Democratic Legitimacy and New Modes of Governance in the EU

Case Study of Austria

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Abstract

This paper investigates whether or not New Modes of Governance (NMG), as they currently apply to the European Union’s (EU) regional policy, have any effect on the EU’s democratic legitimacy. In particular, this paper investigates how the EU’s regional policy interacts with Austria’s socio-political environment and the extent to which this interaction affects the EU’s legitimacy in the country. All in all, this paper presents that NMG bring some changes in the Austrian political system. They enhance participation and improve policy-making processes (e.g. policy evaluation) and policy results. These changes can have an influence on the input, throughput and output sides of the EU’s legitimacy. Nevertheless, NMG influence is not that prominent, because the EU regional policy in Austria does not have a significant political role and is mostly implemented through existing cooperation bodies and decision-making structures. In addition, NMG constitute a complicated policy-making process, which raises issues of cooperation and legitimation that question their usefulness and hinder their legitimising potentials. In sum, NMG can potentially enhance the EU’s legitimacy in Austria, but the way they are currently used does not increase the input and throughput sides of the EU’s democratic legitimacy.

Paper prepared for presentation at the 5th ECPR Graduate Student Conference

Innsbruck, Austria

3-5 July
**Introduction: The EU’s democratic legitimacy issue**

Political legitimacy is an abstract concept, which, however, concerns every policymaker in any political setting. It is not an easy concept to define and it is argued that we can conceptualise legitimacy better when it is absent or deficient (Schmitter, 2001). The reason behind this ambiguity is that this concept is ‘related to several important political, social, and institutional aspects in a complex way’ (Borrás, 2008: 103). It is, however, of significant importance to any regime. Lord (2000: 3) argues that ‘without widely agreed views of who has a right to make publicly-binding decisions, when and how, governing bodies find it difficult to achieve the unforced co-operation of citizens’.

The last twenty years the EU faces an acute problem of legitimation. This becomes obvious through the several opinion polls, negative referenda in various member states, and the low level of participation in the European Parliament elections. The recent European Parliament elections, which significantly reinforced eurosceptic parties, highlight this condition very well. This is actually a serious problem for the EU, because, as the current financial crisis has shown, it has negative implications for its cohesion and threatens the European integration project as well (Balfour et al. 2010: 6). This problem, however, cannot be easily solved. The reason lies on the EU’s particular political system. The EU combines elements both of a nation state and of an international organisation. As a matter of fact, the EU is often described as multilevel governance system where interlocked supranational, national and sub-national levels of government coexist and share responsibilities (Marks et al., 1996: 342).

As an international organisation the EU could rely for its legitimation on the democratically legitimised governments of its member states and on the performance of its policies (indirect model of legitimacy (Beetham and Lord, 1998: 11). The EU, however, is not just an international organisation. The EU takes decisions that have a direct influence on European citizens’ lives. Moreover, it affects the democracy of its member states. The EU’s political system transforms traditional politics and government, both at European and at national level, into ‘a multi-level, non-hierarchical, deliberative and apolitical’ system of governance, where public and private actors interact into a complex web (Hix, 1998: 54). This transformation weakens nation state’s democracy without replacing it with a comparable European one (Bartolini, 2005). Thus, the EU has to rely on the consent of the European citizens as well. This is the direct model of legitimacy that applies to a nation state (Beetham and Lord, 1998).

Since the EU is a political system that is based on democratic principles and values, its direct legitimation has to be based on liberal democratic criteria (Beetham and Lord, 1998: 22). Therefore, the EU has to satisfy the criteria of input, output and throughput legitimacy (Sharpf, 1997; Schmidt, 2013). Input legitimacy (‘government by the people’) refers to mechanisms or procedures of accountability (e.g. elections) to connect those governing to
those governed (Menon & Weatherill, 2007: 6; Boedeltje and Cornips, 2004: 2). Output legitimacy (‘government for the people’), on the other side, is based on performance or effectiveness for ‘goals that citizens collectively care about’ (Scharpf, 1999: 19). Finally, throughput legitimacy emphasises on the ‘quality of governance processes, their accountability, transparency’, and openness to civil society (Schmidt, 2013: 5). All these criteria are interconnected, and, as Beetham and Lord (1998: 23) point out, a liberal democratic state can be legitimate only when it satisfies all sides of legitimacy. For example, the output side of legitimacy (performance) is indispensable to democracy, as it depends on active democratic participation (Scharp, 1997: Agh, 2010: 8). The throughput side of legitimacy, if it is inadequate, it can delegitimise both input and output sides (Schmidt 2013: 19).

New Modes of Governance

Against this background, NMG could theoretically offer some solutions. In fact, the theory of NMG supports that they can enhance both fairness and effectiveness (democracy and performance / input, throughput and output legitimacy) in a political system. They can achieve this, because they involve more actors, public and private in all levels of governance, are more flexible, open-ended and use different incentive structures (Borrás and Ejrnæs, 2011: 108). Broad societal participation can enhance democratic representation, bring more quality in decision-making, and reduce political resistance, as the actors affected by a policy directly participate in the policy-making process as well (Boedeltje and Cornips, p.3). In addition, greater participation and better quality in decision-making can also result to more intelligent policy results (Boedeltje and Cornips: 6). Thus, NMG seem able to enhance the input, throughput and output sides of the EU legitimacy. They have though an auxiliary role.

In general, the EU supports and promotes the employment of NMG in several policies. Nevertheless, NMG should not be seen as a panacea. There exist questions regarding NMG’s ability to influence the EU’s democratic legitimacy, and their influence and effectiveness on several policy fields. Actually, NMG seem to apply better to less politicised policies with a more technocratic focus and less to those with a strong national interest (e.g. foreign policy; Lavenex, 2008: 952). In particular, NMG policy-making processes may result to problems of participation, transparency and accountability (Borras and Ejrnæs, 2011: 109). Strong stakeholders and experts may dominate over the whole process, limiting citizens’ participation, and the existing democratic institutions sometimes find it difficult to comply with the cooperative nature of NMG (Shore, 2006: 17; Edelenbos et al., 2010: 91). In addition, the complicated policy-making processes of NMG obscure the dimension of policy ownership and, thus, result to problems of accountability and transparency (Borras and Ejrnæs, 2011). The involvement of more actors with conflicting interests could also result to a stalemate, which might have an impact on policy outputs (Boedeltje and Cornips, 2005:
Therefore, in order to avoid these problems NMG need to function under principles and in the context of institutions that guide, enable and control them (Kooiman et al., 2008: 17). In other words, the ‘shadow of hierarchical authority’ is still the necessary political context within which NMG can achieve their aims (Scharpf, 1994: 41).

One of the policy fields where the EU promotes NMG is that of the EU regional policy. This policy field is the most prominent example of the EU’s multilevel governance system, it is considered to be closer to the people and, through its redistributive and compensatory dimension can increase support towards its political system (Eiselt, 2007: 3). Therefore, the analysis of the influence of the EU’s regional policy on the member states could highlight some aspects of NMG influence on the EU’s democratic legitimacy. In particular, this investigation focuses on the influence of the EU regional policy on the vertical and horizontal dimensions of governance, on the role of civil society and on the way NMG interact with representative democracy. All these features play an important role in defining how NMG affect the democracy and performance of a political system and, hence, could present whether or not NMG affect the input, throughput and output sides of the EU’s democratic legitimacy.

**EU regional policy and Austria’s socio-political context**

This paper examines the case study of Austria. Initially, it examines Austria’s administrative system and democratic environment. The administrative system and democratic environment of a country play an important role towards the emergence and employment of NMG. For example, the level of centralisation of a national administrative system affects the involvement of more actors. A decentralised state facilitates the employment of more actors in policy-making processes and promotes the development of non-hierarchical modes of governance (Lijphart, 1999: 185). The democratic environment, which is defined by the degree of majoritarian or consensual pattern of democracy and by the level of civil society participation, plays an important role too (Skeltcher et al., 2011: 9). The consensual pattern of democracy enhances partnerships and a more active civil society can have a more influential role in policy-making processes. Another significant factor that affects NMG function is the level of the EU funding for regional policies. The EU funds constitute a strong motivation for member states to adopt new governance processes and policy instruments (Ferry, 2005: 48). Besides, the level of regional policy funding and the visibility of this policy in member states’ societies can potentially increase public support towards the EU (Begg, 2008:297 in Osterloh, 2011: 1).

After the analysis of the political context within which NMG function, this paper investigates the interaction of NMG with Austria’s administrative system and representative democracy. Especially, it examines the changes that take place in the country’s administrative structures...
and policy-making processes, and investigates how NMG affect citizens’ and other actors’ participation in decision-making processes. Eventually, through the analysis of this interaction this piece of research seeks to identify the extent to which NMG contribute to the input, output and throughput sides of the EU’s democratic legitimacy in Austria.

**Austrian administrative system**

Austria is a federal state made up of nine federal provinces (Länder), where each one of them has its own regional government, headed by the provincial governor and ministers. Regionalisation and multi-level governance have a long-standing and complex relationship, and policy responsibilities are shared between and within national, regional and local government tiers (Ferry, 2005: 5). Federalism in Austria is a basic constitutional principle, but the country is one of the most centralised federal states worldwide. Actually, the Austrian political system is often described as a ‘centralistic federation’ (Erk, 2004: 1). Erk (2004: 2) argues that this condition derives from the fact that Austria’s federal state is based on a non-federal society. In general, Austrian federalism is ‘weak and underdeveloped’ and ‘the areas of law reserved for the provinces are few in number and relatively unimportant’ (Schaettler, 1994: 170).

**Austria’s democratic environment**

Austria’s democratic environment is defined by the consensual democracy pattern and the high levels of civic engagement (Lijphart, 1999; Vatter and Bernauer, 2009). The country has a proportional election system with simple majority-rule parliament, a bicameral system and a tradition of government coalitions (McGann and Latner: 2006: 8; Lijphart and Crepaz, 1991: 239). Nevertheless, there exist strong majoritarian elements as well. The country’s political system is dominated by two major parties and the overall administration of the state, although is based on a federal Constitution, has strong centralist elements (Burge, 1993: 7 in Erk, 2004: 2). Vatter and Bernauer (2009: 352) also claim that the majoritarian elements of Austria’s political system are reinforced due to the weak role of direct democracy in decision-making processes. In terms of civic engagement Austria is a top performer among the EU member states. As a matter of fact, the European Social Survey of 2002 has classified Austria among the top four countries in Europe in terms of civic engagement (Acik-Toprak, 2009: 3). The social partnership system, which was instituted in the early 1950s, is a very good example of this condition. This system is a fine example of corporatism where different interest groups (government, labour, business) cooperate in all important features of Austria’s social and economic policy (Nowotny, 1993: 1).

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1 On the employees’ side these are the Austrian Trade Union Federation (ÖGB) and the Federal Chamber of Labour (BAK), and on the employers’ side the Economic Chamber of Austria (WKÖ), the Standing Committee of Presidents of the Chambers of Agriculture (PKLWK) and the Federation of Austrian Industry (VÖI) (EUROFOUND, 14 August 2009).


**EU Regional Policy in Austria**

Austria is a net contributor to the EU budget and for the period 2007-2013 received for regional policy initiatives only €1.47 billion. This is a relatively small amount of money considering the €347bn of the EU regional policy budget for the same period (EC, Austria, 2009)\(^2\). Indeed, the country does not face severe regional disparities and the only regional policy problems that encounters are associated with the decline of old industrial areas, urban-rural disparities and environmental concerns (EPRC, 2006)\(^3\). Prior to the EU accession, the issue of regional policy did not play a significant role in Austrian politics, because, mainly, of the small size of the country and to the ‘lack of serious regional disparities’ (EPRC, 2006: 2). Actually, in Austria’s constitution there is no clear allocation of responsibilities for regional policies either to federal or regional authorities, but there is an informal spread of competences and policy responsibilities among the portfolios of other federal ministries and several actors at national, regional and local levels (EPRC, 2006: 2). The EU accession though and the access to the Structural Funds brought some changes. Particularly, the Structural Funds, due to their demanding administrative structures, led to a more coordinated approach and brought together more actors from all levels of Austrian administrative system (Ferry, 2005: 5). Actually, the influence of Structural Funds in Austria has made them almost synonymous with regional policy (EPRC, 2005: 2).

**Influence of the EU Regional Policy on Austria’s administrative system**

The EU regional policy in Austria has not brought significant changes in the country’s administrative system. Nevertheless, it has contributed to the greater visibility of regional and local actors at the national and European levels. In particular, the EU regional policy improved regions’ professionalisation, in terms of systems and participants, through factors such as the multi-annual strategic planning, financial support, exchange of experience and the partnership principle (Bachtler and Taylor, 2003: 5). The EU regional policy has also helped Austrian sub-national authorities to become more involved in the fields of policy learning, evaluation and monitoring and has improved their communication with the EU. Furthermore, the regions have become more self-confident, improved their position and competences and nowadays participate more in regional policy (Gruber et al., 2010: 8).

Nonetheless, the Austrian centralised federal system reserves for the central state the most important role. According to Article 15 of the Federal Constitution Act, the regions (Länder) have competences in all areas ‘not explicitly mentioned in the Constitution’ (residual clause;  


\(^3\) Burgenland: Convergence objective.
Erk, 2004: 2). Indeed, the regions have a limited number of exclusive regional competences, which, however, are constitutionally defined. This formal demarcation of competences, although is vague, shapes a standard context where the EU regional policy does not introduce significant changes to national/regional/local relations and competences (Hamedinger et al., 2008: 2677). In fact, the traditional structures of Austria’s regional policy (Federal Chancellery, ÖROK) integrate the EU Structural Funds programmes. Some changes though take place at the local level. Hamedinger et al. (2008) present the example of Graz in the region of Styria and describe how the EU regional policy helped towards the development of city’s administration and its international operations. Specifically, they describe how the EU Structural Fund programmes have contributed to the establishment of cross-sectoral programmes and partnership schemes, which modernised urban planning and brought more actors in city’s development projects (Hamedinger et al., 2008: 2678-9).

**Coordination bodies/Partnership schemes**

In Austria the EU regional policy funding and programmes are controlled through the existing national governance structures. The two main traditional organizations involved in the regional policy, the Federal Chancellery and the ÖROK, the Austrian Spatial Planning Conference, still constitute the most important cooperation mechanisms responsible for the coordination of regional policies. As a matter of fact, the implementation of the EU regional policy in Austria has reinforced their role. The Federal Chancellery, for example, since 1995 is the main contact with the European Commission for the Structural Funds, coordinates regional policies between federal ministries and encourages participation of local and regional actors in regional policy issues (Ferry, 2005: 5). Moreover, ÖROK can issue legislative acts, which, although are mostly recommendations with no legal force, function as a political framework for consequent policy decisions (Ferry, 2005: 5).

Nonetheless, the EU regional policy also brought about the emergence of new intermediate bodies and partnership schemes (STRAT.ATplus or the KAP-EVA platform), which are involved, formally or informally, at some stage of Austria’s regional policy. The partnership schemes are mostly incorporated into the existing national cooperation structures (ÖROK), while the new intermediate bodies function at the sub-regional level. Such bodies are the Regional Managements. These are sub-regional cooperation bodies, which emerged as a result of further transfer of competencies at the local level, and function as coordinating instruments for the implementation of Structural Funds at the regional and local levels (Gruber et al., 2010: 9). They constitute considerable mechanisms of cooperation, although they lack a clearly defined role and all of their members are not democratically legitimated (Ferry, 2005: 7). Their legitimacy depends mostly on the capabilities of regional managers and their effectiveness in regional policies (Gruber et al., 2010: 9).
In any case, all these partnership schemes and institutions create a dense net of regional organisations and improve multilevel governance and regions’ capacities and adaptability to national and international developments and programmes (Gruber et al., 2010: 9). In addition, this dense network of cooperation in most of the cases improves policy results (e.g. evaluation of policies through KAP-EVA platform; Gruber et al., 2010: 15). Nonetheless, these bodies often share objectives. Thus, they face the risk of duplication of efforts and overlapping competences, which increases the administrative burden without necessarily improving cooperation (Ferry, 2005: 8). The fact that for the 2007-2013 financial period several national agencies withdrew from ERDF-co-financing can be attributed to this complicated structure for implementing programmes (Resch, 2010: 31). Actually, the Austrian authorities prefer to implement the EU regional policy following the ‘good Austrian mainstream’ of policy-making ‘within existing national and EU general conditions’ (Gruber et al, 2010: 18). In consequence, the dominant role of traditional cooperation mechanisms in programming and implementing regional policies does not allow much space for other cooperation mechanisms to influence policy-making processes. This condition leads not only to minor reforms towards greater decentralisation, but also reduces the EU regional policy visibility (Gruber et al., 2010: 13).

Role of elected stakeholders

In general, politicians, and particularly those at the sub-national level, tend to favour NMG processes in Austrian regional policy. The EU regional policy helped the Austria sub-national authorities to gain greater visibility, although it does not affect significantly their competences or legitimacy, and does not alter the configuration of Austrian regional policies. At the sub-regional level the EU programmes reinforce the role of local politicians and promote the development of policy networks and the greater citizens’ involvement. Moreover, the further development of NMG often depends significantly on the encouragement and openness of policy-makers and their personal political choices (Hamedinger et al., 2008: 2684).

Nonetheless, there exist some issues, especially, in the context of some intermediate bodies. The fact that the role of these bodies in Austria’s federal system is not standardised has results to some issues of accountability and democratic legitimacy (Ferry, 2005: 7). This is particularly observed in the context of Regional Managements, which are not elected institutions but hold a certain power in Austria’s regional policy. This condition raises questions regarding the democratic anchorage of NMG with representative democracy and discourages elected stakeholder, particularly at the federal level, from promoting further the

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4 e.g. the Austrian Research Promotion Agency (FFG)
employment of partnerships and policy instruments in regional policy. Nevertheless, Austria’s corporatist tradition with the institutionalised relations among the various social actors, and the fact that the implementation of the EU regional policies takes place mostly through traditional channels of the Austrian national administration, eases any tensions and secures the role and legitimacy of elected stakeholders.

Civil society participation

Austria’s democratic environment and the high levels of civic engagement contribute to the greater civil society’s involvement in regional policies. In fact, as the Commission Staff Working Document (2012: 7) claims the Austrian ‘traditional social partnership model is reflected in the ESF and the ERDF programmes’. The social and economic partners, within the context of ÖROK, are involved in designing and monitoring of the current period (2007-2013) STRAT.AT plus (partnership agreement), which ‘offers a bottom-up process for learning and dialogue, targeting a broad partnership to develop new strategies’ (EC, Commission Staff Working Document, SWD 106, 2012: 7). Furthermore, civil society and private interests are also involved in the Voluntary Agreements (VAs), the Monitoring Committees (MCs) and Regional Managements. Similar partnerships also take place at the local level. For example, in the city of Graz the Structural Funds supported network-building and shared responsibilities among various partners (civil society, private interests, official authorities) and citizens gained significant competences for local projects (Hamedinger et al., 2008: 2678).

All in all, the EU regional policy favoured the involvement of civil society actors into, mainly, the consultation process of the operational implementation of the EU programmes. This EU policy, given the favourable social, political and economic environment of the country, created significant opportunities for the third sector to participate in policy procedures at national, regional and sub-regional levels. Despite though this corporatist environment and the history of social partnership involvement, civil society cannot have a very influential involvement in the regional policy procedures.

As Batory and Cartwright (2011: 712) claim, the established Austrian administrative and corporatist traditions seem to prevent the successful involvement of other less established actors, like the NGOs. Indeed, Civil Society Organisations’ (CSOs) and NGOs’ participation takes place in a non standardised and institutionalised environment where informal procedures often prevail and traditional partners and experts are dominant (MCs; Batory and

5 Federal level politicians, do not see in a favourable way the role of NGOs and consider their involvement as an effort “to influence decisions that they were not responsible for” (Batory and Cartwright, 2011: 708)

6 Small Project Fund
Cartwright, 2011: 710-11; SORA, 2013: 2-3). For example, in the context of ÖROK NGOs are not involved (ÖROK respondent7). Moreover, the majority of NGOs function ‘under tight human and financial resources’ and this situation confines further their contribution in policy-making processes (SORA, 2013: 2-3). Ultimately, this condition diminishes CSOs’ and NGOs’ opportunities to influence decision-making processes.

Input, throughput and output sides of the EU’s democratic legitimacy

The analysis of the influence of the EU regional policy on certain aspects of Austria’s political environment sets the basis upon which this paper investigates whether or not NMG can contribute to the input, output and throughput sides of the EU’s democratic legitimacy. If NMG affect the participation in decision-making processes, this has implications on issues of democracy and the input side of the EU legitimacy. If NMG can improve the quality of partnerships, this has implications on issues of performance and the output side of legitimacy. Furthermore, the increased participation and the better quality of decision-making processes contribute to the throughput side of legitimacy. All in all, the extent to which NMG affect the abovementioned issues in the EU’s regional policy in Austria also affects to a certain point the EU’s democratic legitimacy. Hence, this analysis, although it cannot describe the whole picture of the democratic legitimacy issue, can offer some basic indications regarding the role of NMG.

Input side of legitimacy

The application of NMG in the EU’s regional policy in Austria seems to encourage the greater involvement of more actors, and particularly the involvement of citizens and civil society. Through the development of governance networks NMG bring together several actors (civil society, private interests, elected stakeholders) from various levels of administration (sub-regional, regional, national and European) and they offer the opportunity to citizens to participate. In addition, they also create the conditions that enhance the political role and visibility of sub-national elected stakeholders, both at national and European levels. Thus, they can facilitate participation and reinforce democratic representation. Hence, NMG, theoretically, improve the input side of legitimacy at all levels of the EU’s multilevel governance system.

7 This paper is part of my thesis and the interviewees have given their consent to use their name in my thesis’ references. Therefore, I cannot use their names in this paper, and only indicate the type of body they are affiliated to. Telephone interview 25/11/2013.
In practice, though, NMG fail to increase the input side of the EU’s democratic legitimacy. The basic problems are their weak anchorage with representative democracy and the small influence of civil society in policy-making processes. In the context of intermediate bodies and other governance networks it is observed the issue of ‘conflicting legitimacies’. NMG policy-making processes involve elected stakeholders that gain their legitimacy through democratic institutions and other actors that rely mostly on technocratic legitimacy, which is based on functional representation of relevant and affected stakeholders (Sørensen and Torfing, 2009: 252). In fact, experts hold a prominent position in the whole policy-making process. This is reasonable given the complexity of the EU regional policy, but it also increases tensions with democratically legitimated stakeholders and reduces the role of civil society. The Austrian political system, in order to circumvent the problems deriving from the complexity of NMG and the issue of conflicting legitimacies, has actually avoided the further employment of NMG. It has maintained the previous policy-making system (‘good Austrian mainstream’), which performs very well. This, however, leaves CSOs and NGOs, which are the weakest and less established partners, with a mostly perfunctory role.

This condition is also reflected in citizens’ opinions about the EU regional policy and the EU as a whole. The visibility of the EU regional policy in the country is constantly decreasing (16 per cent in FL384 Sept. 2013; 22 per cent in FL298 Sept. 2010), despite the fact that is considered to have a positive effect on the country (FL384 Sept. 2013: 11). Certainly, the most important reason for these low levels of awareness is the low significance of the EU regional policy in the country. In this context, the EU regional policy and NMG fail to enhance greater support for the EU. The Eurobarometer surveys point out that the Austrian citizens tend to trust less the EU and its institutions and believe that their voice does not matter (Eurobarometer 80. Autumn 2013: 8). This trend, however, is common in most of the EU member states and must be examined in the context of the financial crisis and the ensuing negative consequences for the EU as a whole.

**Throughput side of legitimacy**

According to Schmidt (2013: 3) throughput legitimacy emphasises on the quality of governance processes, their accountability, transparency and efficiency, and their openness to the people and the civil society in general. NMG rely on these characteristics, as they are necessary for the development of trust relations among partners, which can eventually improve the policy output of these partnerships. As a matter of fact, the theory of NMG emphasises on their ability to improve the quality of governance processes and this is one of the basic reasons why the EU has invested so much effort on their application on several policies, and especially on the regional policy.
On the whole, the application of NMG on the EU’s regional policy in Austria has brought some positive developments regarding the throughput side of the EU’s democratic legitimacy. NMG have resulted to the establishment or enhancement of partnership schemes and cooperation bodies which are responsible for the application of the EU’s regional policy. In Austria such a cooperation body is ÖROK, which has become the crucial instrument for regional policy in Austria and responsible for the development of partnership schemes. Other co-operation bodies have been developed at the sub-national levels and offer a platform of cooperation and communication, which not only enhance participation and promote accountability and transparency in policy-making processes, but also improve the communication between the EU and citizens and other actors. For example, in Graz the EU regional policy led to the emergence of partnership schemes that improved policy evaluation, policy learning, planning initiatives and ‘communication processes between administration and citizens’, which did not exist previously in the city (Hamedinger et al., 2008: 2679). Similar developments take place in the context of Regional Managements, the KAP-EVA platform and the STRAAT.AT Plus (2007-2013 period). All in all, these partnership schemes have improved policy procedures (consultation, implementation, monitoring, evaluation) and organised better the fragmented regional policy system (Gruber et al., 2010: 14).

Nonetheless, there exist certain challenges regarding the quality of governance processes. NMG constitute a complex policy-making process, which is time-consuming and increases the efforts for co-operation and coordination. Indeed, in Austria it is observed an issue of overlapping competences, which causes problems in terms of policy results. This condition further deteriorates, because of the fact that Austria does not receive significant amounts of regional funds and, thus, it has not any significant interest in employing further NMG policy-making processes. Due to this condition, the Austrian authorities, for the new programming period, have proceed to some sort of centralisation in regional policy by transferring more responsibilities to the ÖROK (Managing Authorities supervision; ÖROK respondent). The issue of NMG complexity is also reflected in perceptions about the whole policy-making process. Despite the fact that the participants are in general satisfied because they participate, they also argue that due to this complexity they cannot have a significant contribution (SORA, 2013: 9). Moreover, the issue of conflicting legitimacies also raises questions over policy ownership and responsibility, as it may not be clear of who is responsible for each decision. Eventually, this affects the accountability and transparency of policy-making processes.

**Output legitimacy**

Despite the fact that the country receives a small amount of funds, the EU regional policy has contributed to several regional development projects and is considered to have a positive effect on the country. The fact that Structural Funds are almost synonymous with regional policy highlights their contribution in Austria’s political environment. In fact, the recent
Flash Eurobarometer (FL384 Sept. 2013: 11) shows that the majority of Austrian citizens, that are aware of this policy, consider that the EU regional policy has positive contribution to the country (85 per cent). Nevertheless, these positive attitudes do not seem to help towards the output side of the EU legitimacy. The basic reason is that the awareness of this policy in Austria constantly declines (22 per cent 2010, 16 per cent 2013). Besides, the negative impact of financial crisis in the Euro zone, although it does not affect significantly Austria, increases the negative views towards the EU. In addition, due to the small amounts of EU funding, the regional policies agenda focuses mostly on growth oriented policies connected with the Lisbon Strategy priorities (Bachtler, 2008). The focus on this policy agenda though is not that visible to the Austrian citizens and, eventually, affects their perceptions about the EU regional policy.

**Conclusion**

All in all, NMG, as they currently apply to EU’s regional policy in Austria, can potentially enhance the input, throughput and output legitimacy of the EU’s political system. They offer the opportunity to more actors to be involved, they can enhance sub-national governments’ role and capacities, and they are considered to have a positive contribution in terms of policy outputs. Moreover, through their participatory and inclusive policy-making processes they can contribute towards the greater transparency and accountability of governance processes. Eventually, the regional policy and NMG shape the context within which the EU and the European citizens can come closer, because they build several channels of communication and cooperation at all levels of governance. This condition can potentially help towards the emergence of some sort of a European political arena.

The NMG’s input to the EU’s democratic legitimacy in Austria, however, does not appear to be noteworthy, and this is the result of a combination of factors. This is the result not only of the inherent complexity of NMG policy-making processes, but also of the EU regional policy and Austria’s political system. NMG is a complex policy-making process, which increases procedural costs and coordination efforts. The majority of participants may find positive the fact that can participate at some stage of this process (mostly consultation), but in the long run only few of them can make a noteworthy contribution. In the Austria’s political system these actors are the most established ones (social partnership scheme), experts, private interests and some CSOs and NGOs with adequate administrative structures and financial autonomy. This is not necessarily bad, because the involvement of actors who do not have the capabilities to participate can potentially lead to a stalemate with negative consequences to policy outputs. This condition, however, does not favour citizens’ involvement. In consequence, NMG cannot support adequately the aim of fairness.
The Austrian political system, in order to face the problems deriving from NMG complexity, has actually favoured the side of effectiveness instead of fairness. Therefore, it has proceeded to an adaptation, instead of adoption, of the NMG policy-making processes (Batory and Cartwright, 2011). The Austrian authorities have maintained the traditional structures of regional development policies and have incorporated some aspects of NMG within the Austrian policy-making structures. Through this approach the Austrian authorities respond to the problems deriving from the NMG application to the EU’s regional policy (e.g. conflicting legitimacies, time-consuming processes). This, however, is a superficial employment of NMG on policy-making processes. It certainly favours the effectiveness of regional policies, but not citizens’ participation.

Finally, neither the EU regional policy guidelines and funding help towards fairness. As a matter of fact, there is an issue of proportionality (ÖROK respondent). The development of partnership schemes in the administration of EU regional programmes is time consuming and increases the administrative structures and processes for small amounts of money. Eventually, this leads the Austrian authorities to centralise regional policies. This is a reasonable development, because the national level authorities fear that the complexity of the process may outrun time limitations and result to loss of funds with political consequences too. If cooperation bodies and the most prominent stakeholders fail to achieve their goals, then they may be accountable for that failure. All in all, this centralisation of regional policies makes processes move faster and supports the side of effectiveness, but has an impact on the EU’s visibility and civil society’s participation.

In conclusion, the case study of Austria shows that NMG have a superficial application on the EU’s regional policy in the country, which favours mostly the side of effectiveness and not that of fairness. Thus, the EU’s democratic legitimation in Austria relies mostly on the output side of legitimacy. This, however, is not enough. The EU regional policy is not that prominent in Austria, and, therefore, the Austrian citizens tend to ignore it. Besides, the reliance on the output side of legitimacy (performance) is very vulnerable in case of policy failures. Given that the EU has yet to recover from the current financial crisis, any positive EU regional policy results cannot counter-balance the negative news from the EU’s problems in economy. As a result, the EU does not gain legitimacy. Therefore, the better anchorage of NMG with Austria’s democratic environment could probably improve this condition. NMG anchorage with representative democracy is a common issue in other EU member states as well. The EU has acknowledged this matter and aims to simplify the processes and facilitates civil society’s involvement in more policy-making phases. This, however, has still to be seen in practice.

8 For the programming period 2014-2020, the EU is about to adopt the European Code of Conduct on Partnership, which, among others, foresees ‘the simplification of the delivery system’.
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