policy has now been transferred to Councils of Regional Development, where the government is represented by the branch officials (Horvath, et.al., 2002).

Decentralization and reform of the regional governance system, however, goes hand in hand with increasing concerns about the strengthening of the central administration capacity, which constitutes a high priority for the EU Commission, given that there are signs of another Southern European pattern, namely the emergence of “enclaves” of
professionalism and technocratic excellence (the so called Europeanizers) confined in sectors of public administration which are mostly involved in dealing with the EU (Goetz, K., 2001).

In the 2001 Regular Report the Commission notices progress in the application of the EU principles guiding the European Regional Policy.

- With regard to **programming**, the Commission notifies that Hungary submitted the final version of the preliminary National Development Plan (NDP) in April 2001 as a basis for programming and co-ordinating pre-accession assistance. Under the overall responsibility of the Ministry of Economy, the preparation of a development plan (referred to as “National Development Plan - NDP) within the meaning of the Structural Funds regulations started in January 2001.

- In order to ensure the application of the **partnership principle**, the Economic Council (including the social partners), the National Regional Development Council (which includes the presidents of the Regional Development Councils) and the National Environment Protection Council are being consulted in the preparations of the plan. One representative of the regions participates in each of the five thematic working groups of the National Development Plan.

- Concerning **monitoring and evaluation**, the *ex-ante* evaluation of the development plan and a macro-economic impact study are being prepared. An evaluation sub-committee of the Inter-ministerial Committee for Development Policy Co-ordination has been established. A pilot IT monitoring system has been created, with Community assistance, in the Government Control Office.

- Preparations for the **financial management** of the Structural Funds and the Cohesion Fund are based on the financial management system established for the pre-accession instruments.

- The legal framework for the **financial control** for public expenditure has been established and the necessary internal and external control bodies have been set up.

One of the main challenges, however, is that the big number of communes (3092) affects negatively the coherence of the wider area as an economic unit. Each individual municipality has its own physical and economic plan and this perpetuates inequalities in terms of housing and business locations. Meeting the requirements of EU accession and EU standards in infrastructure, environment and other areas will require large investments and therefore, the task is to provide municipalities with an intergovernmental framework that supports local government efforts to access capital markets in order to finance investment needs.

2. **Environment Policy/Waste Management**: Hungary, along with most of the Cohesion countries, belongs to the “latecomers” – “laggards” group of countries, for which environment policy has been formulated by the EU standards. The National Programme for the Adoption of the **Acquis Communautaire** (NPAA) is the main framework for the adoption of the EU environment policy rules and regulations. It determines targets, deadlines concerning legal harmonisation, institution building and implementation needs, addresses costing with reference to the financial resources to be ensured by the central budget, the private sector and the municipalities. Its main task, however, is the problems, primarily
coordination, related to the use of EU financial resources, such as PHARE and ISPA. By the end of 2002 Hungary is expected to have adopted most of the EU environmental regulations and norms. Although the Ministry of the Environment is the main policy-making actor, demands on sub-national structures have intensified as a result of the Europeanization process, in particular with the implementation of the Environmental Acquis. Various tasks and responsibilities, which were previously carried out by the national government, have been transferred to the sub-national level of government, although its administrative capacity is limited, both in terms of resources and expertise.

The National Council for Environment Protection is the forum, where local, county and regional communities, as well as economic agents and NGOs participate in the interest reconciliation process. This is an advisory body to the Government, bringing together public authorities and civil society actors and trying to achieve integration of environment with other policies.

Waste management constitutes the most crucial environment policy issue for Hungary. Hazardous waste, in particular, has often been the area of intense social conflicts related to environmental problems, given the large amounts of industrial hazardous waste that have been accumulated over the last decades, and the limited capacity for disposal. In addition, only two-third of Hungarian households is served by organised waste collection systems, while dumping is the major solution applied in dealing with the problem of communal waste (Horvath, et.al., 2002). Most of the collected waste is land filled in small communal facilities which, for the most part, do not conform to environmental regulations. Finally, there are also more than 2000 illegal dump sites in the country. Although the transposition of the EU Waste Framework Directive (75/442) marked Hungary’s compliance with the EU environment policy, only in 2001 the National Plan for Waste Management was elaborated by the Ministry of the Environment. The main task of the plan is to decentralize the policy process, especially the implementation phase, by specifying and allocating responsibilities to the subnational (regional and local) level of government. Although decentralization has not always led to institutional performance in the implementation of the policy, mainly because of serious coordination problems and lack of sufficient resources, there is evidence of a particularly active role of civil society actors in the policy process. Civic organizations, ranging from nation-wide environment protection alliances to local single issue groups, play an important role, performing both regulatory and implementation functions.

Despite the significant institutional innovation that has taken place and the EU interventions through mainly the PHARE, ISPA and LIFE programmes, however, Environment has been proved to be an expensive policy area and therefore the amounts of investment needed are estimated to be very high. This has led to requests during the accession
negotiations for transitional periods in almost all policy areas (recycling and packaging, urban waste water, incineration of hazardous waste).

b) Poland

Poland, like Hungary, faces severe adaptational pressures in all sectors of public policy, which are related to the fact that the challenges of Europeanization have coincided with the transition from authoritarianism and the modernization process. It is considered as following Hungary in the process of administrative reform at the central state level, demonstrating similar to Hungary patterns of “enclaves” of professional and expertise excellence within the state bureaucracy, confined in the sectors most dealing with the EU (Goetz Kl. and H. Wollmann, 2001). There is also some evidence of adoption of the Southern European paradigm during the transitional period at a higher degree than Hungary (Goetz, K., 2001). As for the strength of civil society, it demonstrates again similar characteristics to other CEECs, namely a relatively strong civil society accompanied by distrust in political institutions (see Annex, fig. 4).

1. Regional Policy:

The tradition of Polish regional policy and the division of the country in administrative territorial units should be traced back to the 12th century. However, the long period of the partition of the state and its practical non-existence hampered the effective regional governance. For more than hundred years the administrative structures have been adjusted to differing traditions of the three occupant states, Russia, Prussia and Austria. This historical inheritance resulted in a deep-rooted division on the map of Poland. Neither the shift of Polish borders after the World War II, nor the years of centralist communist economy did change this pattern.

Poland is still divided into the more developed western, and the significantly less developed eastern parts. Current Polish regional structure also shows quite considerable level of differentiation, in terms of the size of regions, amount of inhabitants (population structures) and the level of urbanisation. The main sources of disproportion lie in the low level of economic development and difficult economic situation in Eastern Poland (Podlaskie, Lubleskie, Podkapackie and Swietokrzyskie Voivodships), difficult situation in areas of high unemployment, especially after the collapse of the State Farms (PGR) system (mainly in northern and western provinces), potentially difficult situation in heavy industries zones and relatively good economic situation in agglomerations, mainly in Warsaw (Polish National Report, 2002).

The objective of the first reforms of the administrative system of the state after 1989 has been to re-establish the self-government structures and gradually decentralise the policy-making process. Thus, while since 1975 the administrative structure of the country involved two tiers of territorial division, including 49 voivodships and over 2300 municipalities, the –
latest reform of 1999 introduced three tiers of local and regional government territorial units, that is 16 voivodships (i.e. regional level-NUTS II), over 300 poviat (i.e. sub-national level with strong historic tradition) and the local level (communes-gminas). The new tiers of government and especially at the regional level have been granted broad competencies for regional and physical planning, land management and environmental protection. The anticipation of the future membership of the EU provided the context for this systemic transformation process (PNR, 2002).

The EU structural interventions through mainly the PHARE, SAPARD and ISPA programmes functioned as initiators of the democratic programming approach to development, the preliminary steps to which have been the formulation of the Preliminary National Development Plan and the National Development Programme (NPR) for the period 2000-2006. Beyond the obvious benefits of the programming approach, namely the effective utilisation of the pre-accession aid and facilitating the management of Structural Funds after accession, it initiated the processes of learning and institution building within the policy-making structures. This is achieved mainly through the provisions for the implementation of the partnership principle in the preparation of the operational and regional (voivodship) programmes under the PHARE assistance, which involves consultation in the policy-making process, institutionalised in the form of Steering and Monitoring committees as well as other counselling bodies. These committees constitute fora for dialogue and communication among all actors (public, private, societal) involved in the policy process. This function of the pre-accession EU structural interventions of course may be seen as similar in many respects to the role of previous EU structural policy actions, such as the IMPs in Southern Europe.

However, the lack of co-ordination between the national and subnational 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 in Poland, while, on the other hand, the strengthening of the central administration capacity remains a primary concern for the EU Commission.

2. Environment Policy/Waste Management: Poland, like Hungary and the other Cohesion countries, belongs to the “laggards” group of countries and the policy formulation process was initiated by the prospect of accession to the EU. The state of the art of the environment in Poland is similar that of Hungary, characterised by serious problems, especially with regard to hazardous waste.

The Second State Environmental Policy constitutes the main visionary framework for environment policy, defining the objectives and standards that need to be met in order to comply with the *acquis communautaire*. The document deals with the main issues of environment policy and sustainable development and focuses on the redistribution of the role of the actors-participants in the policy-making process, by the strengthening of the functions of local governments and the private sector and by improving the level of public access to
information on the state of environment for NGOs. In addition, greater emphasis is placed on the role of education, science and transfer of environmentally friendly technologies and rules for management of the environment. Thus, although the main policy-making actor is the Ministry of the Environment, at the territorial level the relevant province, county and commune authorities may draw up respective environmental protection programmes, taking the necessary requirements into account. These programmes are adopted respectively by the assemblies of a province, a county and commune councils. Every two years the executive authorities of a province, a county or a commune submit reports on the implementation of programmes to: the provincial assembly, a county council or a commune council. The self-governments – especially on NUTS 4 and 5 levels - are involved directly in provision of basic services to the community, including waste management, granting permits and provision of necessary technical infrastructure.

As for Waste Management, although it is the most crucial environment policy area for Poland, the current state of the art is the elaboration of the National Waste Management Plan. The plan is expected to cover all the basic categories of wastes generated, in particular municipal and hazardous waste. The main tasks of the Plan should comply with the sustainable development strategy and implement the principles of the II State Ecological Policy. The carrying out of the Plan involves a wide range of actors/agents, such as the Waste Economy Institute, the Institute of Industrial Areas Ecology and the State Geological Institute, while consultative bodies (chambers, professional associations) will take part as well. This “integration gap” in the state of the environment policy between Poland and EU has led to requests for transition periods in almost all policy areas of waste management (hazardous, packaging, urban etc.).

There is, however, some evidence about a relatively active role of civil society in the policy process. In particular, a number of educational activities are observed in the field of ecological education organised by NGOs. The number of NGOs in environmental sector was growing and a number of www sites were opened each year in 1990s, promoting the pro-environmental style of life or supporting actively the protection of species and providing information to activists. Unfortunately, many of these initiatives are less active nowadays and their influence on policy formulation is rather limited (probably due to lack of funds and weak interaction with relevant authorities) (PNR, 2002). On the other hand, with regard the social participation in decision-making and implementation of environment policy some preliminary observations point to the influence of factors, such as the distrust in political institutions and weak co-operation and co-ordination links between various levels and types of authorities (local-regional, additionally hierarchical in nature influencing negatively functional co-operation).
Conclusions

This paper, based on evidence from EU regional and environment policies, has attempted to show the role of the learning capacity in facilitating the processes of both institutional and policy adaptation within the multi-level system of governance of the European Union. Within this framework, social capital and institutional networks are identified as crucial conceptual tools for the learning and adaptation processes, by facilitating collective action among the actors through the processes of exchange and socialization. Being conceptualized as key tools of the socialization function within the learning process, social capital and institutional networks are introduced as the appropriate concepts for softening the fundamental assumptions of rational choice institutionalism, which attributes protagonistic role to actors’ preferences and views EU institutions as merely an intervening variable between the preferences of the member states governments and specific policy outcomes. The learning approach, while accepting the fundamental merit of the rational choice approach, that is the role of interactions among the actors and subsequently of the exchange process in achieving collective action and building collective governance within the EU, does not overlook the impact of the broad institutional environment on actors’ preferences through the socialization function. In this respect, the learning approach may be seen as an attempt to reconcile the rational choice and the sociological/historical approaches to integration in Europe.

The following points should be stressed with regard to the evidence on learning and Europeanization from the Cohesion and CEE countries:

1) Europeanization as a process of continuous interaction between EU and domestic institutional and policy-making structures affects crucially the institution building and learning processes, and consequently the policy-making capacities in both policy areas in all the countries under consideration;

2) Variation in policy-making outcomes depends fundamentally on the degree of adaptational pressures facing the countries in the selected policy areas and the level of performance of the pre-existing domestic institutional infrastructure at both the national and subnational levels of government per country and policy area;

3) With the possible exception of Ireland, the degree of adaptational pressures in all the other countries should be considered as generally high, [though variation per country or group of countries -i.e. Cohesion vis-à-vis CEEs- and policy areas is of course evident], given that in all these countries Europeanization has to a significant extent coincided with the transition from authoritarianism. Thus Europeanization seems to be associated with the democratisation and modernization processes, and in this respect it should be viewed as a primarily independent variable, affecting the institution building and learning processes at both the national and subnational levels of government;
4) In regional policy, Europeanization has led to substantial administrative restructuring, involving devolution, network creation and institution building at the national and more importantly at the subnational level of government in all countries, albeit in varied degrees. However, it seems that an important resurgence of the role of the central state has taken place, especially after the 1993 reforms of the Funds, in the Cohesion countries, with the possible exception of Ireland. Finally, the Region generally remains an artificial construct, often seen as a threat seeking to control local actors.

5) In environment policy, all the case study countries belong to the so called “laggards” or “latecomers” group of countries, and consequently they have to adapt mostly to environmental standards/regulations of a policy shaped mainly by the so called “pace-setters” or “forerunners” group. Hence policy misfits are particularly high in environment policy. On the other hand, although environment policy is considered a policy area involving to some extent advanced technology and hence significant costs, the role of institutional and policy-making cultures and practices at the national but most importantly at the subnational level seems to be the decisive variable affecting the adaptation process primarily in the Cohesion and secondarily in the CEE countries;

6) The presence of veto points/veto players in the domestic policy-making arena, facilitated by institutional structures, such as the structure of the interest intermediation (i.e. corporatism) and/or electoral (i.e. proportional/inclusive vis-a-vis majoritarian/exclusive) systems, and the domestic institutional and policy-making culture in general undeniably play a key role in the adaptation process, as it has been suggested by the recent Europeanization and globalization literature. However, as evidence from some at least of the countries under consideration suggests, this role is not always positive, since these institutional structures are often closely associated with well-established clientelistic practices at both the national and subnational levels of government and in that respect may lead to a consistent resistance to change, which has become evident in other EU countries (i.e. Germany) in specific policy areas;

7) Indeed, the interpretation of institutional thickness suggested by this research study, namely incorporating the notions of institutional networks and social capital, as fundamental qualitative features of institutional infrastructure and precondition for the learning and adaptation processes, seems to be more relevant to the specificities of the countries under consideration;

8) However, given that central state plays a key role in all countries under consideration, the presence of an impartial central state bureaucracy performing mainly regulatory and re-
distributive functions - as it is partly illustrated by the Irish case - should be considered as crucial variable for the learning and adaptation processes. Hence an emerging key policy suggestion may be that in pursuing institutional thickness through network creation and social capital building EU policies should be focusing not only on the subnational, but also on the national/central state level of government.
Bibliography


Argyris, Chris and Donald A. Schoen (1978) Organizational Learning, Reading, Mass.: Addison-Wesley.


ANNEX

**Figure 1: Social Trust**

<table>
<thead>
<tr>
<th>Country</th>
<th>Early 1980s</th>
<th>Early 1990s</th>
<th>Mid-1990s</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ireland</td>
<td>45</td>
<td>40</td>
<td>35</td>
<td>40</td>
</tr>
<tr>
<td>Portugal</td>
<td>20</td>
<td>15</td>
<td>10</td>
<td>5</td>
</tr>
<tr>
<td>Hungary</td>
<td>25</td>
<td>25</td>
<td>20</td>
<td>15</td>
</tr>
<tr>
<td>Poland</td>
<td>30</td>
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<td>20</td>
<td>15</td>
</tr>
<tr>
<td>Greece</td>
<td>10</td>
<td>5</td>
<td>0</td>
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</tr>
</tbody>
</table>

**Sources:** World Values Surveys (several waves) for Ireland, Portugal, Hungary and Poland; Project-specific survey, (Kappa Research, Athens, 2002), for Greece (see Lyberaki, A, and C.Paraskevopoulos, 2002).

**Question:** "Generally speaking, would you say that most people can be trusted or that you can’t be too careful in dealing with people?"
Figure 2: Trust in Political Institutions in EU Countries, 2001 (average in % by country)


Question: I would like to ask you a question about how much trust you have in certain institutions. For each of the following institutions (Political parties; Civil service; The National government; and The National Parliament), please tell me if you tend to trust it or tend not to trust it?
Figure 3: Trust in the Civil Service in EU Countries, 2001

Figure 4: Trust in Institutions and People


Note: trust is scored on a 7 point scale where 7 = maximum trust and 1 = maximum distrust.
<table>
<thead>
<tr>
<th></th>
<th>GREECE</th>
<th>IRELAND</th>
<th>PORTUGAL</th>
<th>HUNGARY</th>
<th>POLAND</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Degree of Adaptational Pressures</strong></td>
<td>Structural Policy: Medium</td>
<td>Medium</td>
<td>High</td>
<td>Med/High</td>
<td>High</td>
</tr>
<tr>
<td></td>
<td>Environment Policy: High</td>
<td>Medium</td>
<td>Medium</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td><strong>Institution Building (Network Creation)</strong></td>
<td>Structural Policy: Low</td>
<td>Med/High</td>
<td>Low</td>
<td>Low/Med</td>
<td>Low</td>
</tr>
<tr>
<td></td>
<td>Environment Policy: Low</td>
<td>Med/High</td>
<td>Low/Med.</td>
<td>Low/Med</td>
<td>Low</td>
</tr>
<tr>
<td><strong>Social Capital/ Civil Society</strong></td>
<td>Weak</td>
<td>Strong</td>
<td>Weak</td>
<td>Medium</td>
<td>Medium</td>
</tr>
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<td><strong>Fora for Dialogue &amp; Comm.</strong></td>
<td>Structural Policy: Present</td>
<td>Present</td>
<td>Present</td>
<td>Starting up</td>
<td>Starting up</td>
</tr>
<tr>
<td></td>
<td>Environment Policy: Present</td>
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<td>Present</td>
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<td>Starting up</td>
</tr>
<tr>
<td><strong>Problem Identification</strong></td>
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<td>Starting up</td>
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<tr>
<td></td>
<td>Environment Policy: Partly</td>
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<td>Starting up</td>
<td>Starting up</td>
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