The Impact of Europeanization on the Mobilization of Local Actors in European Cities -

A Comparative Analysis of Krakow and Glasgow

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A draft form. Comments and suggestions very welcome

All men are caught in an inescapable network of mutuality.

Martin Luther King Jr.

The literature points out to the impact of the Europeanization on the domestic level through the transfer of policies and new institutional arrangements as well through the EU funds regulations. Particular EU policies and regulations associated with structural funds affect the inner structure of a city, contributing to the mobilization of various groups and the emergence of new actors. The power structure of the city is bound to change because on one hand more actors take part in the decision making related to the EU funded projects (management, appraisal, evaluation and monitoring) and even more actors are willing to become the immediate beneficiaries of the EU funds. In the context of European structural funds regulations local authorities get involved in partnerships with other actors to manage the funds. However, since various actors tend to have divergent interests, they often compete with each other. Due to the differences in national settings, this cooperation and competition may assume various forms, which appear both on the horizontal and the vertical level. Even though there is a clear tendency to create partnerships as a preferable form of cooperation around projects funded from structural funds, there are some institutions and individuals that are more prone to get involved and mobilize others.

Taking into consideration these processes, we can distinguish two types of mobilization that emerge around the EU funded projects. Firstly we can observe the emergence of new institutional arrangements related to the decision-making process of

the EU funded projects, such as partnership and policy networks. The traditional hierarchical model with the governmental institutions the top and local authorities on at the bottom of decision making process seem to be in retreat. Increasingly we observe a shift from the top-down hierarchical model to a mode interactive decision-making process involving various actors from the horizontal and vertical levels, including the non-state actors. The process such as Europeanization certainly contributed to these phenomena often referred to as multi-level governance. However, when multilevel governance concentrates mostly on the vertical levels of interaction is does not necessary put emphasis on the horizontal interaction, which are reflected in the policy network literature. Therefore in order to analyse mobilization of various actors and their influence on the decision making process, we need to look at the policy network literature supported by the EU documents related to partnership and local public policy documents and strategies. This mobilization we can define as a top-down institutionalized mobilization because non-state actors involved in the process tend to be invited to participate in the decision making process by the national authorities.

Second type of mobilization around the EU funded projects can be classified as a bottom up ad hoc mobilization. In this type of mobilization various groups have the possibility to apply and participate in the EU funded projects, particularly when we consider the range of European programmes under which the projects can be funded. As a result local actors come together creating various forms of cooperation within the city and even with actors outside of the city walls in order to benefit from EU funded projects available in the particular EU programming period. Depending on the character of institutions, the leaders behind the institution, their previous institutional and personal contacts, the cooperation of local institutions in may vary significantly. Often it is more the local leaders with a strong pro-European agenda representing the main institutions, (Europeanized leaders) than the actual local institutions, that can be regarded as the real catalysts of EU integration creating networks around the EU related initiatives. In both types of the mobilization, the cities can either make use of the already existing structures to only slightly "powder" them to give them the Europeanized look; alternatively, local actors in cities seem to follow the *tabula rasa* approach, by trying to construct all new structures from the scratch following an "imaginative" EU model, so as to avoid any

links with the past connections. If we consider the former scenario, the policy networks, referred to as partnerships, simply enhance the existing power structure in the city. The main institutions emerge as one of beneficiaries of the EU funded projects and also happen to be one of the decision makers regarding the management of the EU funded projects. Following the *tabula rasa* approach the new power structure of urban policy networks around the economic development emerge. However, due to the high fragmentation of the existing power structure, and the instability and immaturity of the new power structure, it might contribute to some problems.

This paper analyses various forms of cooperation and competition between actors in European cities which emerge from the impact of structural funds regulations and policies. The main question of the paper is though how local actors interact on the horizontal (within the city) and on the vertical level (beyond the city-borders) by cooperating and competing in order to benefit from the opportunities emerging from the Europeanization process. More specifically, the paper addresses the question whether the mobilization around the EU funded projects contributes to the emergence of new power structure or whether networks of actors benefiting from the EU funds and involved in the decision-making related to the EU projects are based on the existing local modes of interactions. The research presented is situated in the analyses of dominant and alternative discourses of partnerships and policy networks to identify distinct elements of such discourses.

The paper will deal with the literature on partnerships and policy networks supported by the EU documents on the EU Structural Funds regulations, with a particular emphasis on documents promoting partnership. Specifically, this paper will analyse the various forms of interaction between actors within two European cities: Krakow (from a new member state) and Glasgow (from an old member state) aiming to find similarities and differences in mobilization of actors and around the EU funded projects and the interactions among them.

This first part begins by looking at how the terms partnership and network are understood in the literature and in the EU policy making documents. Consequently, it explains the spread of theory on urban networks based around 'partnership' in the context of the EU funded projects in European cities. The second part reports the findings of

empirical research undertaken in Krakow and Glasgow, comparing these findings with the politics described by theory on urban networks partnerships.

The evolution of the EU partnership principle

Based on the immense literature on Europeanization it can be argued that the impact of Structural Funds regulations constitutes a direct and tangible mechanism of Europeanization. In definitions of Europeanization the following elements appear: the emergence of new structures of governance, by way of political, legal and social institutions and polices associated with them (Green-Cowles, Caporaso, and Risse 2000); increasing participation of various groups from civil society, involved in the conception and implementation of new policies (Bache 2000); and intensified political and economic interaction between actors at every conceivable territorial level (Goldsmith 2003; John 2000). We expect these to be visible characteristics in the 'partnership principle' of Structural Funds regulations. Hence, the empirical analysis of the partnership principle can serve as a way for noting and explaining various interactions between actors on the city level. From a European perspective, the 'partnership principle' was first introduced in 1988 as one the four fundamental principles governing Structural Funds (Bache 2000; DG REGIO 2005).

Since then, the principle has evolved significantly, starting with a narrow definition which included only the Commission and the Member States, to a wider partnership including the sub-national government levels and, later, social partners (defined by the Commission as 'other competent public authorities'). An important change in the interpretation of the 'partnership principle' in the Structural Funds should be noted, which significantly affects European cities. At the beginning of the regional policy, the term 'partnership' was defined in largely vertical terms, as a partnership between the European Commission, the central government and subnational authorities. In the Framework Regulations from 1988 the partnership was formally defined as
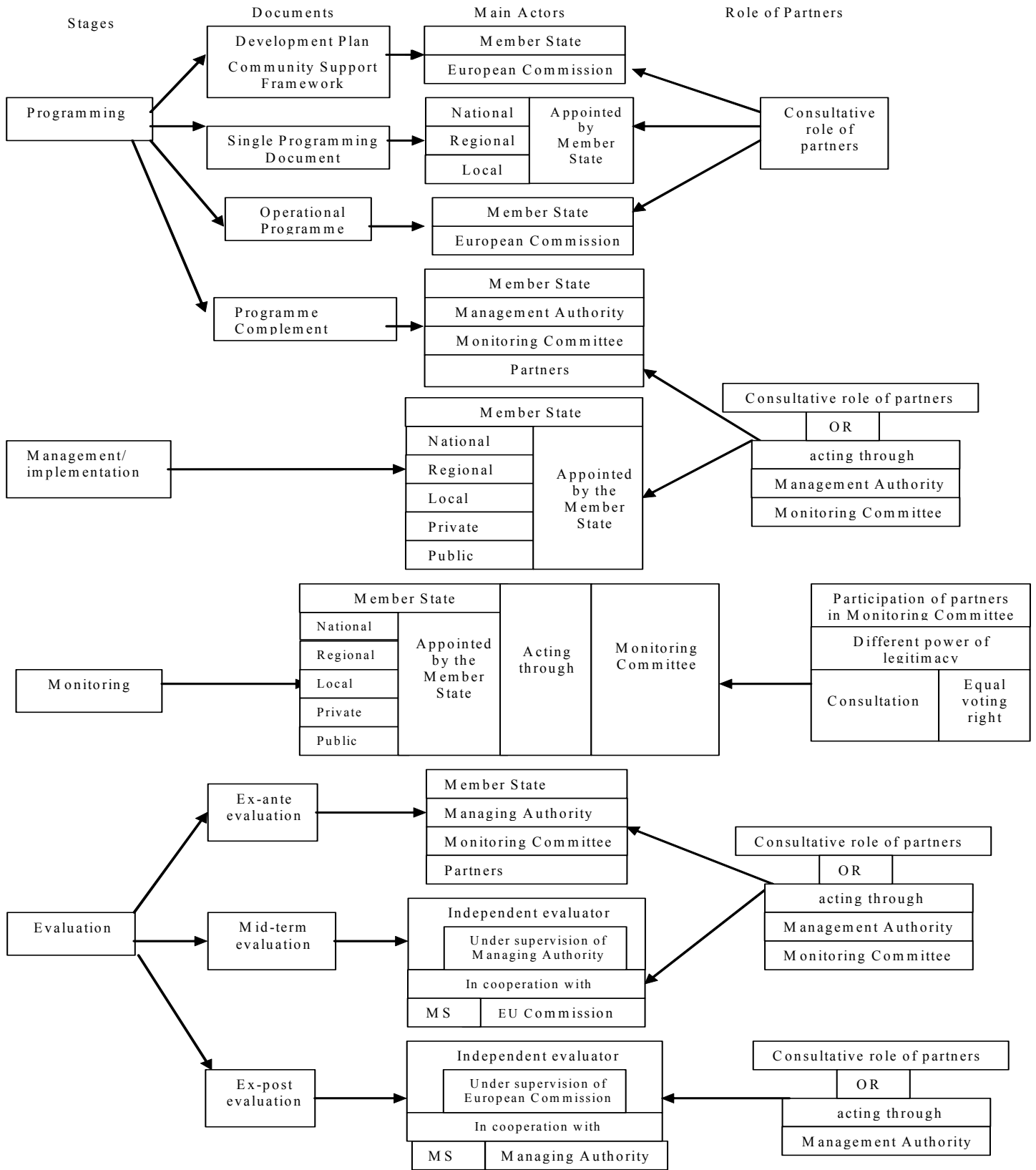
> "close consultation between the Commission, the member states concerned and the
> competent authorities designated by the latter at national, regional, local or other level,

with each party acting as a partner in pursuit of a common goal (Regulation (EEC) 2052/88).

This vertical empowerment aimed at including various levels of government, aforementioned was referred to as 'multilevel governance' (Hooghe 1996; Marks, Hooghe and Blank 1996; Marks, Scharpf, Schmitter and Streek 1996). However, at this stage, the partnership implied only vertical interaction between various governmental levels. Hence, this vertical partnership seems to be closer to the multilevel 'government' rather than multilevel 'governance'. With the Structural Funds Regulations in the Programming Period 2000-2006, the involvement of various institutions on the horizontal level has grown in importance and effect. In this way, the term 'partnership' acquired a wider meaning, including both private and third-party actors (e.g. social, non-business, non-governmental sector). In Article 8 of *Council Regulation (EC) No 1260/1999 of 21 June 1999 laying down general provisions on the Structural Funds for the Programming Period 2000-2006 s* it stated that partnership, defined as a close consultation involves:

> "the Commission and the Member State, together with the authorities and bodies designated by the Member State within the framework of its national rules and current practices, namely:
>
> - the regional and local authorities and other competent public authorities,
>
> -the economic and social partners,
>
> - any other relevant competent bodies within this framework.

The report on the implementation of the partnership principle in the EU member states in the programming period 2000-2006 conducted by the DG Regional Policy of the European Commission (DG REGIO 2005) analyzed what roles various non-state actors can play in all the stages of programming cycle. The results of the study are presented in the figure below:

Stages   **Documents**   **Main Actors**   **Role of Partners**

Programming

- Development Plan
- Community Support Framework
  - Member State
  - European Commission
- Single Programming Document
  - National / Regional / Local — Appointed by Member State
- Operational Programme
  - Member State
  - European Commission
- Programme Complement
  - Member State
  - Management Authority
  - Monitoring Committee
  - Partners

Consultative role of partners

Management/implementation

- Member State
  - National
  - Regional
  - Local
  - Private
  - Public
  - Appointed by the Member State

Consultative role of partners
OR
acting through
- Management Authority
- Monitoring Committee

Monitoring

- Member State
  - National
  - Regional
  - Local
  - Private
  - Public
  - Appointed by the Member State
- Acting through
- Monitoring Committee

Participation of partners in Monitoring Committee
Different power of legitimacy
- Consultation
- Equal voting right

Evaluation

- Ex-ante evaluation
  - Member State
  - Managing Authority
  - Monitoring Committee
  - Partners
- Mid-term evaluation
  - Independent evaluator
    - Under supervision of Managing Authority
    - In cooperation with
      - MS
      - EU Commission
- Ex-post evaluation
  - Independent evaluator
    - Under supervision of European Commission
    - In cooperation with
      - MS
      - Managing Authority

Consultative role of partners
OR
acting through
- Management Authority
- Monitoring Committee

Consultative role of partners
OR
acting through
- Management Authority

Source: The Figure is based on the Table and the DG REGIO report "Partnership in the 2000-2006 programming period. Analysis of the implementation of the partnership principle." *Discussion Paper of DG REGIO of European Commission*. Brussels**:** November 2005

Yet another research conducted by the Unit on Urban Actions at DG Regional Policy demonstrated the importance of the involvement of the local stakeholders in the decision making process relating to the programming period:

> The involvement of the local community in the preparation and implementation of urban actions is crucial. Tackling social exclusion of neighbourhoods, physical and environmental regeneration of urban areas and brownfield sites, but also the development of a competitive local business environment can only be successfully managed through broad local partnerships, including the local population, as the URBAN Community Initiative already has shown. Concentrating SF assistance in a confined urban territory facilitates an integrated approach of urban problems of a social, economic and environmental nature. With a high intensity of aid there will be a maximum impact (DG REGIO 2003).

The analysis demonstrates that there is a possibility for the actors to participate in various stages from programming, management, monitoring to evaluation, however, the question remains whether this extended partnership, set in the guidelines for programming period 2000-2006, actually contributed to the mobilization of actors both on vertical and horizontal level in cities. The reports point out that by introducing the partnership principle, the EU institutions have created institutional settings to involve actors in the various stages of EU programming. However, what becomes apparent is the fact that the role of the partners barely remains consultative. In every stage of the programming cycle the partners are associated with other actors. The consultative role does not necessary imply the direct empowerment of partners involved in consultation, because their opinions do not need to be taken into account in the final version of all the documents. Furthermore, due to the variety of partners participating in the consultative process, their opinions can be contradictive. In this case, it is up to the main actors, such as government actors on vertical level, who drafting the documents, to take the final decision regarding which consultation take into consideration.

(Re)-defining policy networks

It is interesting to note that what the EU institutions define and promote as partnership, in the literature often appears under the term of policy network. Despite the general confusion as to the operationalization of the policy networks expressed by some scholars (Rhodes and Marsh 1992), the concept of policy networks in the context of EU

funds is particularly useful because it facilitates to analyse "the interwoven structure of vertical and horizontal dimensions in the EU structural funds' policy making process" (Heinelt and Smith 1996). Furthermore, by reflecting on the "highly complex informal relationships in the policy process" (Kenis and Schneider 1991), but also draws attention to the dynamism of relations between actors "exchang[ing] information with each other, respond[ing] to the EU funding and lobby[ing]" (Ward and Williams 1997:440). Networks feature a strong interdependence between institutions, ongoing interactions among network members based on trust as well as formal rules negotiations by network participations (Rhodes 1999; Rhodes 1997). Theses characteristics are in common with actors mobilized around based around EU funded projects the feature that distinguishes them from the partnership in the EU understanding is their significant degree of autonomy of networks from the state. The manner in which the networks emerge and function are conditioned by the existence (or lack) of procedures, institutions and instruments, which can be potentially complemented by new emerging procedures, institutions and instruments around EU funded projects. Following this logic, we may argue that the policy network around the EU funded project reflects not only arranged horizontal and vertical relations between actors/ institutions but represents also a particular power structure of the city (local system).

Besides being complex, intertwined and interactive, networks are always are interests-driven. In case of networks around EU funded projects, the main interests of actors and institutions involved in the networks, is to benefit from the EU funds. The incentives that drive the actors can be financial, symbolic and cognitive. The very same incentives can be both power and prestige oriented. Decisions are being made increasingly outside of the conventional channels and politico-institutional arrangements. In the case of policy networks not only the type of the institutions matters but also the affiliation of the person that represents the institutions, the actor's educational and professional background. The present existing condition does not fully explain why the particularly network is created, who belongs where, and the linkages between institutions. Going even further, the formal politico-institutional arrangements and hierarchy is insufficient to explain the relations between the actors and the query why some institutions are more likely to benefit more from the EU funds than others.

Due to different national settings, the mobilization of actors around the EU funded project as well as the local actors involvement in the decision making process related to the EU projects can vary from city to city. In order to analyse the interactions between actors and potential for partnerships and/or policy networks two cities have been selected: Krakow, from the new member state, and Glasgow, from the old member state.

Glasgow – case study

Partnership is the main form of cooperation between various actors in the city of Glasgow whatever initiative is undertaken whether it involves any decision making from the administration of various projects to even the management of institutions. This institutionalised partnership can be perceived as the result of EU Structural Funds regulations reconstructing the power structure in Glasgow. Projects financed from the European Funds in Glasgow are conducted in partnerships with various institutions, always including the Glasgow City Council. This often contributes to the overlapping partnerships or some partnerships forming yet another partnership like in the matryoshkas (Russian nested dolls), where within one partnership there are nested more partnerships; or umbrella organizations. We can observe the "Matryoshka Doll" feature in case of many Glasgow institutions such as Glasgow Alliance, a city-wide community planning partnership, which also manages and supports ten Glasgow's social inclusion partnerships (SIPs) or Scottish Council for Voluntary Organization SCVO, a partnership representing the interests of voluntary organizations, such as Glasgow Council for Voluntary Sector, which incorporates small local Glasgow based ngos. Partnerships incorporating other partnerships are often referred to as umbrella organizations, because they are supposed to serve as a meeting and contact point for other institutions with common interests.

Before the official introduction of "partnership" as the guiding principle for the implementation of the EU structural policy in 1988, similar forms of cooperation existed in Glasgow, for instance the Glasgow Eastern Area Renewal GEAR project unveiled in 1976 (Keating 1988:97-101). The difference now is that cooperation between various institutions was not referred to as a partnership in the European Structural Funds context, but rather as cooperation between actors inside the city. In the case of the GEAR project

it was the cooperation between the *Scottish Development Agency* (now *Scottish Enterprise[1]*) and local government (Kantor 2000:804), which resembled the form of the partnership between the private and public actors. Therefore, this implies that rather than creating new and actual partnerships in the city, the European Union has contributed to the rhetorical creation of partnerships by the actors in Glasgow. It is questionable, therefore, whether it is the European Union that introduced the 'partnership' by virtue of European Structural Funds or whether the rhetoric of partnership promoted by the European Union was picked up by the elite of Glasgow and incorporated into already existing forms of cooperation.

The real impact of the European Funds regulations is the fact that it contributed to institutionalization of the partnership. The creation of partnerships involving many stakeholders was one of the main conditions for receiving European Structural Funds (Danson, Fairley, Lloyd and Turok 1997), where the Glasgow City Council often would serve as a coordinator of these partnerships (Turok and Bailey 2004:151). Whenever there is a new initiative launched in Glasgow or an EU funded project to be conducted, a partnership between various institutions is formed. Besides the local authorities, an important role is played in partnerships by 'quangos', quasi non-governmental organizations), which are non-departmental public bodies appointed by government for public purposes (Ridley and Wilson 1995:42-43; Stoker 1999). Even though their structure and scope of activities would imply the non-governmental nature of these institutions, in reality they are controlled by the Scottish Executive; hence they serve as a yet another "plug-in" of the central government into partnerships, which allows the governmental institutions to have a control and influence over the local partnerships.

The favourable conditions for the sustainability of the structure based on partnership could be due to the lack of visible cleavages among people holding power in the city. Glasgow City Council works together with the administrative body as one unit supporting each other, there is no need for the clear distinction of the bureaucratic/administrative and political elements. It seems there is no conflict between

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[1] *Scottish Enterprise* is Scotland's main development agency funded by Scottish Executive and organized as a network of 13 privately incorporated Local Enterprise Companies (LECs). One of LECs and the largest in Scotland is *Scottish Enterprise Glasgow.*

the two elements of the City Council. What appears from the literature and the interviews, the Glasgow City Council serves as a stable strong homogeneous unit of local authority (Begg 2004; DiGaetano and Strom 2003; Kantor 2000; Keating 1988; Purdue, Diani and Lindsay 2004; Savitch and Kantor 2002; Turok and Bailey 2004). The significant factor of this stability is the dominance of people related to Scottish Labour Party in all the institutions in Glasgow. The Scottish Labour Party has had the overwhelming majority of seats in Glasgow City Council for the last 30 years. As a result, Glasgow is perceived as the "reliable Labour stronghold for decades" (Kantor 2000:798). Due to these characteristics in Glasgow, there have been no conflicts over partisanship and no competition between parties inside the city.

Another factor facilitating cooperation between various institutions, contributing to successful existence of partnership, is related to personal and professional contacts of key players in the city politics around EU funded projects. People holding posts related to the EU funds happen to work in similar positions in other key institutions. For instance, Jane Harrison, now responsible for ERDF projects in the Glasgow City Council, formerly worked for *Strathclyde European Partnership*[2]. Steven Purcell, the leader of Glasgow City Council was involved with *Scottish Enterprise Glasgow*. As a result, the personal and professional connections prevail among these people. Therefore, it is easier for them to cooperate together and acquire information.

One can even claim that Glasgow is run by a Europeanized city elite, with Europeanized corporatist groups, whose interests seem to be in line with EU guidelines. This isomorphism of Glasgow is reflected in the vocabulary used by main decision makers. Without direct references to the European Union, main players in the city use the same rhetoric of competitiveness, sustainability, and partnership common to EU policy papers.

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[2] *Strathclyde European Partnership Ltd* SEP is the Programme Management Executive that works on behalf of the wider partnership to implement the 2000-06 Funds Programmes in the Western Scotland region. The members of the company are *Scottish Enterprise*, the 12 Councils, the five Local Enterprise Companies in the region, and the *West of Scotland Colleges' Partnership* on behalf of the wider partnership.

The key players in city politics happen to also be the main institutions which benefit from the Structural Funds, either by managing them, administering, applying or consulting on them. One would imagine there would be different partners involved in different projects, however in reality there are the same institutions that appear on the projects. Since the power structure in Glasgow is already based on the principle of partnership, the same institutions that hold power create new partnerships that become institutionalized and controlled. Using Glasgow as an example, one could summarize the partnership scheme as follows: certain local elite institutional power creates and participates in partnerships under different names, and therefore power remains under the entrenched elite. A good concrete case is control *Strathclyde European Partnership* (SEP). SEP works on behalf of the wider partnership to implement European Funds Programmes in the Western Scotland region (*Strathclyde European Partnership* Ltd 2001). Most of the projects are related to infrastructure, as well as the Objective 2 and URBAN projects (see the figure below).

SEP Ltd appears as a non-departmental branch of Scottish Executive and Glasgow City Council responsible for the allocation and distribution of the Structural Funds. In this way one can infer that the principle and promotion of partnership by the European Union actually enhanced and increased the existing role of the City Council and entrenched elite in city politics. It is interesting to note that persons who sit on SEP Programme Monitoring Committee, SEP Programme Implementing Committee and SEP Advisory Groups represent companies that also apply for the funding and are involved in partnership that bid for the EU funds (see tables). The monitoring and advisory committees have been created for the purpose of the efficiency, monitoring and evaluating projects funded from Structural Funds. However, these committees, instead of improving transparency and accountability, simply strengthen the existing power structure and the elite.

Krakow – case study

Krakow, as many other cities in the post-communist Europe, has been exposed to many changes, among them the European integration (Baldersheim and Swianiewicz 2003; Ferry 2004; Grabbe 1999; Hughes, Sasse and Gordon 2003; Keating 2003; Keating

and Hughes 2003; Kulesza 2002; Swianiewicz and Mielczarek 2005). It is interesting to observe how these changes influence "the royal city" known for its conservative and rather robust structure. Due to its history, traditional and culture, the local power structure seems very path dependent (Purchla 1996). Further, there is an empirical challenge to implications of Structural Funds regulations on the mobilization of actors in Krakow, due to Poland's recent entry in the European Union (2004). Moreover, Krakow was the beneficiary of the pre-accession funds, and it can be assumed that certain 'Europeanized' actors have already been mobilized.

In Poland, as a new EU member state, the term partnership in the EU context is often associated with the European Accession partnership. The role of the EU institutions in the partnership was to provide guidance and encouragement for the candidate countries during preparations for membership (Grabbe 2003, 1999; Kolarska-Bobinska 2003). In this context the partnership had an educational character, where the accession countries played the role of "students" and the EU institutions, particularly the EU Commission, the role of "teachers". This division of roles in partnership implies per se unequal status of the stakeholders involved. In this case, the accession countries, as less knowledgeable partners, were supposed to follow the "instructions" from the EU institutions set in the *acquis communautaire* and Copenhagen Criteria. The degree of adaptation and willingness to follow the "instructions" were made as a condition to the successful EU membership. Under these circumstances, when one partner dictates the rules, and the other is obliged to obey them it would be rather difficult to talk about an equal partnership.

One would imagine that this approach to "partnership" reflected in the Accession Partnership would discontinue when the candidates countries become the full EU members. However, as the example of study on the partnerships and decision making policy networks around the EU funded projects in Krakow demonstrates, the approach of teacher-student still persists in many post-communist countries. In the context of the EU funded projects the local actors in cities expect the EU institutions to continue their role of the teacher and instructor as they did in the pre-accession period, particularly in case to the pre-accession funds, where the EU Commission was guiding step by step all the applicants for PHARE so as to ensure they successfully fill in the application and receive

the funding. With the EU membership, the European institutions' approach has changed because the previous candidate countries have become the full members of the European Union. However, on the side of the new member states the pre-accession approach still prevails. Local institutions often passively await the "instructions" from the EU institutions so as what should be done. They try to follow an imaginative EU model with the reference to the interactions and decision making process. The situation becomes further complicated when we take into consideration that there is a tendency to undermine the existing local power structure and interactions due to their communist past. Everything that can potentially imply the links with the past is rejected. As a result of this *tabula rasa* approach, new emerging institutions and hence the interactions between the local actors are affected, because there is no continuity of the power structure associated with the knowledge and experience. The fragmented political structure and high rotation of the people in the local authorities further complicate the situation.

Despite the imposed and promoted *tabula rasa* approach it is unavoidable that in cities with long institutional traditions such as Krakow, new 'Europeanized' institutions grow on top of old ones. In this interregnum, old institutions from communist times are still present and while at the same time new institutions emerge. As a result, we have the problem of overlapping competencies. Under these circumstances, conflict and competition between these institutions is likely to merge. Furthermore, when taking into consideration a highly politicized power structure and a variety of political parties, tensions emerge on vertical and horizontal levels, decreasing the chances for cooperation partnership. Furthermore, the Krakow City Office seems to be also beset by conflicts, particularly between its bureaucratic and 'political' elements. The Mayor is not directly accountable to City Council and consequently has his independence. Only a referendum can remove the Mayor. As a result, the role of the City Council is significantly decreased in Krakow (Urząd Miasta Krakowa 2005). An interesting case is Mayor Jacek Majchrowski: he ran in elections as an independent candidate, even though his political background was from the Social Democratic Party (former communist) and he had already performed the function of the Deputy Voivod. After being elected, Majchrowski created his own 'court' of plenipotentiaries and advisors, persons often with a Social

Democratic political background. During his term a significant competition emerged between the Mayor's Administrative Office and the City Council. Since City Council consisted of various parties with a right wing majority, it was known to sabotage many Mayoral or bureaucracy-backed initiatives just to 'show its power'. As a result, while the Mayor and his administration were 'pushing European initiatives', making City strategy consistent with a 'European agenda" and Structural Funds, City Council would counteract such moves by often rejecting or slowing down some of initiatives. At the top of political animosities, there have also been significant personal tensions observed between the Mayor and some city councillors. Such antagonisms affected the selection and management of the projects to be funded by European funds.

However, personal rivalries could also work to the benefit of European process as the case of Józef Lassota reveals. Lassota was a former Mayor of Krakow who lost to Majchrowski in the first direct Mayor elections. Both men did not like each other on personal or political terms, but they did cooperate with each other in order to ensure that Krakow received adequate European financial support. Lassota, the chair of the Committee for European funds, the Chair of the Committee for European funds, would often question city project applications for European funds, projects put forward by heads of City Office Departments. Therefore, to ensure applications were accepted by the Committee they were made flawless so as to get approval from Lassota. Hence in this case political rivalry contributed to a higher quality of project applications for European funds. However, still in many instances, it may be implied that City Council remained inward-looking, concentrating too much on protecting its own political interests in terms of attacking the Mayor.

The fragmentation and high number of cleavages between competing interests contribute to competition between institutions and within institutions on horizontal and vertical levels. Taking into considerations these circumstances, it appears challenging to find channels for partnership between actors in the process. It seems that rather than building the cooperation and partnership inside the city, the strategy is to overcome the existing political conflicts, which is the definition of success in this context.

However, the Structural Funds regulations may create certain possibilities to influence the decision making process or at least to present with the illusion of power. This can be observed during various stages of projects funded from the Integrated Regional Operational Programme[3] (UMWM 2006). The experts from various universities and research centres actively participate in the 'Expert Panel' evaluating project applications submitted for the EU funding. The expert panel is supposed to be an independent body marking applications for IROP to establish an order rank. The independence of experts can be questioned because their appointment depends on the Marshall, who has strong political links to Malopolska Region. Therefore, it is questionable how independent the institutions really are. Furthermore, all background information concerning the expert panel is withheld and remains anonymous in formal and merit-based evaluations. Furthermore, the anonymity of the expert panel is in conflict with the partnership principle as stated in Art.10 and Art.26.1 of EC Regulation (EC 2006). The articles emphasize that the involvement of all actors should respect principles of transparency: "The process of identification of relevant partners should be made public and be clear". However, in case of IROP, the selection of expert panel is neither transparent nor open to the public. It is the Marshall Office and the central government who choose three people on the expert panel from four different lists. As a result, the

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[3] The Integrated Regional Operational Programme, co-financed by Structural Funds, involves all 16 Polish regions in the programming period 2004-2006. The IROP is particularly important for partnership principle because some tasks related to implementation have envisaged participation of actors on subnational levels. As it states in the official document on IROP, tasks related to project identification should be with regional self-government (Marshal Office) and tasks related to audit, monitoring, payment verification and certification should be vested with regional state administration (Voivodship Office) (IROP 2004). Besides, social partners from the region are supposed to be informed and consulted by IROP Managing Authority on issues related to IROP implementation. The rather limited delegation of tasks was envisaged as an interim solution. Provided the implementation of these tasks will be successful, in the new programming period 2007-2013, most of the tasks would be delegated to the subnational level. For more information on IROP please see IROP (2004). Poland- Integrated Regional Operational Programme 2004-2006. Community Support Framework for 2004-2006. Warsaw, Ministry of Labour, Economy and Social Policy: February 2004.

choice of experts is often based on political patronage. The number of experts in a particular field covered by a project application is quite limited even in Krakow, and usually those chosen are associated with universities or research institutes, so it can be predicted who sits on an expert panel. Despite the alleged anonymity of representatives on an expert panel, it can be argued that the IROP procedures contribute to the creation a partnership between local experts and governmental institutions on regional and local level in evaluation of the projects. Representatives of universities also appear on the Regional Steering Committee, which adopts the final ranking list and recommends projects applications to the Voivodship Board. Hence, it can be argued that regulations regarding the evaluation of projects enhance the role of the universities, research centres and 'think tanks'. However, due to their activity only during the evaluation of the project and the high rotation of people on the expert panel – and on the Regional Steering Committee – this partnership has a rather ad-hoc nature.

Besides their presence on the expert panel and the Regional Steering Committee, academic actors also play an important role in local authorities; academic actors hold high public functions in the local power structure. The two recent Mayors of Krakow, Andrzej Golaś and Jacek Majchrowski are both renowned professors. Majchrowski was even a co-founder of the one of the largest private universities in Krakow, Andrzej Frycz Modrzewski Cracow College. Due to their academic links, many civil servants not only lecture at universities but also invite their academic colleagues to conducts workshops and seminars on European Structural Funds. Universities also actively participate in the intercity projects funded by the EU, for instance, DEMOS. This phenomenon can be referred to as 'the academization' of the local power structure.

Both academic and governmental connections (plugs-in) seem to be crucial in the policy networks as well as in the local partnerships. The academic institutions might also act/administer/influence the project indirectly or/and through another subordinate institution; as in the case of the Małopolska School of Public Administration (MSAP), which operates within the Krakow University of Economics with the Professor Jerzy Hausner as MSAP director. Within the MSAP, we have also Regional Center for Social Economy. Hence, we can argue that similarly to Glasgow case and partnership principle we also have a "Matryoshka" model, when within one institution there is another one.

Each time we look closer how the institution is administered, we discover that it depends on yet another institution. This we can clearly observe with Regional Center for Social Economy, even though is supposed to have a form of a partnership, in reality is administered (hence controlled) by the MSAP, which is a part of the Krakow School of Economics. [4]

Conclusion

Even though the 'partnership' principle of Structural Funds regulations implies the empowerment of all actors involved in partnerships at various stages of management of the EU funded projects, both empirical cases show different reality. From the neo-institutionalist perspective, the impact of the Structural Funds regulations, as a mechanism of Europeanization, present only the illusion of empowerment of actors in European cities. According to the EU policy documents, by introducing the 'partnership principle', EU institutions create institutional settings to involve actors in the various stages of the Structural Funds. However what becomes apparent is the fact that the role of the partners barely remains consultative (Krakow) or supplementary (Glasgow) to the local authorities. The ad hoc informal mobilization of non-state actors that would contribute to the creation of urban policy networks as defined in the literature have not proven valid in the empirical cases examined, because in both cities the vertical intergovernmental relations appear to be stronger than horizontal relations with non-state actors.

In Glasgow, it seems that the entire power structure and consequently 'partnerships' evolve around already entrenched elites. Glasgow tends to present itself as a city of partnerships, a perfect cooperation between the private and public sector. This would imply a regime system presented in the literature; when in reality it is the same institutions, mainly the Glasgow City Council and Scottish Enterprise, influenced by the Scottish Executive, that hold power and control all purse strings due to their strong links with the Labour Party. Furthermore, the same people appear on boards of various institutions and they circulate form one institution to another. As a result, a certain elite

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[4] At the moment of writing the article, the RCES is about to be created.

maintains its hold on power in the city hiding behind the mask of partnership promoted by the European Union. The communication within the network is good and smooth, but at the same time it is difficult for other groups to enter the network without having a prior link with the Glasgow City Council and in one way or another being connected to the Labour Party.

In Krakow, even though at first sight the inner structure seems to be highly fragmented, a closer look suggests that despite competition, particularly between the Mayor's Office and elected councillors, the same people tend to influence SF decision making processes. The Structural Funds regulations barely offer passive participation to new and various groups in managing, monitoring, consulting and assessing projects funded by Structural Funds. This participation is often in line with political interests of political parties running the city and the region. Even though non-governmental actors – particularly universities and research institutes – are consulted at various stages, it does not mean their opinion is taken into consideration in final decision making; often the final decision tends to be based on political grounds. Furthermore, due to a variety of partners participating in the consultative process, their opinions can be contradictive.

With the new programming period 2007-2013 the question arises on what kind of impact the new European Structural Funds regulations will have on interactions between actors in both cities. For the 2007-2013 programming period the European Commission proposed to reinforce the partnership principle (Art.10) by adding civil society, environmental partners, NGOs and gender equality organizations as well as explicitly mentioning urban authorities in the list of stakeholders to be consulted (EC 2006). Therefore, it becomes particularly interesting to envisage the situation in both cities with the new extended definition of the partnership principle; which puts emphasis on participation of a even wider variety of actors in the decision making process related to Structural Funds.

It seems that in Glasgow the institutionalised partnership will continue to function as the preferred mode of management. With the success of its partnerships Glasgow has made attempts to promote and export its model to new member states. Through the *Euroconnections* programme, the *Strathclyde European Partnership* educates and trains

colleagues from other subnational institutions in post-communist Europe. In Krakow the impact of Structural Funds on political interactions between actors is less predictable. A negative prognosis shows the risk further political struggles will impede cooperation between actors and the formation of sustainable partnerships. A positive prognosis indicates greater involvement of actors in the governance of the city and the gradual building of partnerships around EU projects. Actors and institutions may have no choice but to get involved in partnership in order to ensure their projects receive the EU funding. Furthermore, the recent adoption of a law on private and private partnerships could serve as a legal incentive to get involved in cooperation. A positive example of partnership may also come from the intercity 'learning'. For instance, Krakow has been intensively involved in best practice sharing with other European cities. Such a learning process may bring some interesting – 'á la Glasgow' – lessons and results. In sum how we define 'partnership' and how it is realized in practice is very contextual and plastic.

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