From a Greenhorn to an Anticipatory Precursor
Policy Impacts by 15 Years of ERDF Funding in Austria

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With its accession to the European Union in 1995 Austria gained access to ERDF-funding.

What kind of added policy value of these 15 years of ERDF funding in Austria can be assessed?

And what kind of lessons learnt can help to formulate prospective propositions for 2014+?
Agenda

1. 15 Diverse Years of ERDF-Funding in Austria
2. Experiences of the last 2 ERDF-funding periods 1995-2006
   1. Concerning Regional Policy and the Regions themselves
   2. Concerning Regional Policy Contents
   3. Concerning the Regional Policy Cycle
3. Reflections on the Current ERDF-Funding Period in Austria
4. Austria's Experiences as Input for the Ongoing Discussions for 2014+

15 Diverse Years of ERDF Funding in Austria

<table>
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<tr>
<th>Agenda 2000</th>
<th>„Lisbon“</th>
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| reduction of regional disparities in the EU (cohesion) 
sustainable economic development, high competitiveness, innovation capacities, high employment, protection of the environment and gender mainstreaming |
| ▪ Obj-1, Obj-2, Obj-5b 
▪ Community initiatives: Interreg II, Leader II, Urban, KMU, Resider II, Rechar II, Retex II 
▪ Art. 10-EFRE: RIS, RISI |
| ▪ Obj-1 and Obj-2 
▪ Community initiatives: Interreg III, Urban II 
▪ Innovative Actions |
| ▪ Convergence 
▪ Regional Competitiveness and Employment 
▪ European Territorial Cooperation |
| 450 Mio. EUR ERDF | 1.080 Mio. EUR ERDF | 936 Mio. € EFRE-Mittel |

Euphoria ⇐ Satisfaction ⇐ Disillusion/Realism ⇐ Custom ⇐ Skepticism /Cautiousness
Main Expectations before the EU-Accession

The two main expectations from before the EU-accession as there were
(i) more money and therewith more importance for regional policy and
(ii) a better achievement of objectives due to more resources seemed to rapidly fulfill
(Schremmer/ Steiner 2003).

Experiences of the last 2 Periods

Regional Policy gained Importance

Valorization of Regional Policy and Regional Development in Austria:

- "enabling-effect" of the ERDF (more budget, greater attention, more actors interested, strengthened regional orientation of public activities);

Capacity building and decentralized activation structures:

- higher density and diversity of regional initiatives, growing self-confidence, clearer profile of the regions;
- capacity building: integrative, strategic, systematic, multi-annual approaches;
- foundation of regional intermediate bodies and a series of decentralized activation and support structures with ERDF-funding (regional managements, regional technology centers, regional start-up centers, etc.);
**Experiences of the last 2 Periods**

**Concerning the Policy Objectives**

"Agenda Setting" by the ERDF

**INNOVATION**
- new issues for the Austrian regional policy
  - Pinning sociopolitical tasks for regional policy
  - Gender Mainstreaming
  - Environmental Protection

**MAINSTREAMING**
- basic tasks of regional policy
- Territorial Cooperation
- Urban Issues
- Mainstreaming of emergent, already existing, and locally tested issues

**Experiences of the last 2 Periods**

**Concerning the Policy Cycle**

<table>
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<tr>
<th>Austria before '95</th>
<th>ERDF-EU</th>
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<tbody>
<tr>
<td>▶ high degree of (partially chaotic) self organisation</td>
<td>▶ rigid planning approach</td>
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<tr>
<td>▶ low degree of formal coordination and strategy</td>
<td>▶ (at least in theory) a high degree of formal coordination and strategy</td>
</tr>
<tr>
<td>▶ high degree of flexibility</td>
<td>▶ formal consistency due to low flexibility</td>
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<tr>
<td>▶ certain degree of productive competition between institutions acting in parallel</td>
<td>▶ high bureaucratic efforts</td>
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Experiences of the last 2 Periods
Concerning the Policy Cycle

Horizontal and vertical communication and cooperation

Standardization and professionalizing

Policy Learning +

Multiannual strategic programming

Evaluation culture

High efforts for communication

„house-made“ problems

Low flexibility

Administration under uncertainties and spending pressure

Experiences of the last 2 Periods
Conclusions

New stimuli for learning

Administrative work-load

1995 - 1999

2000 - 2006

2007 - 2013
Reflections on the Current Funding Period

Conditions

- Reform of 2005 "Lisbonising" the ERDF:
  - necessity of a stronger concentration of allocation on the Lisbon issues and herewith on R&D and innovation;
  - specification of strategic multilevel-governance processes;
  - abolishment of the micro-zoning.

- For the years 2007-2013 all in all 936 mio. EUR of ERDF resources are going into 21 different ERDF programs in Austria.

- STRAT.AT as the National Strategic Reference Framework:
  - clearly focused on the required innovation,
  - broad participative formulation process,
  - revision and adaptation in 2009,
  - implementation is strategically accompanied by participative STRAT.ATplus workshops to clarify some issues /challenges in more detail.

ÖROK

STRAT.ATplus*-Arbeitsprogramm 2010 "Perspektiven für die Zukunft"
(Stand 15. Februar 2010)

<table>
<thead>
<tr>
<th>Termin</th>
<th>Veranstaltung</th>
<th>Ort</th>
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<tr>
<td>Sonntag, 15. April 2010</td>
<td>&quot;Regional Governance&quot; (Reihe: STRAT.AT-Synergie)</td>
<td>Salzburg (Hotel Hefferhof)</td>
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<tr>
<td>Dienstag, 8. Juni 2010</td>
<td>&quot;Europa 2020&quot; (Reihe: STRAT.AT-Forum)</td>
<td>Krems (Donauuniversität)</td>
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<td>Geplant: Ende September 2010</td>
<td>&quot;Beyond GDP&quot; (Reihe: STRAT.AT-Synergie)</td>
<td>Bregenz (Festspielhaus)</td>
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*STRAT.AT = Nationaler Strategischer Rahmenplan Österreichs 2007-2013
*STRAT.ATplus = im Rahmen der ÖROK organisiert, partnerschaftlich angelegter strategischer Begleitprozess für die Strukturfondsperiode 2007-2013
Reflections on the Current Funding Period

Challenges

ALLOCATION PROBLEM:
• New challenge for Austria: from an absorption problem to an allocation problem;

LISBON-ORIENTATION:
• One of the strongest Lisbon orientations in international comparison (91 % of the ERDF resources are Lisbon earmarked, EU-15 average 81 %);
• High concentration on RTDI-related interventions but herewith especially on investments in companies and less on highly innovative R&D projects;

ADMINISTRATIVE WORK-LOAD:
• Increase in flexibility at the program-level - counteracted by administrative rules (partially caused by factors within Austria);
• This results in an increasingly negative attitude towards EU funds, and risk-averse funding behavior.

IMPACT OF THE ECONOMIC CRISIS

Lessons Learnt as Input for 2014+?

EU-Level

TWO POSSIBILITIES

→ Simplification, simplification, simplification…
   – A new balance between flexibility in implementation and the required controls/documentation must be established;
   – Significant simplification of cooperation across funds;

→ New Mode of Governance
   → Compliance with "good governance" principles is required (-putting more time into the negotiations and then withdraw);
   – Contractual relationships (e.g. Barca report)
   – Setting learning and innovative impulses (pilot programs for innovation, formats for the management of learning processes, etc.);
Lessons Learnt as Input for 2014+?

National level in Austria

• Strengthened focus on functional perspectives;
• Developing a national and regional framework strategy with a clear strategic focus, within which structural fund interventions are defined;
• Focus on central challenges / priorities (e.g. globalization processes and associated innovation pressures, resources and energy scarcity, etc.);
• Rethinking intra-Austrian delivery-conditions in order to increase the level of innovation (strategic character, more proactive project development);
• Bodies involved in the ERDF should be equipped with sufficient and critical resources (cost – benefit);

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