



THE DISSENSION OVER THE LOGIC OF EUROPEAN COHESION POLICY. THE CORE-PERIPHERY DIVIDE AND THE IMPACT ON EUROPEAN INTEGRATION

José M. Magone

Berlin School of Economics and Law
Badensche Strasse 52, 10825 Berlin: Germany
jose.magone@hwr-berlin.de

Abstract. This article seeks to trace the growing dissension over the logic of European cohesion policy. Two perspectives are fighting for dominance, the European and the national. Only the European Commission and the European Parliament are actively promoting the European logic, which has gained ground over time through the overarching strategization (or Lisbonization) of European policies. In contrast, the member-states subscribe to a national logic concerning European cohesion policy. This outlook is particularly notable among the ‘friends of cohesion policy’, a group that includes the southern, central, and eastern European countries. The funding allocated through the EU is applied in individual national markets, not in the single European market. In this regard, the concept of European cohesion policy to adjust national markets towards the European level has been sidelined by the national logic. This contribution attempts to reconstruct the dispute over the purpose of European cohesion policy since the reform of structural funds in 1988, focusing primarily on the latest rounds of negotiations over the multiannual financial framework (in which cohesion policy funds are a central issue) and the emerging conflict between the core and the periphery in the political economy of the European Union. If the European logic regarding the single European market’s construction does not prevail, European integration will stagnate or even reverse, and national compartmentalization of cohesion policy may become the dominant spatial model in Europe.

Keywords: European Union, European cohesion policy, intergovernmentalism, methodological nationalism, methodological Europeanism, core-periphery in EU.

Introduction

In 2017, Jean-Claude Juncker, the then-president of the European Commission (EC), published a paper reflecting on the European Union’s (EU) future. His analysis presented a bleak view of the EU’s current predicaments: declining birth rates, erosion of the EU’s share of world GDP due to the emerging BRICS (Brazil, Russia, India, China, and South Africa), and a general inability on the part of the EU to assert its market power (EC, 2017).

We argue in this contribution that the EU’s potential in terms of ‘market power’ is being weakened by the dominance of national interests over a unified European perspective (on Europe’s market power, see Damro, 2015). European cohesion policy, possibly the EU’s most important policy, has become a source of pork-barrel financing for member-states. The continuing divide

between the ‘frugal five’ (the Netherlands, Austria, Denmark, Sweden, and Finland) and the larger group known as the ‘friends of cohesion’ is undermining the global ambitions of the EU.

The Euro financial crisis from 2010 to 2018, the refugee crisis of 2015, and the COVID-19 pandemic have placed the European integration process under considerable duress. One particular cleavage emerged during all three of these crises that further confirms our argument – namely, the cleavage between those seeking to increase European sovereignty through closer collaboration and those preferring to maintain the *status quo* of Europe as a collection of sovereign member-states zealously defending their territories and competences. The Euro crisis and the ongoing COVID-19 situation have allowed China to profit from this mosaic of national sovereignties (the *Kleinstaateri* – ‘small-state-ery’) and obtain a foothold in the weaker economies in the EU through its Belt and Road initiative, particularly in southern, central, and eastern Europe (see Leonard, Pisani-Ferry, Ribakova, Shapiro & Wolff, 2020). The COVID-19 pandemic has also resulted in a temporary upgrading of the EU budget, with the inclusion of a Next Generation package dedicated to dealing with the consequences of the pandemic and at the same time investing in technologies for a social-ecological transition. Instead of serving as an example of solidarity and cooperation, the negotiations over this package devolved into haggling over how much funding each country would get from the pot. This tells a sad story about the state of the post-Brexit Union, in which there has been a decline of net payers and a growth of net receivers in the tiny EU budget. The situation is gradually reaching a level of unsustainability, and if the competitiveness of the southern, central, and eastern European periphery does not improve, funding may dry up and the project of European integration will be jeopardized.

Although the tone of this article is rather pessimistic, it is important to stress that without cohesion policy, conditions would be even worse. Cohesion policy is likely the most important meta-policy of the EU in its attempts to achieve a level playing field in the emerging European internal market. However, thus far it has been used to consolidate the *status quo* of national territorial politics. This article does not deal with cross-border cooperation (the Interreg program), which has become a permanent feature of European integration despite certain national institutional obstacles. Interreg projects may be regarded as islands of European integration in a sea of jealously guarded national territorial politics. Moreover, their impact is quite limited because of the negligible amounts of EU funding involved (Magone, 2006, p. 225-231).

It is also important to emphasize that the present situation is due to the lack of a final decision on the EU’s endgame. Because political Union has yet to be achieved, the EU is a half-finished project. In the absence of a shared objective, national sovereignty and resurgent nationalism have been significant obstacles to the fulfillment of political integration in a type of federalized political system (on this conception, see Fabbrini, 2015). This background context may help us to understand the present state of the EU.

The article is divided into four parts. The first section dissects the two current European integration logics and how they have affected the recent negotiations over the multiannual framework for the period from 2021 to 2027. The second discusses the origins of European cohesion policy and the prevalence of methodological nationalism in its development. The third analyses why European cohesion policy is failing in its objectives and what needs to be fixed in order to transform it into a genuine European market-making instrument. The fourth part concludes, providing insights for the future.

The Dissension over the Logics of European Cohesion Policy: Methodological Europeanism vs Methodological Nationalism

What do global politics and the global economy have to do with European cohesion policy? Arguably, a great deal. If the cohesion policy is only utilized to underwrite national policies, any value-added support of building and strengthening the market will be lost. I contend that this is precisely what is happening. European cohesion policy funding and its national allocations have transformed a temporary mechanism of compensation into a permanent redistribution method, with funds mostly spent according to national interests in preserving the *status quo*.

One major problem for the competitiveness of the European economy is the dominance of European integration's national logic. Member-states are not keen on giving up their national competences, and the EC has always had difficulties in convincing them of the value-added role that the supranational institutions play. Between 1958 and 1965, Walter Hallstein, the then-president of the EC, was able to advance European integration to new heights, only to be obstructed by the empty-chair crisis created by French President Charles de Gaulle, a proponent of intergovernmental (see a good account in Moravcsik, 1998, p. 193-194). Supranationalism, as promoted by Hallstein, Jean Monnet, and Jacques Delors, among others, is the outlook that seeks to restructure the European political, economic, social, and cultural space towards a European perspective on integration (on political restructuring, see Bartolini, 2005). As Helen Wallace (1996a, p. 12) notes, the European integration process has consistently oscillated between intergovernmentalism and supranationalism:

The pendulum oscillates between two magnetic fields, the one country-based and the other transnational, each with its own inducements and repelling features. Depending on the varying strength of these two fields there will sometimes be a propensity for transnational policies to be adopted and sometimes national ones. If the magnetic fields at both levels are weak, then no coherent policy at all may emerge – it is tempting, but misleading, to think the default remains national policy. Neither the transnational level nor the country-level of governance is uncontested, and neither provides a comprehensive policy capability. Indeed, the transnational level may be articulated through European integration or other international fora. The country-level is primarily oriented around the central core of the national polity, but most west European countries also contain smaller magnetic fields at local and regional levels. The term pendulum is simply a metaphor for the movement in the process of European integration, sometimes regular, sometimes erratic, sometimes sustained, and sometimes stationary.

This pendulum translates into two logics of European integration in general and European cohesion policy in particular. The first logic is that of methodological nationalism. Andreas Wimmer and Nina Glick Schiller (2002, p. 302) define this as the 'assumption that the nation/state/society is the natural political and social form of the world' and identify three aspects of methodological nationalism. Firstly, there is systematic blindness, as manifested by those who claim that the nation-state frames modernity, ignoring other types of framing. Secondly, national discourses exhibit a lack of critical reflection, especially concerning historical considerations, and there is a tendency to segregate nationalism from the nation-state.

Nonetheless, the two remain intertwined; the authors refer to this as the 'naturalization' of the nation-state's narratives (Wimmer & Glick Schiller, 2002, p. 304-307). Thirdly, social-science research systems are predominantly nationally oriented; phenomena outside the nation-state

boundaries are largely ignored (Wimmer & Glick Schiller, 2002, p. 307-308). This framing presents a clear obstacle to the study of European cohesion policy. In European integration theory, Andrew Moravcsik's liberal intergovernmentalism (1998, p. 21) comes closest to this methodological nationalist perspective. He differentiates between three main stages of decision-making in the Council of the European Union. In the first stage, national interest groups contribute to the formation of the national position of a particular member state. The second stage of inter-state bargaining leads to the third stage of inter-institutional decision-making

This initially dominant national logic of European integration is slowly being eroded by the other perspective, that of methodological Europeanism. The supranational institutions – the EC, the European Parliament, and the European Court of Justice – represent methodological Europeanism's logic. Possibly its greatest achievement is the *acquis communautaire*, a voluntarily accepted body of European law. Walter Hallstein (1969, p. 36-48) defined the then-European Economic Community as a community of law that would prevent the power politics of the larger member-states from overruling policies agreed upon by the community. Without this European law, the EU would not have become the distinctive polity that it is today. Unfortunately, the logic of methodological Europeanism has been largely neglected by political science research. Antoine Vauchez, one significant exception, focuses on community law as the most crucial aspect of this outlook. According to Vauchez (2015, p. 194), methodological Europeanism “frames our perceptions of the European polity, defining it as a law-abiding (‘a Union of law’) supranational entity”. He describes the methodological transformation of the *acquis communautaire* as a form of ‘calculating’ Europe. At that time, the European institutions did not comprehend the extent of the legislation that had been produced in the European Community and would be applicable in the member-states. The compilation of this legislation and the European Court of Justice's crucial rulings in the early 1960s (Van Gend & Loos 1961 and Enel vs. Costa 1962) provided the basis for a new constitutional doctrine in which the supremacy over national law was enshrined (Vauchez, 2015, p. 201). One crucial battleground between methodological nationalism and Europeanism involves the relationship to territory. For methodological nationalism, the nation-state consists of territory, people, and a government. The term ‘territory’ would seem to be a category applicable only to the nation-state, not to the EU (which is not a state); consequently, member-states seek to deny the supranational level the right to develop territorial politics (Husson, 2002; see the excellent studies on territorialism emphasizing this dilemma by Faludi, 2010, 2018ab). In my view, and as Manuel Castells (2000) contends, the EU has already evolved into an unevenly institutionalized network state; however, neither the political and economic elites nor the populaces have realized it. According to Castells (2000, p. 363), ‘the network state is a state characterized by the sharing of authority (that is, in the last resort, the capacity to impose legitimized violence) along with a network’.

The European integration process has always entailed the struggle of methodological Europeanism entrepreneurs to expand the new logic across the policy areas. Their objectives have often been blocked or delayed by member-states acting according to the logic of methodological nationalism. The continuing idiosyncrasies and inefficiencies of the EU budget are largely due to the uploading of national preferences; only a few areas are genuinely European policies (for more detail on budget politics, see Laffan & Lindner, 2015). In 2019, the EU budget of €148 billion amounted to just 2 percent of the combined national budgets of €7.5 trillion (EC, 2020b). This imbalance clearly shows that the funding is neither adequately nor properly utilized, as most is spent at the national level. The EU spending for the Area of Freedom, Security, and Justice (AFSJ) and global Europe represented about 0.002 percent of all EU budgets combined, and about 0.0002 percent of total EU budgets is spent annually on European territorial cooperation (own calculations based on Council, 2020; EC, 2020b)

From 2021 to 2027, the regular Multiannual Financial Framework (MFF) does not shift much in the direction of methodological Europeanism. European cohesion policy is budgeted slightly higher, at 35.2% of the €1.075 trillion disbursed over seven years. The Common Agricultural Policy (CAP) spending remains at 33.2%. However, the Area of Freedom, Security and Justice (AFSJ), global Europe, and the new item of defense represent just 12.5% of the total package. The additional temporary funding of €750 billion (consisting of €390 billion in grants and €360 billion in Next Generation funding) effectively reinforces methodological nationalism and undermines attempts to bolster the Europeanist logic. Most of the funding, 96.3%, is allocated to the member-states to invest in their national economies (Council, 2020). The extra Next Generation funding combines the recovery from the COVID-19 crisis and the New Green Deal, and this may create a loophole allowing member-states to spend as they see fit. There is a real danger that the funding may be misused to boost social policy measures related to COVID-19, neglecting investment in the new green economy. The rest will be spent on the single market and research through the InvestEU program. From the total package (regular MFF + temporary Next Generation funding) of €1,824.3 billion, only 7.8 percent is earmarked for these future-oriented items – truly, a victory on the part of methodological nationalism. The Dutch prime minister Mark Rutte, often referred to as the new (post-Brexit) ‘Mr. No’, aptly summarized the atmosphere at the extraordinary European Council meeting of 21-25 July 2020, where the EU budget package deal was negotiated: ‘We’re not here to go to each other’s birthdays for the rest of our lives. We’re here because everyone is taking care of their own country. We’re professionals’ (Gonzalez, Dallison & Gray, 2020, July 25).

In 2020, emergency funding of the three safety nets – namely, employment measures (short work – *Kurzarbeit* in German), the SURE program (€100 billion), the small and medium-sized enterprises funding program financed by the European Investment Bank (€200 billion), and member-states through the European Stability Mechanism (ESM) – has been earmarked primarily for COVID-19-related social measures. In total, a package of €540 billion will be available. This package must be regarded as a very positive European response to the COVID-19 crisis, but it may contribute to a new phase in subsidy dependency beyond territorial cohesion and the agricultural sector. By the end of November, €87 billion of the SURE program funding had been allocated to member-states, with over €80 billion disbursed to the 15 countries of the southern, central, and eastern European periphery.

Southern Europe remains on course to increase its dependency on subsidies from the EU, but central and eastern European countries (CEEC) are additionally struggling to abide by the Union’s rule-of-law standards. Although the focus here is on Hungary and Poland, all CEEC have exhibited significant problems in this respect. The Hungarian prime minister’s remarks following the July 2020 EC meeting offered a sobering perspective on the situation:

[we] managed not only to get a good package of money, but we defended the pride of our nations and made clear that it is not acceptable that anybody (...) criticise us, the freedom fighters that did a lot against the communist regime and in favour of the rule of law (Euronews, 2020, July 22).

The backsliding of democracy in much of CEE has significant implications for the EU, as this erosion of its democratic foundations may lead to an overall erosion of the rule of law across the EU. Moreover, it weakens the EU’s regime of shared sovereignty (on backsliding and impact on the EU, see Blauburger & Keleman, 2016; Ágh, 2019; Vachudova, 2020; on shared sovereignty, see Wallace, 1999).

Negotiating European Cohesion Policy as Pork-Barrel Politics

The emergence of European cohesion policy in the 1970s can be characterized as an intergovernmentalist initiative to accommodate the forthcoming enlargement to the UK, Ireland, and Denmark; in Norway, a referendum ultimately rejected membership. At the beginning of the 1970s, the UK was a relatively poor member-state in need of economic adjustment to the Common Market. Although there had been discussions on 'regional policy' in the EC, this first enlargement led concretely to the foundation of the European Regional and Development Fund (ERDF) in 1975. This new fund was viewed as a 'side-payment' to the UK, compensation for the CAP under which British farmers would receive a lower amount (Bachtler, Mendez & Wishlade, 2013, p. 34-35).

Helen Wallace (1996b) described this development as 'pork-barrel' politics because the member-states haggled over these side payments. This 'pork-barrel' label is usually applied to the US Congress's workings in the context of budgetary appropriations. It was common for American families to have salt-pork barrels in their homes in the nineteenth century, reflecting the family's wealth. 'Pork-barrel politics' thus refers to the competition among states for funding (the 'pork') from the federal government during negotiations over bill approval. Andrew Sidman (2019, p. 8) describes pork-barrel politics as follows:

The earliest academic work on the subject I could find dates to 1919; it defines the pork barrel as a system born in Congress on 20 May, 1826, with the passage of the first omnibus appropriations bill for the improvement of rivers and harbors. (...) Into the omnibus bill were placed all of the river and harbor appropriations that members desired for their districts. With nearly every member receiving an appropriation, majority support was guaranteed for passage. (...) In this way, the common conception of the pork barrel was easy to understand and comported with the observed behaviour of most members. Members worked to add their pet project to the omnibus, presumably to show constituents that they "worked" on their behalf and deserved to be reelected.

The enlargement to Greece and the Iberian countries in the 1980s was a further turning point in the development of European cohesion policy. The new southern European bloc consisting of Spain, Portugal, and Greece (also known as 'Club Med') played a significant role in transforming a relatively modest program that was primarily shaped by the member-states into a major European policy. Until 1986, regional policy consisted of the funding of individual national projects based on applications to the ERDF. However, Greece demanded an extra 'side-payment' in return for consenting to the Iberian enlargement; this led to the more sophisticated multiannual integrated Mediterranean program that benefited Greece, Italy, and France (Bachtler et al., 2013, p. 43-47; Baun & Marek, 2014, p. 79-82).

In 1985, the new president of the EC, Jacques Delors, promoted an ambitious plan to revive the Single European Market (SEM). This plan also brought about the adoption of the Single European Act (SEA), which was the first step towards overcoming the stagnation of the European integration process. The significant voluntarist efforts of Jacques Delors benefitted from a temporary structure of opportunities, with incrementalist policies gaining ground from 1985 to 1992 (Pollack, 1994, 2000). Afterwards, a wave of Euroscepticism originating in the 'No's' of Denmark and Margaret Thatcher transformed the overall mood. The Delors program's core was the SEM, which had been drafted by the European Roundtable of Industrialists (ERT); these blueprints also included infrastructure projects. Among these was the 'Missing Links' document, which would ultimately lead to the establishment of the Trans-European Networks (TENs; ERT, 1983, 1984; Cowles Green, 1995).

During the Delors presidency, southern European enlargement and the SEM became inter-linked. Long held back by the Iberian dictatorships, Portugal and Spain were considerably lagging behind Western Europe, as was Greece. The doubling of EC funding for European cohesion policy in 1988 strengthened the position of the EC, as the new multiannual budget ensured greater stability in the EC. Previously, budgeting was an annual process, always characterized by conflict; frequently, the EC was unable to get the budget approved on time, requiring provisional funding. The reform of the structural funds allowed for multiannual programming (Bachtler et al., 2013, p. 8-19, 43).

Despite this rationalization of the budgetary process, European cohesion policy has remained a significant bastion of pork-barrel politics. Andreas Faludi and Bas Waterhout describe the frustration of Jacques Delors, who was determined to shift towards methodological Europeanism in European cohesion policy. Defiant member-states pushed for the continuation of pork-barrel politics, and therefore methodological nationalism dominated the discussion. Ironically, member-states tied the hands of the EC in terms of the criteria for the allocation of structural funding, and then complained about the EC's lack of flexibility (Faludi & Waterhout, 2002, p. 37; Faludi, 2018a, p. 513). The 'Club Med' countries in particular remain fierce defenders of sustained levels of funding. Successive Spanish prime ministers, leaders of this group since 1988, repeated their demands in the negotiation rounds of 1992, 1999, 2005 (although more moderately), 2011-2013, and for the forthcoming 2021-2027 period.

'Club Med' has thus been receiving structural funding for over three and a half decades, amounting to more than half a trillion euros without counting CAP (based on calculations from figures provided by Polverari, 2016, p. 236). Notably, the financial crisis has demonstrated that these southern European economies have not become more resilient (see below). By the end of the next funding period (2021-2027), they will likely have received about 1 trillion euro in non-repayable funding without taking CAP into account.

The Lisbon strategy (2000-2010) and Europe 2020 (2010-2020), often referred to as 'Lisbonization', have framed the objectives of European social cohesion, indicating a shift in focus from territorial and social cohesion to economic cohesion. The goal of 'Lisbonization' is to transform the EU into the world's most competitive knowledge-based economy. Unfortunately, the EU continues to lag, as discussed above. Competitiveness became a priority in 2006 following the Lisbon strategy mid-term review by Wim Kok; however, compliance on the part of the European member-states has been limited (EC, 2004). Unfortunately, due to the lack of any other instrument, European cohesion policy has developed into a huge 'meta-governance' policy for the EC, such that the programs are overloaded with various subprograms, including social inclusion (Bachtler et al., 2013, p. 11-12; Hübner, 2016, p. 140). Over time, the EU criteria for allocating funding have become more transparent; however, haggling in the European Council can impact the final discretionary reallocation. In the end, allocations are based on political decisions (ECA, 2019, p. 7-8, 28).

Methodological nationalism is present not only in the 'high politics' of budget and policy negotiation, but also in the 'low politics' of decisions on the regulatory framework of European Structural and Investment Funds (ESIF). Thus far, these regulations have been quite complicated, bureaucratic, and cumbersome, mainly to prevent the misappropriation of funding. However, any proposal to trim the EC framework is usually watered down in the Structural Actions Working Group of the Council (SAW), currently called the Structural Measures Working Group (SMW; Bachtler et al., 2013, p. 246-247). Despite the attempts of member-state representatives to weaken the regulatory framework, the asymmetrical information power the EC wields in the EU space can help push the pendulum towards methodological Europeanism. Moreover, the European Parliament

has become a vital ally of the EC since the Lisbon Treaty. In a seminal contribution, former Commissioner for Regional Policy Danuta Hübner explains the important role of the European Parliament in shaping the entire process of European cohesion policy. Hübner was involved in the process for the period 2014-2020, and her crucial expertise helped to shift the package as a whole slightly towards methodological Europeanism (Hübner, 2016, p. 151-152). The European Parliament's substantial input is also standard in negotiations over the regulatory framework (Bachtler et al., 2013, p. 252-253). The European Parliament will most often insist on a strong linkage between the disbursement of European structural and investment funds and compliance with the rule of law. Such a bill has been discussed among the European institutions for quite a long time (EP, 2020). Significantly, both the negotiated MFF for 2021 to 2027 and the attached Next Generation package will include a stringent rule-of-law criterium, a major condition imposed by the European Parliament. This led to resistance on the parts of the conservative Hungarian and Polish governments, which have been proactively reducing the power and independence of the judiciaries in their respective countries, as well as the threat of a veto. Meanwhile a compromise was achieved with Hungary and Poland, however member-states have not given up on the rule of law provision (Valero, 2020, October 18, November 16, December 10; Makszimov, 2020, November 11).

To date, the member-states have been able to prevent the EC from approving a territorial master plan for the EU. Even today, the EU lacks a spatial strategy because – as mentioned above – 'territory' is a category linked to the nation-state, along with populace and government. Andreas Faludi has been an observer of this intergovernmental process to produce a European Spatial Development Perspective (between 1989 and 1999) and now a Territorial Agenda (since 2007). The EC has increasingly distanced itself from this process, as a shift towards a more Europeanist approach seems unfeasible. From the beginning, key countries pushing for a more European approach have been the Netherlands and France, with Germany's strong support. During the Polish presidency chaired by Donald Tusk and his Civic Platform-People's Party coalition government, a European approach was also advocated (Faludi & Waterhout, 2002; Faludi, 2010, 2018ab; Böhme, Doucet, Komornicki, Zaucha & Świątek, 2011).

A third Territorial Agenda 2030 is scheduled to be approved during the German presidency in December 2020. The 14-page document is quite bland and avoids overt emphasis on the European space, apart from cross-border cooperation. It still seems to be an enterprise promoted by only a few countries, namely the Netherlands, France, Germany, and (depending on the government in power) Poland (TA2030, 2020, p. 11).

Failing European Cohesion Policy: The Saliency of the Core-Periphery Divide

Despite 35 years of intensive European Structural and Investment Funds (ESIF), the results in terms of territorial, social, and economic cohesion have been rather meager. The southern, central, and eastern European peripheries are comparatively further behind the core powerhouse of the EU in west central Europe and the Nordic countries than at the start of the program. Due to its dynamic economy and strong relationships with large enterprises in the United States, Ireland can now be counted as part of this core. Unfortunately, Brexit has removed the UK from this core of the EU, leaving Ireland seemingly isolated. I assume that over time the UK will have no other choice than to return to its place in this core EU, albeit through deep relationship approaches rather than mem-

bership. Figure 1, based on the 2019 Regional Competitiveness Index (RCI), paints a grim picture for the EU's periphery. I have sketched the new core of the EU (without the UK) and the surrounding southern, central, and eastern peripheries based on the 2019 RCI. The red line separates the core of competitive regions and states from the southern, central, and eastern peripheries. There is still a 'blue banana' core stretching from Ireland to Slovenia; notably, the north of Italy has lost some competitiveness and falls outside of it. (The 'blue banana', also known as 'la grande dorsale' dates back to Brunet & Boyer, 1989, p. 12) Table 1 shows just how far behind the European periphery lags in terms of Research and Development (R&D) expenditures in private business enterprises, number of patents filed in the European Patent Office, and workers' productivity per hour (with EU27 in 2019 as a baseline). The focus on R&D in business enterprises in Table 1 is essential, as it measures the genuine entrepreneurial spirit arising from business enterprises beyond publicly sponsored research. Additionally, rankings in the EU innovation index and the global competitiveness index are presented.

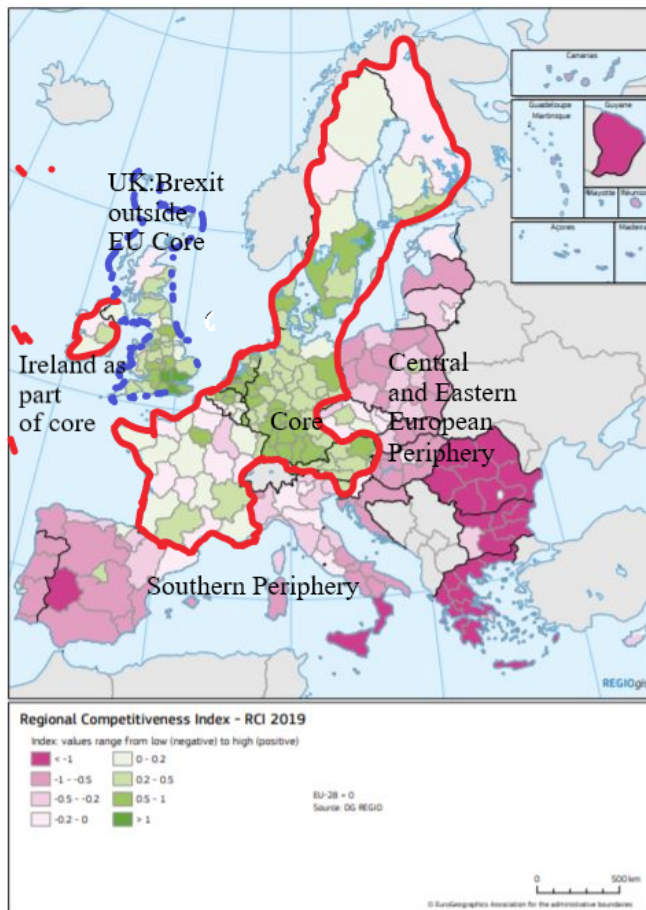


Figure 1. Core-periphery divide based on the Regional Competitiveness Index 2019
Increasing intensity of green reflects more competitive regions (index values from 0 to greater than 1); red – less competitive regions (from 0 to less than -1). The red line is the heuristic divide between the core (within the lines) and the periphery (outside).
Source: map adapted from Annoni and Dijkstra (2019, p. 6).

Table 1. Selected data on the competitiveness of EU member-states*

Countries	CORE						PERIPHERY						
	R&D in business sector (2019)		Patent application per million inhabitants (2019)	Change in Real Labor Productivity per person employed and hour worked (EU27 2010=100; 2019)	EU Innovation Index 2020 (place out of 27)	Global Competitiveness Index (WEF) (place out of 141 economies; 2019)	Countries	R&D in business sector (2019)		Patent application per million inhabitants (2019)	Change in Real Labor Productivity per person employed and hour worked (EU27 2010=100; 2019)	EU Innovation Index 2020 (place out of 27)	Global Competitiveness Index (WEF) (place out of 141 economies; 2019)
	% of GDP	share of total national R&D						% of GDP	share of total national R&D				
Germany	2.16	71.5	322.9	121.8	7	7		Italy	0.86	60.6	73.8	99.5	18
France	1.44	65.5	151.7	125.6	10	15	Spain	0.70	56.5	38.6	94.7	14	23
Netherlands	1.45	68.8	203.6	122.0	4	4	Portugal	0.70	51.9	26.5	65.4	12	34
Belgium	1.95	73.0	211.5	132.2	6	22	Greece	0.57	47.1	13.0	58.0	20	59
Luxembourg	0.68	58.1	695.6	175.0	5	18	Hungary	1.16	76.8	10.2	67.6	22	47
Austria	2.22	70.7	231.4	115.9	8	21	Poland	0.80	66.1	12.4	65.3	24	38
Sweden	2.35	70.8	428.2	113.7	1	8	Czechia	1.20	63.2	18.6	77.7	16	32
Denmark	1.95	64.6	414.1	137.6	3	10	Slovakia	0.45	53.6	7.7	73.2	21	42
Finland	1.80	65.2	308.6	109.0	2	11	Slovenia	1.45	74.3	58.2	83.2	15	35
Ireland	0.86	75.4	179.3	180.8	9	24	Estonia	0.59	41.8	37.0	71.2	11	31
							Latvia	0.20	31.3	11.5	59.9	23	41
							Lithuania	0.39	41.5	7.8	66.9	19	39
							Bulgaria	0.54	73.7	4.1	48.5	26	49
							Romania	0.30	60.0	2.1	65.9	27	51
							Malta	0.45	75.0	113.5	75.6	17	38
							Cyprus	0.16	25.8	53.7	75.5	13	44
							Croatia	0.47	48.5	4.7	64.1	25	63
AVERAGE	1.68	68.4	314.7	133.4	6	14	AVERAGE	0.65	55.7	29.0	67.1	19	41

* Three indicators are highlighted: Research and Development (R&D) in business enterprises excluding public R&D in 2018, number of patents filed in the European Patent Office per million inhabitants, and productivity per worker and hour.

Source: Eurostat (2020a) and WEF (2020).

The ideology of 'polycentricity' has been promoted by methodological nationalism, but thus far the policy has instead resulted in the transfer of even more funding to capital and large wealthy cities in each country. The reality is a permanent core-periphery divide in terms of GDP per capita, social inequality, innovation, competitiveness, and administrative capacity, among other factors. For the southern European countries, Slovakia, Slovenia, and the Baltic states, there is additionally significant doubt in their sustainable ability to remain in the Eurozone (see Magone, Laffan & Schweiger, 2016, p. 1-6).

Success in European cohesion policy is essential. The periphery must become more competitive to legitimize the efforts made in this regard. Competitiveness generates more wealth that can be used for territorial, social, and economic cohesion, a fundamental principle of the social market economy enshrined in article 3 of the Lisbon Treaty. The crucial passage in paragraph 3 states as follows:

*The Union shall establish an internal market. It shall work for the sustainable development of Europe based on balanced economic growth and price stability, a **highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment.** It shall promote scientific and technological advance* (Lisbon Treaty, Treaty of the European Union, article 3.3, my emphasis).

Although territorial/social/economic cohesion and competitiveness are complementary principles, it is impossible to pay for either social progress or a high level of protection without a highly competitive social market economy. The priority of competitiveness over territorial, social, and economic cohesion must be emphasized in discussions of the European social model.

A brief review of the concrete problems of European cohesion policy may highlight some of the reasons why the achievements of the ESIF have been meager thus far. We will focus on the distribution of spending, the political dimension of spending, the erosion of the additionality principle, administrative capacity, pseudo-compliance with the partnership principle, and the pressure placed on countries regarding the absorption of funds.

In terms of domestic priorities in spending ESIF, Georgó Medve-Bálint has done the onerous work of determining the main areas in which southern, central, and eastern European countries have spent their national shares for the periods 2006-2013 and 2014-2020. This spending distribution is negotiated with the EC, leading to a partnership agreement. Medve-Bálint (2018) differentiates between five main areas of expenditure: 1) physical infrastructure, 2) research, development, and info-communication technology (R&DI), 3) human capital, 4) business support, and 5) institution-building. According to his figures, the bulk of all spending has been on expensive infrastructure. However, Lisbonization has contributed to a considerable decline in the share spent on infrastructure, in part because the EC has become more critical of the value-added of funding additional projects. Despite this change, in the 2014-2020 period, infrastructure remained the largest spending item in the southern and eastern peripheries. Medve-Bálint also analyzes how the distribution of expenditures matches domestic needs, concluding that this imbalanced spending does not meet actual needs. Why do governments spend the funding on infrastructure? One reason is that there is often an urgent need to upgrade public infrastructure, particularly in the first years after accession. Infrastructure projects are also quite visible and can play a role in influencing electoral politics. Moreover, the influx of EU funding allows countries to engage in ventures that would otherwise be financially impossible, and it is an effective means of absorbing a large amount of funds under the logic of the greatest possible quantitative absorption (Medve-Bálint, 2018, p. 30).

Notably problematic in this regard is southern Europe, which has been receiving ESIF funding for the past 35 years without effecting significant structural change. Southern European societies remain among the most unequal in the EU (for a review of this region's political economy, see Magone, 2016).

Eduardo Medeiros has admirably demonstrated that the Iberian countries have overinvested in improving socio-economic conditions but have failed to invest in human capital or entrepreneurship adequately. In both cases, European structural and investment funds have reinforced or even exacerbated territorial disparities, preventing a more nationally balanced polycentricity. Madrid and Barcelona in Spain and Lisbon and Porto in Portugal have been allocated a great deal of funding; this has preserved existing socio-economic inequalities, as the more privileged middle classes have been the primary beneficiaries of the funds (Medeiros, 2014, p. 1976-1988, 2017, p. 1263-1265, 2018, p. 288, 290-291; Medeiros & Zézere, 2016). Other studies appear to confirm Medeiros' assessment for Portugal's case, particularly in terms of the competitiveness of enterprises (see, e.g., Marques, 2017, p. 40). Christos Paraskevopoulos (2005) reports similar results in Greece: A great deal has been spent on infrastructure and the socio-economic improvement of the population, but less on business innovation. More recent research suggests above all the inefficient use of the funds in Greece, as well as the role played by party politics in squandering much of the country's structural funds (see Trantidis, 2016). The best example is the megalomaniac decision to hold the Olympic Games in Athens, a city whose infrastructure is largely unused and decaying (Kasimati, 2015; Liargovas, Petropoulos, Tzikfakis & Huliaras, 2016). Elsewhere in 'Club Med', Italy has been unable to overcome its long-standing north-south divide. Despite support for the southern parts of Italy through the *Cassa per il Mezzogiorno* between 1955 and 1992 (funded in part by the EC through the European Social Fund (ESF) and subsequently through the ERDF), no significant structural changes were observed (Graziano, 2004, p. 74-79). However, a study by Martin Bull and Martin Baudner (2004, p. 1074) seems to indicate that over time a pro-European economic elite was able to reduce the power of the Mafia in southern Italy.

Anita Györfi, Tamás Molnár, Petra Edina Reszkető, and Balázs Váradi (2016) have written a helpful overview of the political dimension of the use of EU funds in CEE, also applicable to southern Europe. At times, the allocation of funding appears to follow all the rules set out by the regulations; however, political favoritism starts at a very early stage and is often undetectable by regulators. Common issues in the allocation of funding cited by the authors include diversion of stated development goals for private gain, influence exerted on project selection for private gain, bribery/favoritism in the public procurement process, and fraud in the use of the funds (Györfi et al., 2016, p. 15-16). The small staff of the Anti-Fraud Office of the European Union (OLAF) is highly dependent on civil servants' integrity in southern, central, and eastern European countries in efforts to uncover any such irregularities, although most tip-offs come from private sources. In terms of investigated cases, the dominant category thus far has involved the misuse of structural funds (OLAF, 2019, p. 13, 39).

The pork-barrel politics found in southern, central, and eastern European countries can be considered an essential factor shaping funding distribution and use. There is a tendency in Portugal and Greece to re-program ESIF in the middle of the period. The main rationale behind this move is to divert funding to areas in which some constituencies may vote for government parties in the next election. This influence of the electoral cycle on funding decisions contributed substantially to the near-bankruptcy of the Greek state. Many infrastructure projects are awarded to cartels in the construction industry that are well-connected to the government. Public enterprises tend to dominate the list of awarded project funding (on Greece, see the excellent study by Trantidis, 2016, p. 181-182; for Portugal, see Medeiros, 2014, p. 1975-1976).

In southern, central, and eastern Europe, pork-barrel politics is an essential tool for parties in power. Most studies on the issue use quantitative macro-data to show correlations between the political incumbent and an increase in funding in particular regions as an electioneering maneuver. One interesting study in this vein was conducted by Steven Bloom and Vladislava Petrova (2013), comparing Latvia and Bulgaria. In Latvia, less wealthy regions seem to be losing out due to non-representation or exclusion from power. Latgale, one of the poorest regions, inhabited primarily by the Russian ethnic population, appears to have been discriminated against in terms of funding because the most popular party in the region has long been excluded from power.

In contrast, in Bulgaria, the Turkish minority party Movement of Freedom and Rights has been a vital kingmaker in coalition agreements, enabling it to secure a large amount of funding for its constituencies. This permanent participation in government has led to cases of fraud that go far beyond mere pork-barrel politics (Bloom & Petrova, 2013, p. 1613-1615). Zsófia Papp (2019, p. 555-556) has also found a relationship between politics and the allocation of structural funds among the mayors of cities in Hungary: central government-party mayors are usually able to obtain more EU funding than opposition mayors (for a comparison between Hungary and Poland, see Medve-Bálint, 2017).

A third under-researched aspect involves the gradual erosion of the principle of 'additionality' over recent decades. Funding from the EU should only be complementary to national funding (Darvas, Mazza & Midoes, 2019, p. 7-8, 17-18). Due to the underdevelopment of many regions in southern Europe, EU funding has represented the larger part, with co-financing from the national government and the private sector remaining at relatively low levels even today. The share of national and private co-financing increases in Objective 2 regions, which are generally situated in the wealthier member-states. However, even this national co-financing share has been consistently low in recent years. In the periods 2007-2013 and 2014-2020, it amounted to only 15%, with the other 85% provided by the EU. During the financial crisis, new ESIF regulations were approved to reduce the national co-financing for Greece to 0 percent; the EU foots 100% of the bill (EP, 2015).

In many cases, projects may be approved, but the execution can be delayed considerably because of the country's inability to provide the 15% of national co-financing. When control is lax, much manipulation may occur in terms of creative accounting, further eroding even the requested minimal funding nationally. The EC's proposal to increase national co-financing to 30% has been criticized and opposed by the peripheral countries, notably Portugal and Spain. However, I would argue that an increase in national co-financing is crucial if we hope to change the subsidy dependency mentality.

A second aspect of the erosion of additionality involves the growing suspicion that some countries are using structural funds to finance certain aspects of the central government budget in order to comply with the stringent Economic and Monetary Union (EMU) criteria. A good example is how former Portuguese finance minister Mario Centeno managed to achieve a 0.2 percent budget surplus between 2015 and 2019. The most critical item in the budget that was not spent each year and led to savings was public investment. The most critical item in the budget that was not spent each year and led to savings was public investment – 80% of which was funded by ESIF (Ferreira, 2020, August 3). This fact does not reflect that of a resilient and dynamic economy. Unfortunately, there have been very few studies on this issue of budget financing; however, several authors have called attention to and attempted to operationalize this aspect. Chiara Del Bo (2018, p. 63-67) has conducted econometric studies at the Italian regional level to demonstrate this relationship, discovering that massive EU funding leads to a reduction in taxation at the regional level, particularly in election years. Thus, EU funds seem to compensate the national gov-

ernment for tax cuts intended to boost the electoral chances of the parties in power in a particular region. In another study, Chiara Del Bo, Massimo Florio, Emanuela Sirtori and Silvia Vignetti (2011) detected multilevel governance relationships in how ESIF is spent in Italy as replacements for items in national and regional budgets. Medve-Bálint (2018, p. 230) also refers to such creative accounting in southern, central, and eastern Europe, albeit without going into detail.

A further aspect of implementation to be considered is administrative capacity. One major problem with ESIF is the time constraint of seven years. Projects must be finished within this time frame, with a grace period of an additional three years. This time constraint is quite problematic because there is considerable pressure on member-states to absorb the existing funds. As a result, the administrative capacity becomes an essential element in this equation. Although a centralized state such as Portugal or Greece may achieve a high absorption rate, this does not ensure quality or value-added for regional and local communities. A more decentralized system such as that of Spain or Italy will lead to differences in regional administrative capacities across the regions. Simona Milio (2007, 2008) has conducted pioneering comparative research on the performance of various regions in Italy, showing that administrative capacity and political stability are particularly influential.

Moreover, the less the political level interferes with the administration of funds, the better the results can be achieved. Sicily is a negative example of administrative capacity undermined by political interference, whereas Puglia has become more capable of improving its administrative quality and reduce political interference over time (Milio, 2007, 2008). The Bertelsmann governance index gives us a rough overview of the level of governance based on executive capacity and equally important executive accountability, including responsiveness to citizens' concerns (Table 2). Most periphery countries exhibit an intermediate or even deficient governance level.

Table 2. Bertelsmann Governance Index in the EU, 2018*

Highest level Score 10-8	High level Score 8-6	Middle level Score 6-5	Low level Score below 5
1. Sweden	4. Luxembourg	17. Malta	24. Hungary
2. Denmark	5. Germany	18. Portugal	25. Croatia
3. Finland	6. Ireland	19. Slovenia	26. Romania
	7. Austria	20. Greece	27. Cyprus
	8. Netherlands	21. Poland	
	9. Lithuania	22. Slovakia	
	10. Estonia	23. Bulgaria	
	11. Spain		
	12. Belgium		
	13. France		
	14. Latvia		
	15. Italy		
	16. Czechia		

* This index consists of the sub-indices of Executive Capacity and Executive Accountability. Continuum: 10=highest level of governance quality; 0=lowest level of governance quality. Periphery countries in bold. Source: Bertelsmann Foundation (2019).

The last issue examined here is the problematic implementation of vertical and horizontal partnerships in the peripheral countries. One of the most revolutionary aspects of the European cohesion policy is transforming the EU into a multilevel governance system. From an early stage,

the EC allied itself with the regions to challenge nation-states as the main actors (Tömmel, 1998). Consequently, a governance system emerged in which not only public institutions but also civil society and economic actors can shape the outcomes of the cohesion policy. Gary Marks (1993), the first scholar to identify this shift from nation-state dominance to multilevel governance and the role played by the new European cohesion policy, argues:

If we encompass the experience of structural policy in our notion of the future European polity, it can be viewed as the leading edge of a system of multilevel governance in which supranational, national, regional, and local governments are enmeshed in territorially over-arching policy networks (p. 410).

Regional actors have become an essential aspect of this evolving dynamic multilevel governance system (see Piattoni, 2010). In particular, Spain, Italy, and Poland have been able to adjust their governance in line with this model, although these countries still face significant difficulties (for Spain, see Hombrado Martos, 2013; for Italy, Milio, 2014; for Poland, Bradley & Zaucha, 2017). One can identify related tendencies in Czechia; most of the other countries in southern, central, and eastern Europe are highly centralized.

With the partial exception of the four countries mentioned above, the middle-to-low levels of governance in southern, central, and eastern European countries is one reason underlying their weak implementation of vertical and horizontal partnerships. Although the state is weak, it is still stronger than economic and civil society actors, such that public institutions ultimately dominate governance networks. The results are pseudo-partnerships that are strongly dominated by public institutions. I label this the 'governmentalization' of the European multilevel governance system at the domestic level. Such partnerships can only be studied through qualitative case studies, as surveys are an inadequate means of understanding the interactions between actors. In this context, one should mention the study by Paolo Graziano (2010) on the regionalization of interest intermediation following the collapse of *tangentopoli*. As he contends, it took some time for interest groups to recognize the regional level as the new level for decision-making related to ESIF. Moreover, varying regional political cultures and traditions have significantly contributed to the divergent outcomes involving stakeholders' inclusion. The small region of Basilicata emerges as a positive example of partnership, largely because it is small and everybody knows one another; Puglia, which has also fared well, can point to its historically collaborative political culture. In contrast, Reggio-Calabria is characterized by an atomic society in which cooperation is much less developed (Graziano, 2010, p. 325-328). Simona Milio's study (2014) on vertical and horizontal partnerships in Italy within the EU multilevel governance system confirms the drastic differences across regions. Her account of Sicily, where the political culture is still highly clientelistic and based on favoritism, is particularly interesting. As she notes, partnership sometimes results in many stakeholders with differing opinions, leading to blockades in the implementation of projects (Milio, 2014, p. 393).

Following the study of Robert Putnam, Robert Leonardi and Rafaella Nannetti on Italy (1994), Christos Parakesvopoulos and Robert Leonardi (2004) have shown that two critical aspects can account for excellent performance in terms of implementation: administrative capacity and social capital. Social capital refers to the density of relationships between public institutions, economic actors, and civil society actors. The denser and more sustainable the network of relationships, the greater its potential social capital. Social capital requires a robust civil society and a society characterized by high interpersonal trust. However, southern, central, and eastern European societies are relatively low-trust societies. Therefore, it will be challenging to achieve more successful vertical and horizontal partnerships in these regions; in short, it can only be a long-term project.

Conclusions: Not Everything is about Money – The Impact of the Mentality Gap

In this contribution, we have investigated the many political, structural, and economic problems inherent in establishing more successful territorial governance in the European periphery that will be compatible with the EU multilevel model. In particular, the typically low level of social capital and trust in southern, central, and eastern Europe remains a major obstacle in creating long-term networks in which the wider population and economic actors can play a role in shaping the implementation of the ESIF.

Although the EU's cohesion policy has made a positive contribution to European integration in general terms, there is a strong reluctance on the part of the member-states to overcome their tendency towards an insulating approach that may be labeled methodological nationalism. Territorial politics are still nationally interpreted in the EU, and the supranational level is regarded as merely a provider of funding. We argue that member-states must shift their approach towards a methodological Europeanism in which the EU internal market is the main priority, thereby loosening their grip on national territorial politics.

The EC was able to redirect the ESIF towards greater competitiveness by linking the cohesion policy to the Lisbon strategy and later to Europe 2020. This 'Lisbonization' put national governments under pressure to implement more efficient policies, leading in principle to increased competitiveness within an EU internal market rationale. Thus far, however, evidence of change has been patchy and inconsistent. Perhaps the greatest success of cohesion policy has been Ireland, the so-called 'Celtic tiger' despite the devastating financial crisis. The southern, central, and eastern periphery has shown improvement in terms of infrastructure, but no real structural shift towards a resilient high-technological economy. The southern European countries are highly problematic, as they are slowly being surpassed in terms of GDP per capita by the somewhat more competitive CEEC. The decline of Italy, the third-largest economy in the Euro area, from the core to the periphery over the last three decades is undoubtedly a worrying sign.

Money is not everything. Simply pouring funding into southern, central, and eastern Europe is the wrong policy for these countries. There is a real danger that a 'Mezzogiorno-alization' of the European periphery will become a permanent feature of the core-periphery divide. However, a result-oriented mentality and a focus on entrepreneurship can counteract this dangerous prospect. The economic and political elites in southern, central, and eastern European countries must think boldly and develop national strategies to make their countries self-reliant within the EU, linking European strategies to national strategies. Thus far, however, their national development plans indicate no inclination to change the *status quo*. Likewise, the ESIF should focus not on national strategies but rather on an overall European strategy to make the EU more competitive. Unfortunately, pork-barrel politics in negotiating the funds and a disregard for the joint project to build a strong EU internal market and increase external 'market power' have been the main features of ESIF for nearly four decades.

The recent substantial increase in funding in the period 2021-2027 will not solve the European periphery's structural problems. The Next Generation funding should emphasize the New Green Deal; however, it is now combined with COVID-19 crisis recovery funding. This indicates that the focus of the recovery funding is far too dissipated, and due to the easy access to funding allocated to each country it may result in the same types of behavior as before. I predict that this money will not be well-spent at the national level, and that it will primarily reinforce the *status quo*. It would

be much better to use large parts of the funding to strengthen European projects, including those in the health sector.

In the medium to long term, national and European policy-makers must reflect upon how each country and the Union as a whole wants to position itself in a globalized future potentially dominated by Asia (Khanna, 2019). If the EU is unable to become more competitive and secure more global 'market power', the likely consequence for the next EU budgetary round after 2027 will be less money available for further regional development and even greater resistance by the net-payer countries to the transfer of funds to the non-competitive periphery.

References

- Ágh, A. (2019). *Declining democracy in East-Central Europe. The divide in the EU and emerging hard populism*. Cheltenham: Edward Elgar.
- Annoni, P., & Dijkstra, L. (2019). *The EU Regional Competitiveness Index 2019*. Brussels: European Commission.
- Bachtler, J., Mendez, C., & Wishlade, F. (2013). *EU cohesion policy and European integration. The dynamics of EU budget and regional policy reform*. Farnham, VT: Ashgate.
- Bartolini, S. (2005). *Restructuring Europe. Centre formation, system building and political structuring between the nation-state and the European Union*. Oxford: Oxford University Press. <https://doi.org/10.1093/0199286434.001.0001>
- Baun, M. J., & Marek, D. (2014). *Cohesion Policy in the European Union*. London: Palgrave Macmillan.
- Bertelsmann Foundation (2019). *Policy Performance and Governance Capacities in the OECD and EU. Sustainable Governance Indicators 2018*. Retrieved from https://www.sgi-network.org/docs/2018/basics/SGI2018_Overview.pdf
- Blauberger, M., & Kelemen, D. R. (2016). Can courts rescue national democracy? Judicial safeguards against democratic backsliding in the EU. *Journal of European Public Policy*, 24(3), 321-336. <https://doi.org/10.1080/13501763.2016.1229357>
- Bloom, S., & Petrova, V. (2013). National Subversion of Supranational Goals: 'Pork-Barrel' Politics and EU Regional Aid. *Europe-Asia Studies*, 65(8), 1599-1620. <https://doi.org/10.1080/09668136.2013.833014>
- Böhme, K., Doucet, D., Komornicki, T., Zaucha, J., & Świątek, D. (2011). *How to strengthen the territorial dimension of 'Europe 2020' and the EU Cohesion Policy. Report on the Territorial Agenda 2020*. Warsaw: Ministry of Regional Development.
- Bradley, J., & Zaucha, J. (2017). *Territorial Cohesion: A missing link between economic growth and welfare. Lessons from the Baltic Tiger*. Gdańsk: University of Gdańsk.
- Brunet, R., & Boyer, J.-C. (1989). *Les Villes "européennes". Rapport pour la DATAR, Délégation à l'aménagement du territoire et à l'action régionale*. Paris: Documentation Française.
- Bull, M., & Baudner, J. (2004). Europeanization and Italian policy for the Mezzogiorno. *Journal of European Public Policy*, 11(6), 1058-1076. <https://doi.org/10.1080/1350176042000298101>
- Castells, M. (2000). *End of Millennium. Volume III of The Information Age: Economy, Society and Culture*. London: Blackwell.
- Council (2020). Infographic – EU budget 2021-2027 and recovery plan. Council of the European Union. Retrieved from <https://www.consilium.europa.eu/en/infographics/recovery-plan-mff-2021-2027/>
- Cowles Green, M. (1995): Setting a New Agenda for Europe: The ERT and EEC 1992. *Journal of Common Market Studies*, 33(4), 501-526. <https://doi.org/10.1111/j.1468-5965.1995.tb00548.x>
- Damro, C. (2015). Market power Europe. Exploring a dynamic conceptual framework. *Journal of European Public Policy*, 22(9), 1336-1354. <https://doi.org/10.1080/13501763.2015.1046903>
- Darvas, Z., Mazza, J., & Midoes, C. (2019). *How to improve European Union cohesion policy for the next decade*. Brussels: Bruegel Institute.

- Del Bo, C. F. (2018). Fiscal Autonomy and EU Structural Funds. *Public Finance Review*, 46(1), 58-82. <https://doi.org/10.1177/1091142116661409>
- Del Bo, C., Florio, M., Sirtori, E., & Vignetti, S. (2011). *Additionality and Regional Development: Are EU Structural Funds Complements or Substitutes of National Public Finance?* Milan: University of Milan-Centre for Industrial Studies. <https://doi.org/10.2139/ssrn.2723402>
- EC (2004). *Facing the challenge. The Lisbon strategy for growth and employment*. Luxembourg: Office for Official Publications of the European Commission. Posted at https://ec.europa.eu/research/evaluations/pdf/archive/fp6-evidence-base/evaluation_studies_and_reports/evaluation_studies_and_reports_2004/the_lisbon_strategy_for_growth_and_employment__report_from_the_high_level_group.pdf
- EC (2017). *White paper on the future of Europe. Reflections and scenarios for the EU27 by 2025*. COM(2017)2025. Brussels: European Commission.
- EC (2020a). *European Innovation Scoreboard 2020*. Luxembourg: Publications Office of the European Union. <https://doi.org/10.2873/6063>
- EC (2020b). *Fact check on the EU budget*. Retrieved from https://ec.europa.eu/info/strategy/eu-budget/how-it-works/fact-check_en#howbigistheebudget
- ECA (2019). *Rapid case review. Allocation of Cohesion policy funding to Member States for 2021-2027*. Luxembourg: European Court of Auditors. Retrieved from https://www.eca.europa.eu/Lists/ECA-Documents/RCR_COHESION/RCR_COHESION_EN.pdf
- EP (2015). *Regulation (EU) 2015/1839 of the European Parliament and of the Council of 14 October 2015 amending Regulation (EU) No 1303/2013 as regards specific measures for Greece*. L270/1-3.
- EP (2020). *New Boost for Jobs, Growth and Investment. Proposal for a Regulation on the Protection of the Union's Budget in Case of Generalised Deficiencies as regards the Rule of Law in the Member States*. European Parliament, Legislative Train Schedule. Retrieved from <https://www.europarl.europa.eu/legislative-train/theme-new-boost-for-jobs-growth-and-investment/file-mff-protection-of-eu-budget-in-case-of-rule-of-law-deficiencies>
- ERT (1983). *Foundations for the Future of European Industry*. Amsterdam: European Round Table of Industrialists.
- ERT (1984). *Missing Links. Upgrading Europe's Transborder Ground Transport Infrastructure. A Report of the European Roundtable of Industrialists*. Paris: European Round Table of Industrialists.
- Euronews (2020, July 22). Hungary claims victory in EU recovery fund talks. Euronews. Retrieved from <https://www.euronews.com/2020/07/22/hungary-claims-victory-in-eu-recovery-fund-talks>
- Eurostat (2020). *Eurostat database*. Retrieved from <https://ec.europa.eu/eurostat>
- Fabbrini, S. (2015). The constitutional conundrum of the European Union. *Journal of European Public Policy*, 23(1), 84-100. <https://doi.org/10.1080/13501763.2015.1031158>
- Faludi, A. (2010). *Cohesion, Coherence, Cooperation. European Spatial Planning Coming of Age?* London: Routledge.
- Faludi, A. (2018a). A historical institutionalist account of European spatial planning. *Planning Perspectives*, 33(4), 507-522. <https://doi.org/10.1080/02665433.2018.1437554>
- Faludi, A. (2018b). *The Poverty of Territorialism. A Neo-Medieval View of Europe and Spatial Planning*. Cheltenham: Edward Elgar.
- Faludi, A., & Waterhout, B. (2002). *The making of the European spatial development perspective. No masterplan*. London: Routledge.
- Ferreira, P. (2020, August 3). *Há dinheiro e plano. O que pode correr mal? Quase tudo, como sempre*. Eco. Retrieved from <https://eco.sapo.pt/opiniao/ha-dinheiro-e-plano-o-que-pode-correr-mal-quase-tudo-como-sempre/>
- Gonzalez, C., Dallison, P., & Gray, A. (2020, July 25). *POLITICO EU Confidential: EU budget and recovery summit – Deal, drama and details*. Politico. Retrieved from <https://www.politico.eu/newsletter/eu-confidential/politico-eu-confidential-eu-budget-and-recovery-summit-deal-drama-and-details/>
- Graziano, P. (2004). *Europeizzazione e politiche pubbliche italiane. Coesione e lavoro a confronto*. Bologna: Il Mulino.

- Graziano, P. R. (2010). From Local Partnerships to Regional Spaces for Politics? Europeanization and EU Cohesion Policy in Southern Italy. *Regional & Federal Studies*, 20(3), 315-333. <https://doi.org/10.1080/13597566.2010.484568>
- Györfi, A., Molnár, T., Reszkető, P., & Varádi, B. (2016). *The impact of cohesion policy on corruption and political favouritism*. Budapest: Budapest Institute for Policy Analysis. Retrieved from http://www.budapestinstitute.eu/BI_Green_Cohesion_201610_final2.pdf
- Hallstein, W. (1969). *Der unvollendete Bundesstaat. Europäische Erfahrungen und Erkenntnisse*. Düsseldorf: Econ Verlag.
- Hombrado Martos, A. (2013). Como se negocian, gestionan y coordinan las políticas europeas de cohesión en España? Capacidad de acción administrativa y colaboración intergubernamental de la política europea. In C. Colino (Ed.). *Las Comunidades autónomas frente a los retos de la nueva política de cohesión europea en la Europa ampliada. Capacidades y estrategias* (pp. 123-154). Oviedo: Consejería de Hacienda y Sector Público del Principado de Asturias.
- Hübner, D. (2016). The European Parliament and Cohesion Policy. In S., Piattoni & L. Polverari (Eds.). *Handbook on Cohesion Policy in the EU* (pp. 140-156). Cheltenham: Edward Elgar.
- Husson, C. (2002). *L'Europe sans territoire. Essai sur le concept de cohésion territoriale*. La Tour d'Aigues: Editions d'Aube.
- Kasimati, E. (2015). Post-Olympic Use of the Olympic Venues: The Case of Greece. *Athens Journal of Sports*, 2(3), 167-184. <https://doi.org/10.30958/ajspo.2-3-3>
- Khanna, P. (2019). *The Future is Asian. Global Order in the Twenty-First Century*. London: Weidenfeld and Nicholson.
- Laffan, B., & Lindner, J. (2015). The Budget: Who Gets, What, When, and How? In H., Wallace, M. A., Pollack & A. R., Young (Eds.). *Policy-making in the European Union* (7. ed., pp. 220-242). Oxford: Oxford University Press.
- Leonard, M., Pisani-Ferry, J., Ribakova, E., Shapiro, J., & Wolff, G. (2019). *Strategic Sovereignty. How Europe can Regain Its Capacity to Act*. London: European Council on Foreign Relations. Retrieved from https://www.ecfr.eu/page/-/2_Redefining_Europe%E2%80%99s_economic_sovereignty.pdf
- Liargovas, P., Petropoulos, S., Tzikfakis, N., & Huliaras, S. (Eds.). (2016). *"Beyond Absorption". The impact of EU Structural Funds on Greece*. Sankt Augustin, Berlin: Konrad Adenauer Stiftung Greece.
- Magone, J. M. (2006). *The New World Architecture. The Role of the European Union in the Making of Global Governance*. New Brunswick, NJ: Transaction.
- Magone, J. M. (2016). From 'superficial' to 'coercive' Europeanization in southern Europe. The lack of ownership of national reforms. In J. M., Magone, B., Laffan & C., Schweiger (Eds.). *Core-periphery Relations in the European Union. Power and Conflict in a Dualist Political Economy* (pp. 87-98). London: Taylor & Francis.
- Magone, J. M., Laffan, B., & Schweiger, C. (2016). The European Union as a dualist political economy: Understanding core-periphery relations. In J. M., Magone, B., Laffan & C., Schweiger (Eds.). *Core-periphery Relations in the European Union. Power and Conflict in a Dualist Political Economy* (pp. 1-16). London: Taylor & Francis.
- Makszimov, V. (2020, November 11). *EU institutions strike deal on bloc's long term budget*. Euractiv. Retrieved from <https://www.euractiv.com/section/economy-jobs/news/eu-institutions-strike-deal-on-blocs-long-term-budget-and-recovery-fund/>
- Marks, G. (1993). EC Structural Policy and Multilevel Governance in the EC. In A. W., Cafruny & G., Goldstone Rosenthal (Eds.). *The State of the European Community. Vol. 2: The Maastricht debates and beyond* (pp. 391-409). Harlow: Longman.
- Marques, A. (2017). Três décadas de fundos comunitários em Portugal. Competitividade: as oportunidades perdidas. *Relações Internacionais*, 53, 39-54. <http://dx.doi.org/10.23906/ri2017.53a04>
- Medeiros, E. (2014). Assessing Territorial Impacts of the EU Cohesion Policy: The Portuguese Case. *European Planning Studies*, 22(9), 1960-1988. <https://doi.org/10.1080/09654313.2013.813910>
- Medeiros, E. (2017). European Union Cohesion Policy and Spain: a territorial impact assessment. *Regional Studies*, 51(8), 1259-1269. <https://doi.org/10.1080/00343404.2016.1187719>

- Medeiros, E. (2018). EU Cohesion Policy in the Iberian Peninsula: Main Territorial Impacts (1986-2013) and Challenges for a More Efficient New Programming Period (2014-2020). *European Structural and Investment Funds Journal*, 6(4), 284-295.
- Medeiros, E., & Zézere, J. L. (2016). The EU Cohesion Fund and Spatial Planning Strategies in Transport and Risk Prevention: Portugal (1995-2013). *European Structural and Investment Fund Journal*, 5(2), 87-109.
- Medve-Bálint, G. (2017). Funds for the wealthy and politically loyal? How EU Funds may Contribute to increasing Disparities in East Central Europe. In J., Bachtler, P., Berkowitz & S., Hardy (Eds.). *EU cohesion policy. Reassessing performance and direction* (pp. 220-240). London, New York, NY: Routledge Taylor & Francis Group.
- Medve-Bálint, G. (2018). The Cohesion Policy on the EU's Eastern and Southern Periphery: Misallocated Funds? *Studies in Comparative International Development*, 53(2), 218-238. <https://doi.org/10.1007/s12116-018-9265-2>
- Milio, S. (2007). Can Administrative Capacity Explain Differences in Regional Performances? Evidence from Structural Funds Implementation in Southern Italy. *Regional Studies*, 41(4), 429-442.
- Milio, S. (2008). How Political Stability Shapes Administrative Performance: The Italian Case. *West European Politics*, 31(5), 915-936. <https://doi.org/10.1080/01402380802234581>
- Milio, S. (2014). The conflicting effects of multilevel governance and the partnership principle: Evidence from the Italian experience. *European Urban and Regional Studies*, 21(4), 384-397. <https://doi.org/10.1177/0969776413493631>
- Moravcsik, A. (1998). *The choice for Europe. Social purpose and state power from Messina to Maastricht*. London: UCL Press.
- OLAF (2019). *The OLAF report 2018*. Anti-Fraud Office of the European Union. Luxembourg: Publications Office of the European Union. <https://doi.org/10.2784/695669>
- Papp, Z. (2019). Votes, money can buy. The conditional effect of EU Structural Funds on government MPs' electoral performance. *European Union Politics*, 20(4), 543-561. <https://doi.org/10.1177/1465116519862875>
- Paraskevopoulos, C. J. (2005). Developing Infrastructure as a Learning Process in Greece. *West European Politics*, 28(2), 445-470. <https://doi.org/10.1080/01402380500060494>
- Paraskevopoulos, C. J., & Leonardi, R. (2004). Introduction: adaptational pressures and social learning in European regional policy – cohesion (Greece, Ireland and Portugal) vs. CEE (Hungary, Poland) countries. *Regional & Federal Studies*, 14(3), 315-354. <https://doi.org/10.1080/1359756042000261342>
- Piattoni, S. (2010). *The theory of multilevel governance. Conceptual, empirical, and normative challenges*. Oxford: Oxford University Press.
- Pollack, M. A. (1994). Creeping Competence: The Expanding Agenda of the European Community. *Journal of Public Policy*, 14(2), 95-145. <https://doi.org/10.1017/S0143814X00007418>
- Pollack, M. A. (2000). The End of Creeping Competence? EU Policy-Making since Maastricht. *Journal of Common Market Studies*, 38(3), 519-538. <https://doi.org/10.1111/1468-5965.00233>
- Polverari, L. (2016). Cohesion policy in the southern periphery. In S., Piattoni & L., Poverari (Eds.). *Handbook on Cohesion Policy in the EU* (pp. 231-249). Cheltenham: Edward Elgar.
- Putnam, R. D., Leonardi, R., & Nanetti, R. Y. (1994). *Making Democracy Work. Civic Traditions in Modern Italy*. Princeton, NJ: Princeton University Press.
- Sidman, A. H. (2019). *Pork barrel politics. How government spending determines elections in a polarized era*. New York, NY: Columbia University Press.
- TA2030 (2019). *Territorial Agenda 2030. A Future for All Places*. Draft Document (August 20).
- Tömmel, I. (1998). Transformation of Governance: The European Commission's Strategy for Creating a 'Europe of the Regions'. *Regional and Federal Studies*, 8(2), 52-80. <https://doi.org/10.1080/13597569808421051>
- Trantidis, A. (2016). *Clientelism and Economic Policy. Greece and the Crisis*. London: Routledge.
- Vachudova, M. A. (2020). Ethnopolitism and democratic backsliding in Central Europe. *East European Politics*, 36(3), 318-340. <https://doi.org/10.1080/21599165.2020.1787163>

- Valero, J. (2020, December 10). *EU leaders to decide on compromise to unblock EU budget package*. Euractiv. Retrieved from <https://www.euractiv.com/section/economy-jobs/news/eu-leaders-to-decide-on-compromise-to-unblock-eu-budget-package/>
- Valero, J. (2020, November 16). *Hungary and Poland veto stimulus against pandemic*. Euractiv. Retrieved from <https://www.euractiv.com/section/economy-jobs/news/hungary-and-poland-veto-stimulus-against-pandemic/>
- Valero, J. (2020, October 18). *Parliament and Council near agreement on rule of law conditionality*. Euractiv. Retrieved from <https://www.euractiv.com/section/economy-jobs/news/parliament-and-council-near-agreement-on-rule-of-law-conditionality/>
- Vauchez, A. (2015). Methodological Europeanism at the Cradle: Eur-lex, the *Acquis* and the Making of Europe's Cognitive Equipment. *Journal of European Integration*, 37(2), 193-210. <https://doi.org/10.1080/07036337.2014.990135>
- Wallace, H. (1996a). Politics and Polity of the EU: The Challenge of Governance. In H., Wallace, W., Wallace & C., Webb (Eds.). *Policy-Making in the European Communities* (pp.4-36). London: John Wiley.
- Wallace, H. (1996b). The Establishment of the Regional Development Fund: Common Policy or Pork Barrel? In H., Wallace, W., Wallace & C., Webb (Eds.). *Policy-Making in the European Communities* (pp.137-164). London: John Wiley.
- Wallace, W. (1999). The Sharing of Sovereignty. The European Paradox. *Political Studies*, 47(3), 503-521. <https://doi.org/10.1111/1467-9248.00214>
- WEF (2020). *The Global Competitiveness Report 2010*. Geneva: World Economic Forum. Retrieved from http://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf
- Wimmer, A., & Glick Schiller, N. (2002). Methodological nationalism and beyond: nation-state building, migration and the social sciences. *Global Networks*, 2(4), 301-334. <https://doi.org/10.1111/1471-0374.00043>

