

EU Cohesion Policy and Europe 2020: Between place-based and people-based prosperity

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Carlos Mendez

EPRC, School of Government and Public Policy, University of Strathclyde

carlos.mendez@strath.ac.uk

Abstract

This article examines the rise and effects of a new discourse - the place-based narrative - on the EU Cohesion policy reform agenda. Employing a modified Discursive Institutional framework, three key arguments are made. First, the place-based narrative has played an influential role in challenging redistributive conceptions of the policy and in structuring the post-2013 reform agenda. Second, despite these effects, the narrative's prescriptions remain contested, evidenced by discursive struggles with competing and institutionally rooted frames under the Europe 2020 'meta-narrative'. Lastly, the theoretical implication is that Discursive Institutional conceptions of discourse should be expanded to include institutional properties, and pay more attention to the external coherence of discourse in conditioning ideational effects, particularly in boundary-spanning policy domains and fragmented policy-making systems.

Introduction

The rationale of EU Cohesion Policy has been subject to much scholarly debate. While the policy's formal mission is to reduce regional disparities, its origins were driven more by 'pork-barrel' politics (Wallace 1977). Subsequent reforms have been dismissed as 'side-payments' to lubricate the gears of EU integration (Pollack 1995). Inter-governmental bargaining is considered to underpin revisions to policy substance too (Pollack 1995), although others emphasise supranational policy entrepreneurship (Hooghe 1996; Boyle 2006). A related strand of the literature suggests that the 'unofficial' or 'undeclared' rationale is to foster multi-level governance by shifting power upwards to the EU and downwards to sub-national actors (Hooghe 1996; cf. Pollack 1995; Bache 1999).

A common theme in the literature is the importance of interest-driven behaviour by national or EU actors in accounting for policy development. Missing from most accounts is an appreciation of the ideational sources of policy change. A notable exception situates Cohesion policy within a normative struggle between competing models of capitalism, mirroring the conventional left-right ideological divide (Hooghe 1998). This article steps down the ladder of ideological abstraction by examining the policy's economic development model, shifting the lens towards contemporary debates on the spatial rationale of policy.

The central argument is that discourse has played a key role in setting a new policy agenda. Specifically, a 'place-based' narrative has animated debate and shaped ideas about the policy's rationale, governance model and relationship with the EU's 2020 development agenda. However, ideas do not float freely (Hajer 1993: 47). Narratives are constructed by ideational entrepreneurs to shape policies, but are open to interpretation, contestation and resistance. In examining the role of ideas in policy change it is necessary to take account of the ideational context, entrepreneurship, institutions and interests through an appropriate theoretical lens. Discursive Institutionalism (Schmidt 2002; 2010) provides a fitting perspective, with some alterations, by integrating these factors into a synthetic framework.

The reformulated framework is presented in the next section. The place-based concept is then situated in its ideational context, followed by a review of the rise of place-based discourse in post-2013 Cohesion policy reform debate. The next section turns to the role of ideational entrepreneurship in the articulation of the place-based narrative, deconstructing its propositions in relation to a dominant and rival redistributive narrative. An assessment of the narrative's effects underlines the clashes with competing and institutionally embedded policy frames in the context of the Europe 2020 meta-narrative. The theoretical significance of the findings is discussed in the conclusion.

From Discursive Institutionalism to Institutional Discursivism

Ideas are increasingly recognized as playing an important causal role in policy development (Hajer 1995; Campbell 2002; Beland 2009). Instead of seeing change as the product of strategic contestation among actors with clear and fixed interests, an ideational perspective emphasises the struggle for power among actors motivated by different ideas. Ontologically, ideas are conceived as constitutive rules that shape interests, questioning the primacy of materialistic factors in explanations of policy change.

In line with this ideational turn, Discursive Institutionalism (DI) provides the theoretical point of departure for the analytical framework. The most well known account is provided by Schmidt (2002; 2009; 2010), presenting DI as a rival to the trio of rational, historical and sociological new-institutionalisms. A key advantage is the multi-causal and integrative perspective offered. Ideas are taken seriously, while offering sensitivity to material interests and institutional structure.

What is an idea? In Foucauldian terms, ideas represent linguistic practices or discourses embedded in networks of social relations tied to narratives about the construction of the world. The structural plot of a policy 'narrative' (Roe 1994) or 'story' (Stone 1989) typically contains a 'beginning, a middle, an end, and occasionally even a moral conclusion' (Radaelli 1999: 663). The distinctive features are two-fold. First, it is the narrative's sequentiality that

provides it with power, more so than the empirical truth of the individual components (Roe 1994: 37). Second, narratives embody substantive concepts and ideas on policy content (in a cognitive sense) as well as legitimising values (from a normative perspective) (Stone 1989; Hajer 1993; Schmidt 2002).

In examining the effects of discourse, different types of change may be distinguished. Following Hajer (1993: 45-6), 'structuration' occurs when a discourse begins to dominate the way a society begins to conceptualize the world, whereas 'institutionalisation' requires a discourse to solidify itself into an institutional or organisational practice. Beland (2009) identifies three ways in which discourse can impact policy development: by shaping how policy problems and solutions are understood, providing the vocabulary to communicate about policies; by articulating interpretive frameworks that direct attention towards certain facts and divert attention from others; and by providing ideational resources to challenge or deligitimize rival discourses.

Bringing these insights together, the framework centres on two sets of agency and structural-related factors to account for the role of ideas in policy development. On the agency side, 'ideational entrepreneurs' (Finnemore and Sikkink 1998) relate to, and seek to influence, the discursive context by constructing and articulating narratives. Discursive power resides in their ability to determine the frame of reference for others (Rein and Schon 1994), requiring 'cognitive arguments that demonstrate the policy programme's relevance, applicability and coherence; and normative arguments that resonate with long-standing or newly-emerging values, and that complement rather than contradict the cognitive arguments' (Schmidt and Radaelli 2004: 203).

Persuasion and argumentative practices are important (Fischer and Forester 1993; Finnemore and Sikkink 1998). This is reflected in the 'communicative dimension' of DI, an agency-centred 'process of interaction focused on policy formulation and communication' (Schmidt and Radaelli 2004: 184). DI does not foreclose the possibility of resistance. Extant ideas may be more influential in discursive battles between actors, although this remains an

under-theorised aspect of DI; and it is widely recognised that interests matter too (Schmidt and Radaelli 2004: 193).

On the structural side of the framework, DI highlights the importance of ‘institutional forums’ (Radaelli 1999) or ‘communicative arenas’ (Schmidt 2002) in which ideas are articulated, debated and disseminated, thereby structuring future decisions or altering beliefs. Additionally, Schmidt (2002; 2010) employs structuralist reasoning to account for variations in communicative strategies: ‘simple polities’ (with concentrated power in core executives) are more pre-disposed to communicative strategies with the public, whereas coordinative discourse with political actors and coalitions is the norm in ‘compound polities’ (where power arrangements are fragmented, as in the EU).

Less developed in DI is an appreciation of the role of institutional arrangements in shaping or constituting discourse and ideational outputs and outcomes, as opposed to means (i.e. the type of discursive strategy employed by actors). Institutions are conceived as only providing the ‘setting’ for discursive interactions, suggesting an agency bias in the framework (Rönblom and Bacchi 2011). To bring the ‘I’ of DI more squarely into the framework – hence, the Institutional Discursivist reformulation - it is necessary to recognise the symbiotic relationship between institutional configurations and discourse. For decisions in the EU are structured ‘by cognitive and emotion-linked processes occurring both within sectors and through their respective interplay with cross-sectoral decision-making arenas’ (Carter and Smith 2009: 264).

The institutionalisation of cross-sectoral ideas that break with existing repertoires can be challenging, particularly in a fragmented policy-making system where sectoral discourses are pervasive (Cram 1994; Jordan and Schout 2006). In other words, it can be hypothesised that the institutionalisation of place-based ideas in the EU - which advocate a vertically coordinated and horizontally integrated mode of governance - will be constrained by rival discourses associated with, or embedded in, the structure of the EU polity.

This article explores the rise and effects of place-based discourse on the post-2013 Cohesion policy agenda, arguably a least likely case for exploring the power of discourse being the EU's archetypal 'redistributive policy' where power politics is assumed to trump ideas (Wallace 2010; Hix and Hoyland 2011). Accordingly, the sudden rise of place-based discourse represents somewhat of a puzzle, and may offer insights of relevance to the understanding of discursive contestation in the EU more generally. The questions addressed are: Why has place-based discourse risen up the reform agenda? Have the normative and cognitive foundations of the policy shifted as a result? And what factors can explain the success or failure of the discourse in shaping the policy's agenda and design?

In the tradition of policy discourse analysis (Hajer 1995), interpretative deconstruction of text and talk is employed to explicate the assumptions and propositions embedded in rival narratives. The underlying assumption is that changes in the discursive conceptualization and articulation of a policy are indicative of changes in the normative and cognitive assumptions underpinning the policy (Radulova 2009). This requires the sequential ordering of discursive facts and events (Patterson and Monroe 1998) - or 'process tracing' - to examine the dynamics of narrative construction, diffusion and effects as they unfold, and to separate them from antecedent factors (Schmidt 2008: 308).

Textual statements and utterances provide the core unit of analysis, notably formal and informal policy documents, reports, position papers and speeches on the future of Cohesion policy, including unpublished minutes of meetings of EU27 and Commission officials under the aegis of the EU's 'High Level Group to Reflect on the Future of Cohesion Policy'. This analysis was complemented by 'helicopter interviews' (Hajer 1995) with a targeted number of informed actors ('helicopters') chosen because of their overview of the field.¹ The aim was

¹ The interviews were confidential and included the EU Commissioner for Regional Policy during the agenda-setting phase and chair of the European Parliament's Regional Policy committee, the author of the Barca Report and advisor to (current) Commissioner Hahn, and three senior officials in DG REGIO.

to triangulate the understanding of the origins and effects of the place-based narrative, particularly on the Commission's 2014-2020 proposals.

Right time, right place

Place-based policy is an old 'economic idea whose time has come' (Drabenstott 2009). The term's origins are credited to Louis Winnick (1966), who coined the phrase 'place prosperity' versus 'people prosperity' to illustrate the tensions in US federal policies concerned with the geographical redistribution of economic activity. This classic policy dilemma – whether policies should target distressed geographical areas or individuals - has since been grappled with by academics spanning diverse disciplinary perspectives (Bolton 1992). Advances in geographical economics, endogenous growth theories and institutional social science have been the theoretical drivers by placing the uneven geographies of agglomeration, innovation and institutional capacity at the centre of their explanatory models (Farole et al., 2011: 4-5). Related methodological innovations in advanced spatial analysis and Geographical Information Systems have also raised the profile of place-based ideas (Drabenstott 2009).

The interplay between ideas and policies must be set within the context of the evolving policy environment (Hajer 1993), notably the shift in the regional policy paradigm since the 1980s. The main 'place-based' features have been summarised by the OECD (2009) as embodying a move from the provision of subsidies compensating disadvantage to investment supporting regional opportunities; from sectoral approaches to multi-sectoral approaches; and from a dominant role for central or local government to a multi-level governance approach involving co-ordination of all levels and other stakeholders. The OECD has not been a neutral observer, but rather the main advocate of the place-based cause in the international arena (e.g. through its flagship 'Territorial Reviews' of regional policies in member countries).

Arguably the main development shaping the EU's ideational setting is the constitutionalisation of the 'territorial' cohesion objective. Although it was not formalised till the Lisbon Treaty, policy and academic discourse has long been preoccupied with territorial cohesion (Faludi 2004). The planning concept of polycentric development was embraced in various initiatives, notably the European Spatial Development Perspective. Inspired by this spatial turn, DG Regional Policy presented territorial cohesion as a component of Cohesion policy in its second Cohesion Report, while successive reports increasingly referred to economic, social 'and territorial' cohesion. Despite the publication of a Green Paper on Territorial Cohesion in 2009, the concept remains fuzzy and firm policy implications have not been agreed. While expectations about the EU acquiring spatial planning competences are not on the agenda, the EU does share responsibilities over regional development policy and it is in this domain that the "place-based" take on territorial cohesion has become prominent.

A place-based linguistic turn

The place-based lexicon entered the vocabulary of Cohesion policy discourse in the latter 2000s during the post-2013 policy review. The first ever Cohesion Report to employ the term was the fifth edition which set out the building blocks of the Commission's reform proposals:

The regional diversity in the EU....requires going beyond 'one-size-fits-all' policies towards an approach that gives regions the ability to design and the means to deliver policies that meet their needs. This is what Cohesion Policy provides through its place-based approach.

Place-based discourse was already apparent in the speeches of successive Commissioners for Regional Policy during the previous three years (e.g. Hübner 2008a; 2008b; 2009a; Samecki 2009a) and in their 'reflections' and 'orientations' papers on post-2013 reform

options (Hubner 2009b; Samecki 2010). The term became equally popular amongst senior DG REGIO officials (Ahner 2009; De Michelis and Monfort 2009; De Michelis 2009).

The place-based concept began to penetrate the Council of Minister's deliberations during the 2009 Czech Presidency. At a high-level conference on reform directions, the general view was that 'the solutions needed to be tailored to the needs of places' and that 'a place-based policy approach provides a way of responding' to the future challenges (Czech Presidency 2009). The discursive shift was explicitly underlined in a follow-up conference during the next EU Presidency: 'the recent debate about regional policy has shown that a strong place-based approach facilitates the development of (a) targeted policy measures and (b) the right mix of policies in the territories' (Swedish Presidency 2009). As regards individual Member States, only one (Italy) explicitly used the place-based term in the Fourth Cohesion Report consultation on policy reform in 2008. Two years later, over a third of Member States had taken up the slogan in their responses to the Fifth Cohesion Report consultation (Czech Republic, Cyprus, Finland, Hungary, Italy, Latvia, Luxembourg, Malta, Netherlands, UK).

The emergence of place-based discourse in the Parliament is evident in various resolutions and reports (e.g. European Parliament 2009; 2010a; 2010b). The Committee of the Regions has been equally receptive (Committee of the Regions 2009, 2010), as have been prominent transnational interest groupings of regions and local authorities (AER 2009; Euro-politics 2010).

In the scientific community, a place-based discursive turn is apparent in the outputs of ESPON, the EU's think-tank for territorial policy analysis. In its latest synthesis report of 2007-13 studies, and unlike previous reports, the place-based term is peppered throughout including a section on 'place-based governance in Cohesion policy' (ESPON 2010). The ex-post evaluation of the 2000-06 programmes has similarly called for the adoption of a place-based approach (Ward 2010: 166), while economic geographers are increasingly making the case for 'place-tailored' interventions in Cohesion policy (Farole *et al.* 2011: 18).

The key point to stress from this review is that place-based terminology has acquired a central place in the vocabulary of post-2013 reform debate. This represents a significant discursive shift, given the absence of the concept from the 2006 reform debates (e.g. Bachtler and Wishlade 2005). The question is why? The ideational context factors are not sufficient to account for the timing and popularisation of the place-based concept. The explanation offered here centres on policy entrepreneurship, driven by the Barca Report with support from DG REGIO.

The place-based narrative deconstructed

The Barca Report was initiated at the request of Commissioner Hübner in 2007. The remit given to Fabrizio Barca - renowned Italian economist and Director-General of Italy's Ministry of Finance - was to undertake an independent re-assessment of the effectiveness of Cohesion policy and to propose reform recommendations. Published in April 2009, the report was entitled 'An Agenda for a Reformed Cohesion policy: A Place-based Approach to Meeting European Union Challenges and Expectations' (Barca 2009). While the formulation of the place-based narrative is complex and lengthy, several core postulates can be identified. In an interpretivist vein, the intention is not to assess the narrative's truth-value, but to deconstruct its assumptions and prescriptions (Mendez et al. 2011). A distinction will be drawn between normative and cognitive claims, in line with the DI framework, juxtaposed against a pre-existing 'redistribution' narrative; as the discourse analysis literature makes clear, narratives are relational, appropriating meaning and legitimacy against rival discourses.

Normatively, the place-based narrative offers a particular perspective on the *ontology of the EU polity* and the policy's *legitimacy norms*. As the Barca Report puts it, the EU is 'a federation-in-the-making' and 'every union of states with unified markets requires a development policy'. This federalist conception contrasts with state-centric representations of the EU as a forum for intergovernmental cooperation, where the notion of solidarity is a rhetorical device used to justify 'redistributive' bargaining pay-offs (Moravcsik 1991: 43).

Instead, the place-based narrative views solidarity as the normative glue of the EU polity, rooted in the realization of the fundamental rights and expectations of EU citizens (rather than nation-states) 'to benefit from the economic gains from unification, to have equal access to the opportunities so created as well as an equal possibility of coping with the risks and threats' (Barca 2009a: vii).

On the cognitive dimensions, a first feature is the *development status* of Cohesion policy. Redistributive depictions of the policy as a 'flanking policy' (Pollack 1995), a 'budget in search of institutions' (Marks 1996) or a 'policy in search of objectives' (Begg 2010) are rejected in the place-based narrative. EU Cohesion policy is conceived as a core policy in its own right: a place-based development policy with a central place in the EU's overarching growth and jobs agenda. Territorial imbalances are represented as an opportunity to be exploited for European advantage (ESPON 2010: 103), chiming with broader images of 'Europe as a Union of diversity' by celebrating place-specific diversity as an asset for EU development.

Both the redistributive and place-based narratives recognise the importance of *external drivers and challenges*. In the place-based formulation, the EU's role is justified on the basis that economic integration requires accompanying EU action to reduce persistent inefficiency and social exclusion across the EU territory. A departure from existing discourse is the addition of a global dimension. Cohesion policy is presented as a buffer from global forces as regions are repositioned within the international economy, where the sources of competitiveness lie in the ability to design adaptive, place-based strategies. The evidential case was first set out by DG REGIO in its 'Regions 2020' Report (European Commission 2008), which revealed marked differences in vulnerability to internationalisation, energy security, demographic change and climate change; identified the most acutely affected places in the South and on the coasts of Western and Central Europe; and concluded that all EU regions would need to find place-based solutions (see also Ismeri Europa 2009; ESPON 2010).

As regards *policy goals*, the redistributive discourse conveys the central objective as being economic convergence across regions, expressed in GDP per head at the NUTS 2 level. The Barca Report questions whether this is realistic or appropriate as there are inherent differences in regional potentials across and because of deficiencies in GDP as a measure of economic welfare. Instead, the place-based narrative reformulates the key policy objective as tapping into under-utilised potential in all areas. The implication is that the spatial boundaries of intervention should be open-ended and respond to the functional needs of places at different territorial scales, not pre-defined on the basis of political or administrative borders.

A related difference concerns the purported tension between *the objectives of equity and efficiency*, traditionally characterised as a trade-off between redistribution in favour of poorer regions and overall EU efficiency. A variant of this argument, prominent in the redistributive discourse on the Lisbonisation of Cohesion policy (Hubner 2008b), posits a tension between the Lisbon agenda's growth and jobs objectives and classic cohesion objectives. The place-based response is that the terms of the redistributive discourse are misconceived and empirically unfounded. First, the 'objects' of support are being confused with the 'objectives' of support. Though the targets may be primarily poorer regions, the means are growth-enhancing development policies that aim to release untapped potential in places (from an efficiency perspective) and raise the opportunities for individuals (in equity terms). Put differently, the 'regional' distribution of funding should not be conflated with equity considerations about the well being of 'individuals' even if they are located in poorer regions. Second, efficiency and equity objectives can be *a priori* mutually reinforcing, implying that a trade-off should not be represented as a general law. Third, the argument that regions with higher concentration of economic activity grow faster than other regions has no statistical support (Barca and McCann 2010).

The final element is the *governance architecture*. Vertically, the place-based narrative's blueprint for reform calls for: a stronger contractual relationship between the Commission

and the Member States/regions; a performance focus centred on core priorities (including a 'territorialised' social agenda), the introduction of conditionalities, and more rigorous monitoring and evaluation; a strengthened Commission as a centre of expertise; and high-level strategic debate about effectiveness. Thus, the place-based vision envisages a centrally steered, multi-level governance model with a powerful and accountable centre where external interventions are necessary and justified to shake up and overcome institutional inertia and blocks to development, contrasting with the 'blank-cheque' or 'no-strings-attached' approach envisaged in the redistributive narrative.

The fundamental requirement of the place-based narrative on the horizontal dimension of governance is policy integration. Integration is a long-standing objective, since the introduction of Integrated Mediterranean Programmes (1984) and the unification of the Structural Funds under the umbrella of Cohesion policy to support multi-fund programmes (1988). But the practice has been more akin to soft coordination, while successive regulatory reforms have reversed the integrative logic of the 1988 reform. The Barca Report attributes the blame to weak political commitment and institutional capacity deficits at EU level and pleads for an integrated architecture involving inter-institutional agreement on a common EU strategy for the Structural Funds and sectoral policies with place-based relevance; the creation of inter-DG task forces on thematic priorities; a stronger coordination role for the Commission's Secretary-General; and the establishment of a specific Council formation for Cohesion policy.

Structuring the reform agenda

If the utterance of a new idea is indicative of impact (Beland and Cox 2010), the place-based narrative has been remarkably influential. Previously restricted to OECD text and talk, the place-based concept is now common currency within Cohesion policy circles and, as the earlier review demonstrated, has found its way into formal position papers on Cohesion policy reform. There is unequivocal evidence of discourse 'structuration' in terms of the way Cohesion policy is being conceptualised through the language of the place-based narrative

by policy elites and stakeholders. However, not all constituencies attribute the same meaning to the concept and there are important 'institutionalisation' hurdles. These observations raise two questions: What explains the narrative's success in structuring the debates on post-2013 reform? And what explains the variations in the meaning attributed to the place-based concept and institutionalisation challenges? Each will be addressed in turn.

The translation of place-based ideas from the OECD to the Cohesion policy setting was driven by ideational entrepreneurship, under the guise of the Barca Report with support from DG REGIO. Importantly, Fabrizio Barca had been a key protagonist in the development of the OECD's place-based vision as the first president of its Territorial Policies Committee President during the 1990s. Further, in his role as Director of Development Policies in Italy he had overseen the place-based paradigm shift in the Mezzogiorno's regional policy in the late 1990s, requiring astute negotiation skills to overcome institutional inertia (Fabrinni and Brunazzo 2003). As such, Fabrizio Barca had the ideational resources, political skills and credibility to fashion out a place-based programme of ideas for post-2013 Cohesion policy.

While many of the narrative's ideas had been around for some time, notably in territorial cohesion discourse, they had never been systematised into a coherent whole. As in all good narratives, there was a clear sequential logic with a beginning, a middle and end: the place-based model as the heuristic starting point; the mismatch between the model and existing practice and discourse being the problem; and the provision of a 10-pillar reform blueprint as the solution. In conveying the place-based vision, an elegant and credible story was constructed with robust conceptual foundations and cognitive appeal; its breadth and depth even invited comparisons with the 1987 Padoa-Schioppa Report (Committee of the Regions 2009). Normatively, the report invoked a political mission inspired in emotional values that underpinned the creation of Cohesion policy, as espoused by the Thomson Report, and the landmark reform of 1988 under President Delors. In other words, the narrative ticked the key boxes of the DI framework needed for the effective articulation of a policy programme: cognitive coherence, applicability and relevance; and normative resonance.

The report scored equally well on the communicative dimensions of DI, providing a framework around which reform debate was held. This was facilitated by an inclusive working method and pro-active communication strategy. Hearings with policymakers fed into the report, and it was subsequently presented to policymakers in several countries and multilaterally in Brussels. Presentations were given at the Committee of the Regions, the European Parliament, Brussels-based regional offices and think tanks. Dissemination to regional stakeholders was supported by the Committee of the Regions and DG Regio through the 'open days' in Brussels. A particularly well-attended 2009 session was on the future of Cohesion policy, with Fabrizio Barca invited to present the place-based vision for Cohesion policy.

To engage the academic community a targeted group of scholars were asked to contribute papers and participate in workshops on specific themes (e.g. governance, impact/experimental evaluation, innovation and social inclusion). The report was subsequently publicised on the conference circuit. Fabrizio Barca was invited to give a keynote presentation on the place-based approach at the European Regional Studies Association (ERSA) conference in August 2009 and the Regional Studies Association (RSA) Annual Spatial Economic Analysis Lecture in 2010.

The creation of a new ideational forum - the 'High-level Group to reflect on future Cohesion Policy' (HLG, hereafter) - facilitated structured dialogue with policy elites in the EU. The Barca Report was examined in the second HLG meeting and later meetings examined key recommendations, such as the introduction of performance conditionalities. Additional inputs were provided by Fabrizio Barca, following his appointment as expert advisor to DG REGIO, to guide the HLG discussions (e.g. on indicators and targets, Barca and McCann 2011). The minutes of the meetings reveal the discursive framing effects of the place-based narrative, particularly the frequent use of the 'place-based' term by national policymakers to justify the policy's rationale and future governance directions (e.g. HLG's 2, 3 and 7).

It is at the Commission level where the impact is most apparent. The place-based ideas were immediately taken up in the 'options papers' by Commissioners Hubner (2008) and Samecki (2009) and, subsequently, in key legislative proposals under Commissioner Hahn (2011). This can be seen in the new way of framing the policy normatively, with federalist connotations, appeal to citizens' rights, and its rationalisation as the EU's 'place-based development policy' (Commission 2010; see also Ahner 2009; De Michelis and Monfort 2009; Hahn 2011). The definition of a single overarching 'development' objective for all regions to replace the redistributive-oriented 'regional convergence' objective can be traced directly to the Barca Report, as can key governance proposals (Commission 2011a):

- the conversion of national strategic frameworks into 'contracts', backed up by a common strategic framework for all Funds at EU level;
- thematic concentration on 'core priorities';
- the introduction of 'conditionalities' on structural, institutional and regulatory pre-conditions, including implementation assessments;
- and the systematic use of outcome indicators and promotion of counterfactual impact analysis.

Rival explanations may conjecture that these proposals were in line with existing Commission preferences or longer-term trajectories of change. Process tracing of the policy reform process, revealed preferences and interview evidence provides a more nuanced understanding. The proposals were in fact much bolder and interventionist than DG REGIO's early ideas on post-2013 reform (e.g. Hubner 2007; Commission 2007). At the very least, the narrative helped the Commission to become aware of its interests and how to maximise them or how to make them 'actionable' (Blyth 2002), a critical source of ideational influence (Beland 2009). According to Commission officials, the leadership vacuum within the Commission – as a result of delays in the ratification of the Lisbon Treaty, the associated budgetary review and the appointment of a new Commission and Commissioner - provided

fertile conditions for the report to shape Commission thinking (not only in DG REGIO, but also in the Secretariat-General and Barroso cabinet) and frame the agenda. Indeed, the proposals represented a reversal in longer-term reform directions, where the Commission has taken a hands-off approach to programme governance (Mendez 2011), suggesting that the narrative's influence was transformative (Bradley and Untied 2011).

The Commission's proposals would have arguably looked different in the absence of the place-based programme of ideas, particularly as the demands from national governments centred on greater rationalisation and simplification, not the introduction of new governance and performance obligations (Bachtler et al 2009). External events certainly played a part. The response to the Greek problem precipitated calls for strengthened conditionality on EU expenditure (particularly on Cohesion policy). However, the core idea on reinforced 'internal' conditionalities – to be specified in an overarching EU strategic document, regulations, national contracts and programmes - can be traced directly to the Barca Report.

In other words, theoretical perspectives stressing the role of rational interests, historical path dependencies or external shocks are not able to fully account for the normative and cognitive shifts embodied in the reform proposals. Ideational factors played an important part, underpinned by the entrepreneurial articulation and communication of a new narrative. The narrative was instrumental in shaping the reform agenda by supplying a programme of normative and cognitive ideas to articulate and defend the policy's rationale and place in the EU; by providing a focal point and reform blueprint for interactive debate with policy-makers and stakeholders, including with policy elites in a new ideational forum; and by shaping Commission proposals. The effects of the narrative should not be overstated. Further analysis of post-2013 review texts and debates, particularly within the context of the Europe 2020 agenda, reveals significant institutionalisation challenges.

Discursive contestation and the Europe 2020 meta-narrative

The Europe 2020 strategy can be conceptualised as a 'metanarrative' (Roe 1994) subsuming different narratives within a single scheme on development for all EU policies (Borras and Radaelli 2011), providing fertile ground for identifying discursive oppositions to the place-based narrative. Modifying the place-based/redistributive taxonomy, four frames on Europe 2020 can be identified on the basis of two dimensions (Mendez et al. 2011): substantive focus on policy problems/objectives (territorial or sectoral); and governance relations between the EU and Member State (top-down or bottom-up).

Territorial contractualism. The territorial/top-down frame corresponds to the positions of DG REGIO and the European Parliament's REGI committee and has (some) resonance with the Barca Report's reform programme. It presents Cohesion policy as the EU's territorial means for delivering Europe 2020 goals, in a broad EU development policy conception. The rationale rests on two key arguments. First, Cohesion policy is best placed to identify the place-based sources of (and required responses to) competitive (dis)advantages in the EU (Commission 2010: ix). Second, it provides a multi-level governance delivery framework for increasing ownership of Europe 2020 objectives at different territorial levels (e.g. Commission 2011a: 8). Compared to existing arrangements, a more top-down and coordinated approach is envisaged involving the introduction of a territorially-based EU strategy linked to Europe 2020 for all EU policies with territorial significance (i.e. a 'broad' development policy model); and binding 'national contracts' setting out conditionalities, incentives and minimum standards, again going beyond the ERDF and ESF instruments (the 'narrow' EU Cohesion policy model) to other policies of territorial import.

Territorial experimentalism. The second frame shares the territorial vision, but proposes a less binding, bottom-up governance architecture. Resembling the classic 'laboratory federalism' metaphor, it offers more sensitivity to local conditions, needs and preferences, while encouraging local experimentation and systematic diffusion of regional policy innovations through mutual learning (Sabel 1996; Barca 2009). The main institutional advocate of this frame is the Committee of the Regions, which has called for Europe 2020 'to

be given a territorial dimension...to take into account existing differences in territorial conditions and starting points and translate them into place-based policies encompassing the three pillars of the strategy' (Committee of the Regions 2009; 2010a). The key instrument to achieve this would be a 'territorial pact' that translates Europe 2020 objectives into place-based 'reference' frameworks at the 'regional/local' level (rather than binding national contracts) with Cohesion policy playing a leading role (e.g. Committee of the Regions 2010b; 2010c; 2011). Experimentalist innovation and diffusion of ideas would be incentivised in a bottom-up fashion through the 'Europe 2020 Monitoring Platform', the 'European Entrepreneurial Region' scheme and the 'Regions for Economic Change' initiative.

The territorial and devolved features of this frame have national support. In the responses to the Europe 2020 consultation, a range of Member States called for a stronger territorial dimension involving a more prominent place for Cohesion policy (Belgium, Cyprus, Germany, France, Greece, Italy, Latvia, Lithuania, Netherlands, Poland, Portugal, Slovenia, Slovak Republic). Yet, the parallel Cohesion policy consultation responses revealed a cautious stance on stricter funding conditions and an enhanced role for the Commission (Bachtler *et al.* 2009). While the need for a 'stronger performance focus' has mantra status, the frequent requests for more 'subsidiarity', 'proportionality', 'flexibility' and 'simplification' - also evident in the HLG discussion documents and minutes - indicate that concerns about competence creep and administrative burden loom large. This variant of the 'territorial' frame can accordingly be classified as 'pragmatist', not being explicitly premised on 'experimentalist' problem-solving.

Sectoral functionalism. This frame represents the most serious threat to the place-based narrative for it favours a sectoral perspective, is dismissive of the multi-level governance model and is a direct competitor for funding. It corresponds to the sectoral, top-down development policy model practiced by international organisations such as the UN (Taylor 1993). It is also consistent with the World Bank's 3D model, which advocates 'spatially-blind' development policies focused on diminishing trade costs (distance), lowering border effects

(division) and encouraging agglomeration (density). Indeed, the model's authors have argued that it provides a more promising model for EU Cohesion policy than the place-based approach, eliciting lively counter-reactions (Barca and McCann 2010).

In Europe 2020 discourse, this frame emerged during the budget review debates in late 2008/2009 when policy experts proposed the creation of large sectoral funds to deliver EU objectives in research, energy and climate change. Controversially, a leaked draft of the Budget Review Communication by DG Budget offered support (Commission 2009), providing a gloomy scenario for the territorial, multi-level governance model envisaged in the place-based narrative. As a senior DG REGIO official put it:

Big amounts of money would be moved from Cohesion Policy to these Sectors [...]
This can basically mean a cut in the DG Regio Structural Funds Budget [...] The sectoral approach disregards the [...] territorial approach, as well as the sub-national dimension. The paper is clear on management priorities: Shared management between Brussels and the Member States like in Structural Funds is regarded as inefficient. Money coming from Brussels should be centrally managed there.

Elements of this frame materialised in the official Budget Review Communication (Commission 2010b). While there was a reference to Cohesion policy becoming the 'standard bearer' for the Europe 2020 objectives of smart, inclusive and sustainable growth, territorial cohesion and the Structural Funds were subsumed within the inclusion objective (Commission 2010b: 12). Yet, the territorial dimension was ignored in the 'inclusive growth' section of the Europe 2020 strategy, despite the calls for more visibility in national position papers, and is conspicuously absent from the strategy's website focusing on the social inclusion agenda instead. It is the 'people-based', rather than place-based, agenda that dominates the Europe 2020 discourse on inclusion, reflected also in DG Employment's discourse on Cohesion policy reform (e.g. Andor 2011a). Further, the strategy describes a heavily 'thematic approach' to economic development based on centralised 'flagship

initiatives' (Commission 2010c: 25). As a HLG paper noted, this 'would not allow for the place-based approach.' Lastly, the 'Budget 2020' proposals (Commission 2011b) envisage the reallocation of a share of Cohesion funding to an Infrastructure Fund managed at EU level.

Sectoral Coordination. The final frame shares this sectoral vision, but sees the EU playing a less interventionist role through soft coordination. This frame corresponds to the pre-existing Lisbon agenda, where the open method of coordination was the core governance mechanism and National Reform Programmes provided the key coordination instrument. As in the previous frame, Cohesion policy is deemed to play a subservient role in Europe 2020 - a mere funding channel in accordance with the redistribution narrative. For instance, the Commission's budget review communication presented NRPs as the main strategic framework for designing Cohesion programmes, a position that is backed by DG Employment. Further, in contrast to the place-based narrative's proposals for a 'territorialised social agenda', the DG called for the ESF to be withdrawn from Cohesion policy altogether to create an independent employment strategy with a separate funding stream. Following criticism by the Parliament and various governments, the idea is no longer on the agenda although a separatist and sectoral discourse was evident in a leaked draft of the Fifth Cohesion Report:

In the light of the closer alignment of the European Social Fund with the Europe 2020 Strategy, the Integrated Employment Guidelines would constitute the sole strategic reference documents for programming at EU level, while the National Reform Programmes would constitute the strategic reference at national level.

This passage was subsequently removed, but a new sentence added that a firm commitment to the European Employment Strategy was needed requiring more 'visible' and 'predictable' ESF funding (Commission 2010: xxxii), meaning a financial 'increase' relative to the ERDF/Cohesion Fund majority stake managed by DG REGIO (Commission 2011) and indicative of internal 'bureaucratic politics' tensions between the two lead DGs. Further, the

Employment Commissioner reiterated the view at a high-level meeting that the National Reform Programmes should represent the 'starting point' for Cohesion programmes which should focus on 'the most critical areas in line with the country-specific recommendations and areas which make a direct contribution to meeting the headline targets' (Andor 2011b). An alternative discourse by national policy-makers, in line with the two territorial frames, questions the need for 'a close link with the National Reform Programmes' because 'the NRPs differ from the development strategy of Cohesion Policy in nature, approach, function and time scope' (NDA 2011).

This discursive-analytic take on Cohesion policy reform perspectives and positions has identified competing visions on socio-economic development policy in the EU. Framed by the dual and opposing discourses on territorial (place-based) versus sectoral (both people-based and place-neutral) approaches on the one hand, and centralised versus devolved governance on the other, the competing frames reveal ideational, institutional and bureaucratic tensions at heart of Europe 2020 and Cohesion policy discourse. From this vantage point, several challenges to the institutionalisation of the place-based narrative are revealed.

First, although the place-based narrative has taken centre stage in Cohesion policy reform discourse, it has been a background protagonist in the broader Europe 2020 drama, despite the constitutionalisation of the territorial cohesion objective. Second, the different frames espoused by Cohesion policy's lead DGs indicate that there is no cohesion on what cohesion is about ideationally in the Commission, driven by their distinct institutional personalities and ideational repertoires, though also by bureaucratic competition for control and finance. Similar tensions exist with other sectoral DG's as the place-based narrative suggests a broader scope for Cohesion policy that cuts across different policy areas and (place-neutral) discourses. Third, the Member States have reservations about stricter contractual relations and centralisation. Couched in subsidiarity and proportionality justificatory language, a less binding and more devolved 'pragmatist' frame is evident in national policy-makers'

discourse on reform. Last, and underlying the previous points, the structural features of the place-based narrative - in both the narrow and broad development policy conceptions - sit uneasily with the pre-existing structure of the EU polity, characterised by sectorized policies, weak political leadership and limited capacity for central steering (Jordan and Schout 2006).

Conclusions

This article has explored the rise and effects of a new discourse - the place narrative - in the EU to show how discourse can be attributed with an independent and persuasive force in a case where the cards are, a priori and according to the existing literature, stacked against such effects. The post-2013 review of Cohesion policy is instructive in illustrating how ideational entrepreneurs have successfully constructed a narrative, embodying normative and cognitive claims, to generate support and legitimacy for change. The proponents took advantage of an uncertain political environment and the creation of a new reflection forum for debate with policy elites to shape the agenda and legislative proposals. Even in this least likely of EU cases, where budgetary politics is prominent, the structuring effects of discourse have altered the language, understandings and expectations about the policy's rationale, role and modus operandi.

Notwithstanding these structuring effects, important barriers to ideational institutionalisation were identified which are not given sufficient weight in existing conceptualisations of Discursive Institutionalism. In particular, the fragmented and sectorized nature of the EU polity presents significant hurdles to the institutionalisation of cross-cutting ideas that challenge rival ideational repertoires rooted in the EU's very institutional DNA. These included a people-based frame, led by DG Employment under its jobs and inclusion agendas, and the place-neutral frames advanced by other sectoral DG's, in turn nested and competing within a broader 'meta-narrative' on Europe 2020.

The theoretical implication is that DI could profit from a more refined conceptualisation of the role of institutional structures in constituting and constraining ideational

outputs/outcomes, rather than determining the type of discursive strategy employed by actors in different types of polities (e.g. Schmidt). Put differently, discourse should be conceived as having institutional (as well as communicative) properties, which shape both processes and outcomes. A further implication is that discursive framing effectiveness is not only conditioned by the internal normative and/or cognitive coherence of a narrative, but also by its external coherence with other cognate ideational repertoires. While beyond this article's scope, these findings may be also applicable to other boundary-spanning EU policies (such as climate action or fundamental rights) contributing further to a more refined DI conceptualisation of the institutional scope conditions under which discourse matters in the EU.

Beyond the Discursive Institutional research agenda, the findings contribute insights to scholarship on EU governance and policy-making. First, attention was drawn to a hitherto neglected 'territorial' dimension of ideational contestation in the EU's overarching socio-economic development agenda and governance architecture (e.g. Borrás and Radaelli 2011). Second, a corrective is offered to the redistributive policy mode representation (à la Lowi) of Cohesion policy (Wallace et al. 2010; Hix and Hoyland 2011), where inter-state conflict over financial resources is conceptualised as being the dominant or only policy-making logic. This article does not suggest that ideational contestation has superseded or eliminated budgetary contestation in Cohesion policy, not least given the high financial stakes involved and the inevitable ties to turf battles over EU finance. It does contend, however, that the new narrative has been instrumental in animating interest and influencing thinking about the development rationale of Cohesion policy, its governance model and place in Europe 2020.

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