*Rafał Riedel**

European Union’s Cohesion after the Enlargement: a View from Central Europe[1]

Abstract: *This paper analyses the European Union’s Cohesion Policy under the 2007–2013 budgetary constraints as seen from the perspective of the new – Central European – member states. In the introduction, the author conceptualises the term ‘Central Europe’ pointing out the highly diverse and relative way of defining it, both in scholarly literature and in political discourse. Due to the fact that the accession of new states from Central Europe increased the regional disparities (measured in social and economic standards), the role of cohesion policy got strengthened, making its budget the largest part of total EU expenditures. Consequently the efficiency of the policy is put into consideration, including the methodology of evaluations, the criteria used, and objectives. In the concluding part of the paper it is emphasised that the EU Cohesion Policy has also served as a mechanism which promotes a more ‘human face’ of the European integration process, going beyond a simple ‘market friendship’ to include ambitions to build a political community based on solidarity foundations. It is the only EU policy that explicitly addresses the economic and social inequalities within the European territory.*

1. Introductory remarks

The main objective of this paper is to describe and analyse the European Union’s Cohesion Policy (its prerequisites, priorities, importance and evaluations) after the most recent waves of enlargement (2004, 2007) to the East.

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In order to do so it is important to conceptualise what 'Central Europe' – as a region – means in today's terms and why/how it is defined in relation to the West. Certainly Europe is a heterogeneous space under any criteria (economic, social, cultural, ethnic, religious, political, etc.), with the heartland (Western) Europe and Eastern part of Europe constantly redefining themselves in relation to one another. One must remember that Europe as such has always been defined in various ways – both in terms of its territorial scope (defining the external borders – geographically, culturally, and in other dimensions) as well as in attempting to identify what is encompassed by the term Europe.[2] In such circumstances defining what Central or Eastern Europe is generates a double challenge. These regions' societies, polities and economies frame themselves and are framed by their differences from 'Western' Europe – in terms of distance and a lack of 'Europeanness' (of which the West is supposed to be the repository).

Consequently, Central Europe – as a scholarly concept – is difficult to define in geo-political terms. The previous ('Cold-War') bipolar world was much easier to understand and interpret, as there was only the East and the West. In the academic and public discourse after 1989, CEE – 'Central and Eastern Europe' became a vogue term which served, for some time, as an effective description of the Post-Soviet zone.[3] Now CEE as a term has lost a large part of its explanatory potential. After two decades of transformation and change, a Central European region as such – as a single definable entity – does not exist. It is becoming more difficult to find a common denominator for countries like Slovakia and Ukraine (beyond recent history). The transition and socio-economic developments have taken different trajectories for different countries. Some, like Poland, Hungary, the Czech and Slovak Republics as well as the Baltic States of Lithuania, Latvia and Estonia, have similar political alliances, economic ties, trade traffic, membership in both NATO and EU, as well as general civilisational orientations, factors which would justify treating them as a single group. Other countries, like Russia or Ukraine, remain beyond this zone, organising their political, social and economic life in an alternative way.

[2] See also: S. Moisio, *Redrawing the Map of Europe: Spatial Formation of the EU's Eastern Dimension*, "Geography Compass", No. 1(1)/2007, p. 82–102 and M. Kuus, *Europe's Eastern Expansion and the Re-inscription of Otherness in East-Central Europe*. *Progress in Human Geography*, No. 28(4)/2004, p. 472–489.

[3] *Developments in Central and East European Politics*, ed. S.White, J. Batt and P.G. Lewis, 4th edition, Basingstoke 2007.

Undoubtedly, the boundaries of today's Central Europe – as a region – are highly relative. They are understood and defined in a different way depending on one's perspective, discipline or personal attitude.[4] Most scholars have no doubt that Poland, Hungary, and the Czech and Slovak Republics are Central European states; one could even conclude that they are the core of Central Europe. Additionally some more western countries are usually included in this region, in particular Austria, the historical heartland of the Danube river basin, the centre of the former Habsburg empire, and home of the IDM – Institute fuer Donauraum und Mitteleuropa in Vienna. Many Germans would also not have much doubt about being in Central Europe, recalling the XIX century and Naumann's 'Mitteleuropa' concept.[5] At the periphery of Central Europe lies Slovenia or other Balkan states, like Romania or Bulgaria, which are sometimes defined as South East Europe.

Central Europe
Source: http://www.un.org/Depts/Cartographic/map/

[4] Most Poles would claim that Germany is in the West, whereas many French citizens (especially those from Bretany) consider Germany as Central Europe and the city of Berlin being the gate to the East. On the other side of Europe, in Ukraine, Poland is perceived as belonging to the West – geographically, culturally, religiously, economically, politically and in any other imaginable dimension.

[5] Not surprisingly, Berlin marketing slogan is: 'At the heart of Europe'.

While the notion of Central and East European countries was applicable, acceptable and frequently used in scientific literature after 1989, over the course of time it has lost its explanatory power, as Central Europe has become more and more emancipated from the East.[6] It is even legitimate now to propose switching to 'Central and Western Europe' in order to capture the geo-political re-orientation of the Central European Countries. Whether we take into account the NATO and EU alliances, the economic traffic (more than 80 percent of CE exports goes to the euro-zone), political orientation, and any other indicator, it is clear that the linkages with the West are stronger, more intense and more dominant, which makes the term 'Central and Eastern Europe' ever more inadequate and even misleading.

2. The European Union's cohesion policy

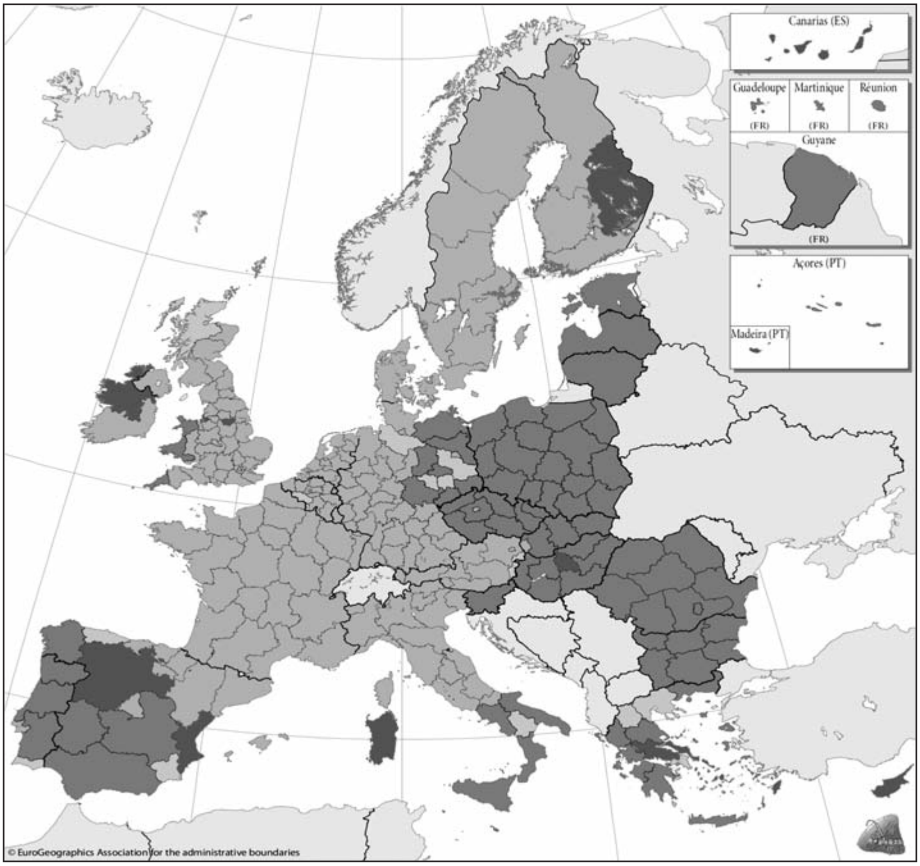
This paper analyses the European Union's Cohesion Policy under the 2007–2013 budgetary constraints, as seen from the Central European perspective as described above. Regardless of the highly diverse and relative way of defining the region, both in scholarly literature and in political discourse, it is undeniable that the accession of new states from Central Europe has increased the regional disparities – measured in social and economic standards – and as a corollary strengthened the role of the EU's cohesion policy. It is also important to observe that if we use the cohesion policy as a criterion for establishing the boundaries between West, Central, and East Europe, then we see clearly that Central Europe differs from much of the West by being in-cohesive (socially, economically, etc.). The map shows the economic disparities at the date of accession.

All the regions marked above in red have a number of common economic indicators:

– low level of GDP per capita PPP;
– low level of investment;
– a higher than average unemployment rate;
– lack of services for businesses and individuals;
– poor basic infrastructure.

These underdeveloped regions add up to some fifty administrative regions, home to 22 percent of the European population. These are the regions tar-

[6] One of the Samuel Huntington's border lines dividing 'civilizations' goes through the middle of Central and East Europe (Western Christianity – Latin, both Catholic and Protestant; East-Orthodox church).



European Regions – GDP *per capita* PPP[7]
Source: Third Cohesion Report. European Commission. Brussels 2004

geted by the EU's cohesion policy, the main goal of which is to reduce the level of regional disparities existing in the EU.

Right from the start, Articles 158 to 162 of the Treaty establishing the European Community (EC Treaty, now Articles 172 to 178 TFEU) referred to this issue. Without specifically mentioning territories, Article 158 establishes that '*the Community shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions or islands, including rural areas*'. Its main instruments from

[7] PPP – Purchasing Power Parity.

the very beginning were Structural funds and the European Investment Bank.[8] Although the policy objectives can be traced back to the Treaty of Rome in 1957, it was not until 1975 that the European Regional Development Fund (the main structural funds' policy instrument) was established. This date is closely related to the first northern enlargement (Denmark, Ireland and UK in 1973), and even today Great Britain is the country with the most radical regional extremes.

Through the cohesion policy, the European Union works to 'promote harmonious development' and aims particularly to 'narrow the gap between the development levels of the various regions'. This is why more than 2/3 of the appropriations of the Structural Funds (more than 135 billion euro) are allocated to helping areas lagging behind in their development, i.e. where the gross domestic product (GDP) is below 75 percent of the Community average. It also aims at revitalising areas facing structural difficulties, whether industrial, rural, urban or dependent on fisheries. Though situated in regions whose developmental level is close to the Community average, such areas are faced with different types of socio-economic difficulties which are often the source of high unemployment. These include: the evolution of industrial or service sectors, a decline in traditional activities in rural areas, a crisis situation in urban areas, and difficulties affecting fisheries activity. The Structural Funds are also used to support the adaptation and modernisation of education, training and employment policies and systems in the target regions.

The accession of new states from Central Europe increased the regional disparities, which had the effect of strengthening the role of the cohesion policy and making its budget currently the largest part of total EU expenditures. In consequence, the previous 195 billion euro for the budgeting period 2000–06 (approximately 35 percent of Community expenses) increased to 347 billion in the period 2007–13, in large part due to the enlargement of the EU.

The first dramatic increase occurred in 1980s, when the landmark reforms of 1988 doubled the budget for the structural funds and introduced a number of principles for their implementation. These principles remain at the core of cohesion policy today: programming (based on strategic, multi-annual plans instead of a project-based approach); concentration (on a limited number of objectives focused on the least developed regions); matching funds (to ensure that EU funding does not become a substitute for national expenditures);

[8] U.J. Rivolin, *Cohesion and Subsidiarity. Towards Good Territorial Governance in Europe,* "Town Planning Review" No. 76(1)/2005, p. 95, see also: St. Naruszewicz, *Polityka Spójności Unii Europejskiej. Wybrane zagadnienia (European cohesion policy: selected issues)*, Warszawa 2004.

COHESION POLICY 2007-2013 : FINANCIAL ALLOCATIONS PER YEAR (EURO, CURRENT PRICES)

	2007	2008	2009	2010	2011	2012	2013	*Total 2007-2013*
België/Belgique	366.756.008	353.108.905	338.863.166	324.002.185	308.411.217	291.967.309	274.742.281	*2.257.851.071*
Bulgaria	514.438.665	737.395.668	991.807.428	1.044.073.825	1.116.078.360	1.188.427.402	1.260.634.073	*6.852.855.421*
Ceska Republica	3.319.589.895	3.479.810.479	3.640.861.285	3.809.477.285	3.978.225.539	4.146.329.123	4.317.361.985	*26.691.655.591*
Denmark	82.161.566	83.852.733	85.627.577	87.489.747	89.392.151	91.283.768	93.215.294	*613.022.836*
Deutschland	3.664.753.567	3.696.945.314	3.729.709.000	3.763.069.632	3.796.272.804	3.828.502.786	3.860.503.462	*26.339.756.565*
Eesti	376.530.807	409.974.514	446.440.649	486.201.728	530.028.620	577.833.150	628.833.031	*3.455.842.499*
Ellas	3.085.468.135	3.027.319.247	2.965.710.146	2.900.527.687	2.831.551.640	2.814.192.926	2.795.007.243	*20.419.777.024*
España	6.295.188.221	5.754.627.341	5.190.294.720	4.713.797.783	4.445.327.645	4.421.932.299	4.395.823.005	*35.216.991.014*
France	1.922.675.353	1.961.674.885	2.002.022.276	2.043.766.980	2.086.380.661	2.129.290.347	2.173.081.869	*14.318.892.371*
Ireland	211.627.916	180.726.400	148.539.883	115.030.041	80.120.385	81.798.584	83.511.860	*901.355.069*
Italia	4.003.583.379	4.035.089.698	4.066.774.676	4.098.643.256	4.130.159.869	4.202.150.122	4.275.367.920	*28.811.768.920*
Kypros	167.460.708	139.211.882	109.772.622	79.106.741	47.170.317	48.127.525	49.104.156	*639.953.951*
Latvija	508.251.652	554.225.772	603.897.967	655.705.280	709.399.722	765.395.661	823.567.165	*4.620.443.219*
Lietuva	767.739.913	833.413.967	902.450.438	975.204.912	1.052.169.488	1.134.996.617	1.219.008.746	*6.884.984.081*
Luxembourg	8.756.085	8.935.186	9.122.005	9.316.863	9.515.866	9.714.797	9.917.880	*65.278.682*
Magyarorszag	3.035.954.279	3.229.332.901	3.437.663.559	3.625.536.814	3.784.266.354	3.990.564.601	4.204.078.399	*25.307.396.907*
Malta	114.475.489	117.159.483	119.794.709	122.608.369	125.071.775	127.157.676	129.091.993	*855.359.494*
Nederland	255.620.372	260.876.756	266.388.003	272.165.145	278.066.817	283.939.844	289.936.565	*1.906.993.502*
Österreich	201.773.292	203.999.556	206.307.685	208.701.529	211.108.607	213.450.462	215.801.550	*1.461.142.681*
Polska	8.129.584.408	8.664.528.631	9.213.686.770	9.441.366.926	10.023.359.218	10.605.029.586	11.206.694.227	*67.284.249.766*
Portugal	2.971.583.274	3.005.027.735	3.038.715.640	3.072.645.240	3.106.716.534	3.140.821.551	3.175.048.081	*21.510.558.055*
Slovenija	554.581.636	569.325.544	584.455.520	599.981.475	615.894.683	632.185.174	648.880.924	*4.205.304.956*
Slovensko	1.299.788.507	1.407.175.683	1.526.146.266	1.662.255.913	1.785.126.023	1.906.825.787	2.000.586.316	*11.587.904.495*
Suomi-Finland	263.006.045	257.565.814	251.850.073	245.850.925	239.511.072	232.769.086	225.661.616	*1.716.214.631*
Sverige	253.908.702	259.066.457	264.410.131	269.946.722	275.599.013	281.283.274	287.084.668	*1.891.298.967*
United Kingdom	1.616.477.615	1.575.843.140	1.533.475.408	1.489.332.118	1.442.809.705	1.465.894.632	1.489.325.826	*10.613.158.444*
Romania	1.335.023.856	1.915.639.995	2.576.314.547	3.092.046.613	3.330.472.625	3.580.270.525	3.837.878.891	*19.667.647.052*
Interregional	46.390.403	49.483.076	54.889.060	62.743.816	70.890.806	76.995.260	83.315.535	*444.707.956*
Technical Assistance	113.408.759	117.459.544	121.200.980	122.888.158	126.925.914	130.992.625	134.822.683	*867.698.663*
Total	*45.486.558.504*	*46.888.796.307*	*48.427.192.190*	*49.393.483.709*	*50.626.023.430*	*52.400.122.497*	*54.187.887.246*	*347.410.063.883*

Source: http://ec.europa.eu/regional_policy/policy/fonds/pdf/annexe-verso.pdf

and partnership (the participation of national, sub-national and supranational actors in the design and implementation of programmes).[9]

The cohesion principle expresses nothing if not a concern for rebalancing the uncertain distributive effects of an internal market without borders and, in so doing, avoiding the pernicious risk European disintegration. Such a statement might sound strange in a more liberally-oriented American socio-economic system, however it is important to note that within the Commission's Directorate-General XVI (Regional Policy), one can observe a general consensus that regional disparities were increasing within the European Community as an unintended consequence of the process of market integration. The Commission felt obliged to prepare a system of 'shock absorbers to ease the pain' of integration. The expectation that the less-developed regions would become the victims of market integration gave rise to a series of articles that argued that the cohesion policy constituted a 'side payment' to the less-developed Member States in the EU periphery to 'buy' their acceptance of the operational functioning of the Single Market and European Monetary Union

[9] After: J. Bachtler, C. Mendez, *Who Governs EU Cohesion Policy? Deconstructing the Reforms of the Structural Funds*, "Journal of Common Market Studies" No. 45(3)/2007, p. 537.

(EMU) programs.[10] However, for the new and future members of the EU, the Cohesion policy is not viewed as a 'shock absorber' for market integration. Instead it has assumed the role of an important component in encouraging sustainable economic growth and development.[11]

3. EU's cohesion policy efficiency

The European Commission's so-called Cohesion Reports claim that the cohesion policy has indeed produced a more 'cohesive' EU, i.e. that the disparities among the less developed and more developed regions have been reduced. The Commission reported that between 1994 and 2001, growth of GDP per capita in the targeted regions (taken together) averaged almost 3 percent a year in real terms, as against just over 2 percent in the rest of the EU. The sceptics, however, argue that this growth had nothing to do with the cohesion policy but rather with the statistical 'low base effect' and other determinants, like for instance economic policies successfully implemented by some member state governments at the national level.

While it is not possible to resolve this disagreement, it is a good starting point to illustrate the problems with measuring the efficiency of the cohesion policy. One thing can be agreed upon at the outset: the impact of the policy has not been uniform throughout the EU. This is one of the more intriguing parts of the puzzle associated with Cohesion policy: why did it work so well in Ireland at the beginning of the 1990s (1989–95) and not in the second half (1996–2004) in Greece? Why did it work perfectly in Spain and have a weaker impact in the German East (former German Democratic Republic) *laenders*?

The methodology for evaluating EU Cohesion policy itself has come under scrutiny and has been subject to considerable debate. This is not surprising given the much increased scale and role of Cohesion policy, but the debate has made clear that there is no uniformity of approach. Current evaluation methodologies range from the 'bottom-up', survey-based assessments of project and beneficiary outcomes to the 'top-down' input–output models of aggregate programme impact, as well as process studies of Structural Funds implementation.[12]

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[10] See: M. Tewdwr-Jones, J.M. Morais, *Territorial cohesion, economic growth and the desire for European balanced competitiveness*, "Town Planning Review" No. 76(1)/2005.

[11] R. Leonardi, *The Impact and Added Value of Cohesion Policy*, "Regional Studies" No. 40(2)/2006, p. 157.

[12] J. Bachtler, C. Wren, *Evaluation of European Union Cohesion Policy: Research Questions and Policy Challenges*, "Regional Studies" No. 40(2)/2006, p. 144.

As a starting point, it is worth looking at the 1999 Working Paper from the European Commission outlining an indicative methodology for the monitoring and evaluation of Structural Funds. The basic criteria applied by the so-called 'EC 1999' in relation to its derivation of a set of indicators for the evaluation of the structural funds programs were as follows:

a) *Relevance*. The indicators need to be clearly related to the priorities and objectives of the Structural Funds (SFs). 'EC 1999' sets out the fields of intervention of the SFs, which provide the clearest link between the SF objectives and the activities aimed at achieving them. These fields of intervention are reproduced in Annex 1 (together with related indicators which are further discussed below).

b) *Quantification*. This criterion ensures that the indicators can be used to set targets and, where appropriate, establish baselines.

c) *Reliability*. This criterion is important for clarity of definition and ease of aggregation of the indicators.

d) *Availability*. Data needs to be available for entry into the monitoring and evaluation system for the indicators. Ideally they should be in time-series form dating from before the application of the SFs, to provide an opportunity to identify the SFs' effects.[13]

In order to successfully evaluate the effects, goals and objectives, and the level of their fulfilment, the European Commission also distinguished between three different types of objectives for the Structural Funds:

a) *Operational objectives*: expressed in terms of outputs (e.g. the provision of training courses to the long-term unemployed);

b) *Specific objectives*: expressed in terms of results (e.g. the improvement, through training, of the employability of the long term unemployed);

c) *Global objectives*: expressed in terms of impacts (e.g. a reduction in unemployment among the previously long-term unemployed).

Consequently, taking into account both the evaluation criteria as well as the different types of objectives, the European Commission (in 1999) identified the following kinds of indicators as relevant to an evaluation of the SFs:

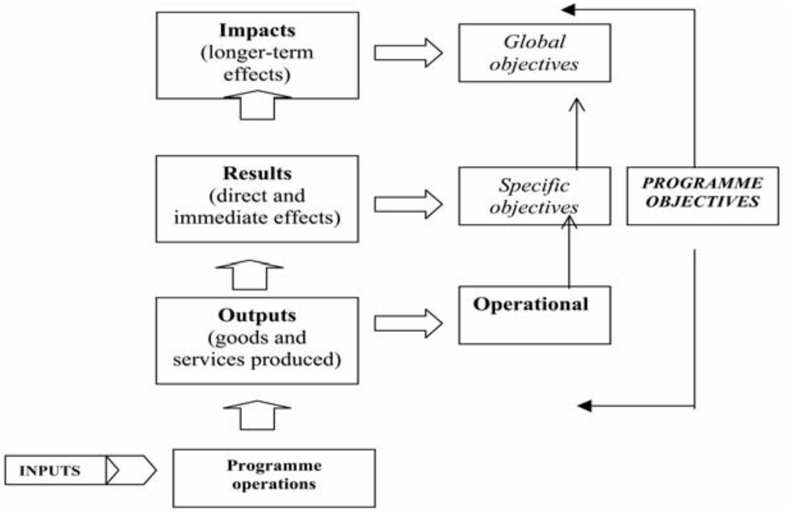
a) *Input indicators*: The budget allocated to each level of assistance. Financial indicators are used to monitor progress in terms of the (annual) commitment and payment of the funds available for any operation, measure or programme in relation to its eligible cost. These indicators are readily available but give little information about the effectiveness of the SFs.

[13] See also: Communication from the Commission – The Growth and Jobs Strategy and the Reform of European Cohesion Policy, Brussels, 12.06.2006.

b) *Output indicators*: These relate to the activity engaged in through the application of the SFs and may be physical (e.g. length of road constructed) or financial (e.g. number of firms supported).
c) *Result indicators*: The direct and immediate effects of a programme. These indicators provide information on changes to, for example, the behaviour, capacity or performance of direct beneficiaries. Such indicators can be of a physical nature (reduction in journey times, number of successful trainees, number of roads accidents, etc.) or of a financial nature (leverage of private sector resources, decrease in transportation costs).
d) *Impact indicators*: These refer to a programme's consequences beyond its immediate effects. Specific impacts are those effects occurring after some time, but which can be directly linked to the action taken. Global impacts are longer-term effects affecting a wider population. The impacts that are of most interest are those which either support, or are in conflict with, the achievement of other policy objectives.[14]

The visualisation of the logical framework (including the above mentioned criteria, types of objectives and applied indicators) may be presented in the following form:

Table 1. The Intervention Logic of a Program



Source: 'EC 1999'

[14] See also: Council Decision 2006/702/EC on Community Recommendations for Cohesion, OJ L 291, 01.08.2007, p. 72–93.

It is also important to note that apart from economic factors – cohesion has also its 'social face'. In a recent (2007) paper, an interesting contribution to the debate about how to parameter the efficiency of cohesion policy was made by a researcher from Hamburg University (Jan Delhey), who measured social cohesion operationalised as a generalised interpersonal trust between EU nationalities (based on a quantitative approach, Eurobarometer surveys). Interestingly, the key result of his research is that enlargements do not necessarily weaken cohesion (as a process parallel to growing economic disparities). However, the southern enlargement (1981, 1986) and the recent eastern enlargements (2004, 2007) did decrease social cohesion, seen from the social capital (trust) perspective. Eastward enlargement in particular has been accompanied by fears that a European Union of 25/27 will be too heterogeneous – socio-economically, politically and culturally – to continue along the road to political integration.[15] This, however, did not prove to be true in the case of the Northern (1973) and 1995 (Sweden, Finland and Austria) enlargements.

This very interesting aspect of building cohesion was taken under consideration in European studies from the very beginning, i.e. articulated by the founding fathers of international integration analysis. A team headed by Karl Deutsch was very much concerned with the role and sense of community among the broad mass of citizens. There is a 'flood of literature' on citizens' attitudes towards the EU and European identity. However, little attention (in terms of empirical research) has been paid to how Europeans perceive each other in the context of building a new closer 'union of people's'.[16] A number of variables were identified based on the question: is *cultural similarity* a necessary precondition for trust? Empirically, both language affinity and religious affinity appeared to be positively correlated to trust. Another question: are big and powerful nations *perceived as a threat*? When population size is taken as a measure of power, populous countries indeed receive less trust than less populous ones.[17] Community membership produces a positive balance on what might be called the 'trust account'. Membership does more for a sense of community than a simple time effect.[18]

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[15] J. Dehley, *Do Enlargements Make the European Union Less Cohesive? An Analysis of Trust between Nationalisties*, "Journal of Common Market Studies" No. 45(2)/2007, p. 253.

[16] This notion is completely different from the one the European Commission uses in their periodic *Report on Social and Economic Cohesion*, which provides a detailed picture of national (and regional) differences in incomes, economic structure and unemployment across the EU. From a sociological perspective, the Commission equates cohesion with the absence of marked territorial inequalities.

[17] J. Dehley, op.cit., p. 270.

[18] Ibid, p. 255.

4. Final notes

Taking into account both the social as well as economic cohesion of the enlarging European Union, in the last decade and a half we have witnessed a process whereby not only have the peripheral and less-developed regions and countries not fallen behind the developed core countries,[19] but they have grown at the faster rates than the core areas. The cohesion policy has helped to reduce the socio-economic disparities between central (EU 15) and peripheral areas. One can identify in this process the motivation for the newcomers. For those less-developed countries that have recently joined the EU (or are expected to join in the near future), the real attraction for entering the Union is not limited to full access to the Single Market, but is also tied to the goal of participating in the cohesion policy and accompanying structural funds as means of spurring a sustainable pattern of economic growth in the medium – to long-term.[20]

From a political perspective, the cohesion policy has also served as a mechanism which has promoted more 'human face' of the European integration process, from one emphasising simple 'market friendship' to one stressing mutual solidarity. In the supranational domain this solidarity has never gone that far, for example in the form of development aid. Unlike development assistance, cohesion policy is not an *ad hoc* action, but is rather a formalised and institutionalised policy with agreed norms, criteria and procedures. As is explained in the European Commission's Cohesion Reports, the EU's Cohesion policy operates as one of the three pillars (along with the single market and monetary union) in the construction of a European political and economic space. Its importance is justified because it is the only policy undertaking to transfer resources from the wealthier regions of the EU to the poorer ones. It is worth recalling that cohesion policy is the only policy of the European Union that explicitly addresses economic and social inequalities. It is however a very specific policy involving a transfer of resources between Member States *via* the budget of the European Union for the purpose of supporting economic growth and sustainable development through investment in people and in physical capital. Being mainly a regulatory state, the Union redistributes only approximately 1 percent of the total EU GDP; however, the largest part of this redistribution is allocated within the cohesion policy.[21] This is an important contribution in the process of building a trans-border, multi-*demoi*, suprana-

[19] The so-called 'Carolinian Europe'.

[20] See: R. Leonardi, *The Impact and Added Value of Cohesion Policy*, "Regional Studies" No. 40(2)/2006, p. 155.

[21] R. Leonardi, op.cit., p. 158–59.

tional 'political community'. Solidarity and redistribution traditionally take place within the scope of a nation-state policy. And the lack of political community in the European Union has been used as an argument by those criticising the 'democratic deficit' within the Union. One of the proposed *panacea* to combat this deficit is politicising the intra-Union discourse and policy confrontations (not based on national cleavages but rather on the left-right paradigm). This is more likely to come about when competition for resources, articulation of needs and interests (namely: redistribution) is on the political agenda.

The European Union is also a grouping of different types of capitalisms, with the dominant variation however being the continental one (social market economy – in American terminology, 'regulated capitalism'). Therefore it has to be kept in mind that the famous European Social Model – which nobody has yet managed to define precisely – was and still is at the heart of European economic policy, so the cohesion policy represents a kind of fulfilment of the desire for a European-style balanced competitiveness. 'Balanced economic competitiveness' has been referred to as the attempt to achieve a better balance between competition and cooperation so that the whole European territory can reach the optimum level of competitiveness.[22] However, better balance between competition and cooperation requires coordination of national planning systems. Consequently it has been redirected away from the voluntary, intergovernmental process of making and revising the European Spatial Development Perspective towards a new-style EU-wide cohesion policy.

The troublesome so-called 'competence issue' of whether to attribute a territorial competence to Community institutions was not a purely academic debate. The issue has been discussed several times since the middle of the 1990s and the debate, even though inconclusive, has been heated. In brief, the issue comes down to whether supranational planning makes sense, particularly in view of the fact that some countries have already been experimenting with decentralised planning.[23] What is most surprising in comparing the governance patterns proposed by the Cohesion Policy in comparison to the previous national regional policies was that for the first time the regions – as administrative and political institutions – have been placed at the heart of the policy in terms of both decision-making and implementation. In the past, national regional policies were generally conceived. Now the national level is no longer seen as the exclusive level where development policies should take place. This contextualises the cohesion policy analysis into the concept, pro-

[22] M. Tewder-Jones, J.M. Morais, op.cit., p. 70.

[23] U.J. Rivolin, op.cit., p. 96.

moted by the Union, of multilevel governance (MLG). Both as a concept and as a practical requirement, MLG is based on the participation of a variety of institutional actors (e.g. supranational, national governmental and regional administrations, public and private parties) in the policy process. Linked to the concept of the social (public-private) partnership, the multilevel approach has been expanded to include organised socio-economic groups and voluntary organisations (e.g. environmental groups, women's organizations and minorities) as part of the mobilisation of civil society in the development of policy. All these dimensions – territorial planning, social cohesion (building social capital, i.e. trust), inclusion of multilevel partners and, above all – economic solidarity – are orchestrated not only toward the integration of the Central part of the continent (its regions and societies) into the Western structures, but also in order to build a truly pan-European political community of EU citizens.