



# Cohesion policy perceptions of EU citizens in alternative regional policy implementation settings

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## 1. Introduction

The issue of the future of the European Union (EU) is more and more urgent in the policy debate, after the British referendum on Brexit and the insurgence of nationalist parties in many EU countries. The identification of citizens in the communitarian values and strategies seems to be at its lowest levels ever. Therefore, the study of the processes of European identity building becomes crucial in order to understand the determinants of the change in public opinion.

The literature on this topic identified in the actions undertaken by the EU one of the major elements fostering citizens' identification with the Communitarian values. Through these programs, as for instance the introduction of a common currency, the EU becomes part of the everyday existence of citizens. People perceive Europe as a tangible element of their lives and not just as a political construct, totally disjointed from their daily experiences. The recognition of a positive effect of these actions on individuals' well-being is the element linking the implementation of EU policy to the creation of a Communitarian identity.

Based on this reasoning, it is quite surprising that there is little evidence documenting the role of Cohesion Policy on the process of European identity building (Scherpereel, 2010), even if this program accounts for about one third of the Communitarian budget and it is aimed at fostering territorial development, which should imply a tangible impact on EU citizens' life. However, an in-depth reasoning of the relationship between Cohesion Policy and EU values shows that the linkage is not so straightforward, and that different steps, from citizens' awareness to satisfaction, have to be overcome. Moreover, people's awareness and satisfaction are mediated by the presence of local context conditions characterising different kinds of policy implementation settings.

The goal of the present paper is to shed some light on the local conditions under which Cohesion Policy implementation has an effect on the process of EU identity building, where European identity is in this work defined as a local community made of groups of people able to work together to solve common problems and feeling part of the same community, sharing values, fate and a forward looking vision (Caporaso and Kim, 2009).<sup>1</sup>

A stream of literature already exists which defines the context conditions that help Cohesion Policy to be developed efficiently to accomplish its primary role, that of regional development. High quality of institutions, identification of real needs of regions, a political consensus in favour of Europe, for instance, are all elements influencing the efficient implementation of cohesion policies. However, our idea is that the co-presence of different context conditions is something important (Capello and Perucca, 2016), and that they can interfere on different aspects of the complex relationship between Cohesion Policy and European identity building. A conceptual discussion of this issue is reported in Section 2, where a set of research hypotheses is presented. The second part of the paper is devoted to the empirical testing of these ex-ante expectations. Section 3 describes the data and method used, while Section 4 presents the empirical results. Finally, the last section reports conclusions and policy implications.

## 2. EU identity building and Cohesion Policy: context conditions

### *2.1. From Cohesion Policy to European identity building: awareness and satisfaction as necessary conditions*

Cohesion Policy has always been of primary interest for academicians, with the intent to measure the degree of success of such policy in complying its primary role, that of fostering regional development. A large number of studies has been launched applying different sophisticated techniques to measure the efficiency of cohesion policy on regional development and cohesion (Ederveen et al., 2006; Fratesi and Perucca, 2014). Instead, studies on the relationship between Cohesion Policy and the processes of EU identity building are instead limited. This is quite surprising since, at a first glance, a number of reasons exist to expect a relationship between Cohesion Policy and EU identity building process to occur. First, Cohesion Policy is conceived to solve specific regional needs and, therefore, it represents a tangible manifestation of the EU in the daily life of citizens. Second, the magnitude of the investment is extremely relevant: funds allocated to Cohesion Policy correspond to almost one third of the EU total budget, 347.4 billion euros in the programming period 2007-2013. Third, despite the financing of the program is responsibility of the EU, the selection and management of policies is carried out at the regional level, thus allowing a higher level of participation of the local populations in the decision-making process. Fourth, most of the funds (82 per cent in the programming period 2007-2013) are allocated to “convergence” regions, underpinning a sense of solidarity and belonging to a common community.

When one enters more in details in explaining the logical relationship between Cohesion Policy and European identity building, however, the complexity of the cause–effect chain appears evidently. The relationship entails a number of necessary intermediate steps, that are given for granted in the reasons mentioned above.

Figure 1 sketches these steps, that turn around two major concepts, citizens’ awareness and satisfaction. In fact, the first step is that citizens have to be aware of the existence of Cohesion Policy, which calls first of all for a certain visibility of the policy in everyday life. The importance of the symbolic dimension pointed out in the literature for other types of EU policies is in line with this idea (Risse, 2004). Most citizens became aware of European monetary policies, launched well before 2002, when the common currency was introduced, which allowed ordinary people to be aware of such a European policy. Secondly, once people are aware of a policy, they have to be to some extent satisfied with the outcomes of the EU actions, in order to feel part of the European project. This appreciation can derive either from a direct payoff that the individuals receive from the implementation of the EU policy or from the recognition that the latter produce a positive effect on the national or local community they are part of.<sup>2</sup> Thirdly, a long-term way for Cohesion Policies to act on citizens’ feelings of attachment to the EU values is through an increase in individual well-being, when individuals are aware that this is the result of an European effort (Figure 1).

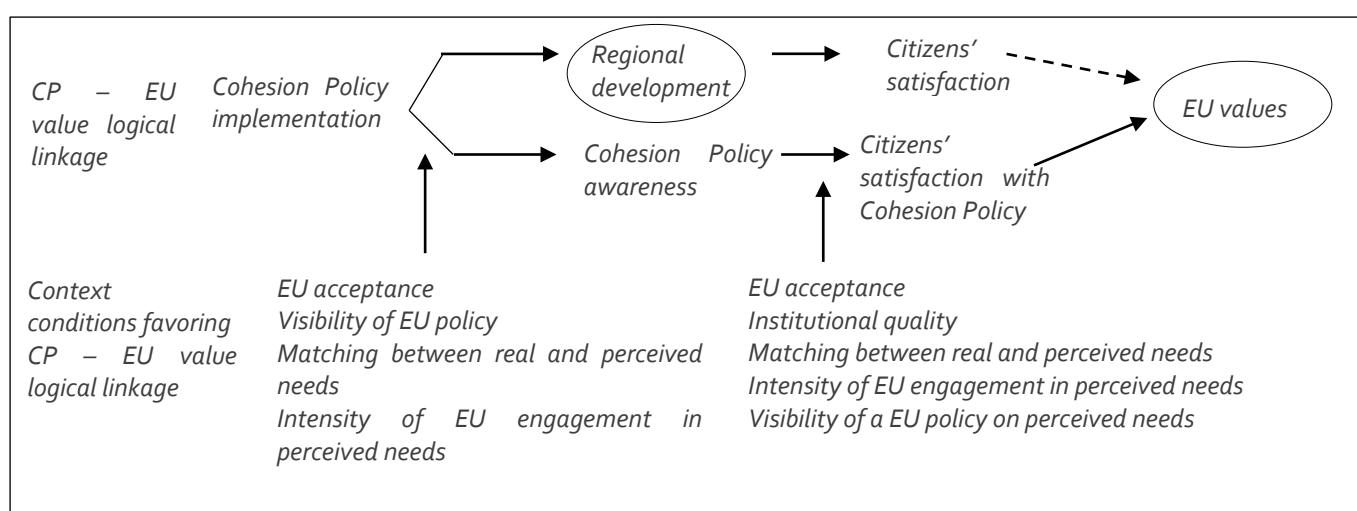
The steps of this complex cause–effect chain take place under certain conditions. The literature has analysed these conditions in case of other EU policies than the Cohesion one. Risse and Grabowsky (2008) reviewed the three conditions through which, according to Haas (1958), EU integration led to a process of Communitarian identity building. The first one is related to an utilitarian mechanism, where the individual identifies in the EU only if the individual gets an advantage out of the integration process. The second condition involves the ideological motivations leading some people to the identification in the Communitarian values. Finally, the third condition assumes that the

pervasive presence of the EU institutions in citizens' daily life makes people more inclined to identify themselves with the supranational institutions, even if they did not get any personal advantage from EU integration.

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Figure 1. The logical chain between cohesion policies and EU values:

*context conditions favoring the linkage*



Legend: cohesion policy aims:



Several empirical studies focused on the success of different kinds of EU policies in increasing citizens' Communitarian identity and tested the three above mentioned conditions. Most of the evidence concerned the Erasmus program, and the findings from the literature generally showed that students enrolled in the project are more likely than the others to identify in the EU values (Van Mol, 2011; Mitchell, 2015).<sup>3</sup> This result seems to be ascribable to the first condition discussed by Haas, since the impact of the mobility program involves only the students who took part in it and, therefore, got a direct benefit. Other studies provided evidence in support to the third condition of EU identity formation. Risse (2003), for instance, found that the introduction of the Euro made citizens feeling a bit more European than before, while Bruter (2003) claimed that the exposure to symbols like the EU flag has a significant effect on the cultural identity.<sup>4</sup>

Another stream of literature directly refers to the conditions under which Cohesion Policy has an effect on its primary role, that of fostering regional development. What emerges from this kind of literature is that a series of regional conditions are necessary in order for cohesion policy to produce the expected positive outcome on the local economy. The quality of local institutions turned out to be crucial for local development (Rodríguez-Pose and Garcilazo, 2015), while the translation of the positive outcome of cohesion policy on European identity values strongly depends on the citizens' awareness, and therefore mostly on the political condition more or less in favour of the EU. The identification of the real needs of the local area on which to invest Communitarian funds are another conditions for Cohesion Policy's success (Barca et al. 2012; Camagni and Capello, 2015).

No attempts have been made so far in the literature to highlight the conditions under which the cause-effect chain between Cohesion Policy and EU identity building process takes place. This study presents an effort in this direction. In particular, the paper focuses on a specific part of the process, from the policy implementation to the creation of awareness and satisfaction, by analysing the way in which Cohesion Policy is perceived by EU citizens and by highlighting the context conditions that support such a link. Being Cohesion Policy undertaken in partnership among supranational, national and local institutions, the output in terms of awareness and satisfaction of these policies stems from the action of a combination of actors, operating in very different territorial contexts. Hence, our assumption is that the characteristics of the local policy implementation setting are themselves a determinant of the citizens' perception of Cohesion Policy. The next section argues this assumption further.

## ***2.2. Context conditions for an European identity building process from Cohesion Policy: research assumptions***

As explained in the previous section, the impact of Cohesion Policy on EU values is mediated by the citizens' awareness of the existence of the program itself and the satisfaction with its outcomes, which, on their turn, require the presence of some local conditions. The study of the determinants of these two kinds of perceptions is therefore extremely relevant for the understanding of the processes of EU identity building.

The literature has already suggested some of these characteristics for other kinds of EU policies which can hold also for the case of Cohesion Policy. First of all, individual characteristics certainly play a major role, like the degree of education (Van Oorschot, 2006; Sigalas, 2010). However, also the presence of a political ideology – giving higher/ lower emphasis to the results achieved through Cohesion Policy – influences citizens' awareness (Treib, 2014). In addition, feelings of belonging to a national or regional identity influence the perception of citizens of the results achieved by Cohesion Policy (Risse, 2002; Schilde, 2014; Fligstein et al., 2012; Treib, 2014; Mitchell, 2015).

In the present study, a particular focus is applied to local context conditions that, in addition to individual ones, can influence awareness and satisfaction of citizens on Cohesion Policy (Figure 1), in line with the idea we presented in another work that the local "policy implementation settings" influence the possibility of Cohesion Policy to act on EU value building (Capello and Perucca, 2016).

An important aspect is the political orientation of the local governments towards the strategies and values of the EU (Table 1). This aspect especially explains awareness. Our hypothesis is that the presence of Eurosceptic local parties stimulates the political debate on EU and its strategies, so to be able to criticize it. This is not the tendency of pro-European parties, that do not include the European project as a theme in their political agenda, being not perceived as a problem. Satisfaction, instead, is not expected to be particularly influenced by Eurosceptic ideologies; once

aware of the existence of Cohesion Policy, individuals tend to be satisfied about the results obtained, irrespective of the political ideology of particular parties.

Another element refers to the quality of local institutions, defined in terms of perception by individuals of low levels of corruption and collusion. Since the quality of institution is positively associated to the effectiveness of Cohesion Policy, as the literature finds out (Rodríguez-Pose and Garcilazo, 2015; Crescenzi et al., 2016), our assumption is that also citizens will be more satisfied with the outcomes of EU actions. In terms of awareness, instead, there are no a-priori to think that the level of perceived institutional quality could impact on individual perceptions.

*Table 1. Context conditions fostering awareness and satisfaction of Cohesion Policy: assumptions*

Context conditions	Awareness	Satisfaction
Pro-EU orientation of local parties	-	n.s.
Quality of local institutions (perception of individuals)	?	+
Match between private interests and real regional needs	+	+
Visibility of :		
- EU actions in general	+	n.s.
- EU actions on perceived interests	+	+
- EU actions on real needs	+	?

n.s. = not significant

Dealing with subjective perceptions, we must acknowledge that individuals may have different priorities than the objective ones that may be identified by local policy makers. For instance, citizens in a certain region might perceive transport issues as extremely urgent even if they are objectively less necessary than actions in other policy fields. In an ideal scenario, perceived desirability is consistent with the real needs of a region, but mis-matches may arise. We therefore expect both awareness and satisfaction of citizens to be higher in those policy intervention areas where the individual priorities are consistent with the objective needs. Recalling the mechanism discussed by Risse and Grabowsky (2008) and Hall (1958), this condition implies an utilitarian approach to EU identity formation (condition 1), but where individualistic targets are matched with socially desirable outcomes.

An additional important condition for Cohesion Policy to take part in the creation of EU values is that these kinds of policy have to be visible to citizens. According to Hall's third condition (1958), the pervasive presence of the EU institutions in citizens' daily life makes people more inclined to identify themselves with the supranational institutions. Awareness can easily be expected to be related to a general visibility, independently to funds' allocation in alternative policy actions.



However, if funds are allocated to actions associated to perceived needs, awareness is expected to be higher than in the case funds are allocated to actions responding to real needs. Instead, satisfaction can logically be expected to depend more on visibility in actions that fit perceived needs, with respect to general actions. The way satisfaction is influenced by visibility in actions associated to real needs is something difficult to be predicted; in an ideal context, people should be more satisfied if funds are efficiently spent to overcome real local problems. However, a collective attitude should prevail over or at least have the same weight than a private one, which is something to be tested.

All these assumptions have to be empirically verified by estimating the following model:

$$\text{Cohesion Policy awareness}_i = f(\text{individual characteristics}_i, \text{context conditions}_i) \quad [1]$$

$$\text{Cohesion Policy satisfaction}_i = f(\text{individual characteristics}_i, \text{context conditions}_i) \quad [2]$$

where the probability of citizens to be aware and satisfied by Cohesion Policy actions is instead made dependent on a set of individual characteristics and the context conditions defined above.

### 3. Cohesion Policy perception and context conditions: an empirical measurement

The estimation of the above mentioned equations is relatively simple from the econometric point of view, but requires a particular attention on the creation of variables capturing the context conditions mentioned above. This section presents such an effort.

*Cohesion Policy perceptions* are measured by using the result of a Flash Eurobarometer survey study conducted in 2010 (EU Commission, 2011).<sup>5</sup> The aim of this survey was to collect evidence on the citizens' awareness and perceptions of EU regional policy, collecting more than 27,000 interviews across 27 Member States. In the interview, respondents were asked to state i) whether they are aware of the existence of EU programs aimed at the financial support of regions and, in the affirmative case, ii) if, in their opinion, their city or region of residence benefited from this support.<sup>6</sup> From these questions, individuals' awareness and satisfaction are measured as dependent variables of the two models above.

*Individual characteristics* of the respondents are made available from the same survey study. Individuals were asked to provide information about their age, gender, education, occupation and typology of the setting of residence (rural vs. urban). Moreover, a question was investigating the individuals' support for the redistributive principle on which Cohesion Policy is based.<sup>7</sup> Therefore, a dummy variable equal to 1 if the respondent appreciates the focus of EU regional policy on the poorest regions is added to the individual characteristics, under the assumption that the support to the redistributive principle is positively associated to both the awareness and satisfaction with Cohesion Policy actions.

More complexity lies in the identification of the content conditions' variables, which capture the characteristics of the policy settings where Cohesion Policy is implemented. The Flash Eurobarometer survey provides information about the region of residence of the respondents,

allowing for the association between individual and regional data.<sup>8</sup> The context conditions summarized in Table 1 are empirically defined as follows.

*Pro-EU orientation of local parties.* The support of local parties to the EU values and strategies is measured by the share of votes for non-Eurosceptical parties in the European Parliament elections held in 2009.<sup>9</sup>

*Quality of local institutions* (perception of individuals). The institutional quality of regional governments is captured by the overall index developed by Charron et al. (2010) on the perceived levels of corruption, rule of law, bureaucratic effectiveness, strength of democratic and electoral institutions in EU regions.

*Matching between private interests and real needs.* The private interest for policies in a certain area is captured, at the individual level, by the answers to a survey question aimed at identifying the most important themes of intervention.<sup>10</sup> Real regional needs in a certain field are something more complex to identify. They are measured by an index which signals for each policy field the discrepancy between the supply and the demand of goods / services / resource, under the assumption that a need is represented by the imbalance between supply and demand rather than the absolute level of supply of resources (Capello and Perucca, 2016). Measurement is in most cases feasible as far as the supply-side is concerned. For instance, considering the example of cohesion policy in the field of innovation, funds invested in R&D are usually traced by official statistics. The demand-side is instead less straight-forward to be measured. In a previous work (Capello and Perucca, 2016), the demand of a certain good/ service/ resource is estimated on the basis of the presence of some characteristics of the local environment; the demand for R&D investments is related to the productive specialization of the region, to its propensity to innovate and to the presence of urbanization economies, facilitating knowledge spillovers, which can estimate the demand for R&D investments. The difference between supply and the demand estimated by the presence of characteristics related to the demand provides the real needs of the area.<sup>11</sup> The matching between private interests and real needs is captured by a dummy variable equal to 1 if at least one policy field of those identified as important by the respondent is characterized by a real regional need. On the other hand, the dummy takes a value of 0 if for none of the areas defined as priority by the respondent the region has a real need.

*Visibility of EU actions in general.* The logarithm of per capita Cohesion Policy expenditure in the programming period 2000-06 can provide a good indication of the degree of visibility of EU actions, independent from the allocation of funds to alternative policy fields (visibility in general).<sup>12</sup>

*Visibility of EU actions on perceived needs in most funded policy fields.* This variable aims at measuring a condition of occurrence of the match between perceived priorities by individuals and the allocation of Cohesion Policy funds. As stated above, the perceived interest of individuals is captured by the survey question on individual priorities in terms of policy fields, while the allocation of the funds is measured by the share of Cohesion Policy expenditure in each policy fields. The matching between the two dimensions is captured by a dummy variable equal to 1 if at least one policy field of those identified as important by the respondent is also included among the three most financed areas. On the other hand, the dummy takes a value of 0 if none of the areas defined as priority by the respondent was included among the top-3 regional areas of intervention.

*Visibility of actions on real needs in most funded policy fields.* This variable captures a condition of occurrence of the match between the real priorities of the region and the allocation of Cohesion Policy funds. This condition is measured by a dummy variable taking the value of 1 if in at least one of the three most financed policy fields the region has a real need of intervention. The dummy is

equal to 0 if in none of the top-3 regional areas of intervention the region is characterized by a real need.

As far as the methodological techniques used to estimate model [1] are concerned, the structure of the data set has to be taken in account. Individuals in the sample are nested within both countries, at a first level, and regions at a second one. This hierarchical structure of the data may imply that two randomly selected individuals from the same area are more similar, in terms of life satisfaction, than two people randomly chosen from other groups. If these group-effects are not taken into account, the independence assumption of the residuals from model [1] will not hold. In order to overcome this issue, we chose linear multilevel modelling to explicitly treat the hierarchical structure of the data and to correct standard errors (Pittau et al., 2010). More in details, we estimate a random intercept model where the intercept of the group regression lines is allowed to randomly vary across regions.

#### **4. Cohesion Policy perception and context conditions: an empirical measurement**

The results of the analysis of the determinants of EU citizens' awareness of a Communitarian regional policy program (model [1]) are reported in Table 2. The dependent variable is a dummy variable equal to 1 if the respondent is aware of the existence of Cohesion Policy and equal to 0 otherwise.

Being informed about the existence of a Communitarian regional policy program is highly dependent, in the first place, on the individual characteristics of the respondents. Keeping other things constant, awareness is higher among males and middle-aged individuals. The same holds true for graduated people and for those employed in the high and intermediate occupation functions. As expected, respondents supporting the Cohesion Policy redistributive principle tend to be more informed than the others about the program.

The second part of Table 2 reports the association between the awareness of Cohesion Policy and the characteristics of the local policy settings. Since some of these conditions are highly correlated, they are introduced separately in equation [1].

As far as the institutional environment in which Cohesion Policy is implemented, the pro-EU orientation of the local parties is linked to lower levels of awareness. This finding is consistent with the idea that the presence of Eurosceptical political movements stimulates the debate on Communitarian issues and policies (Table 1). The perceived quality of institutions, on the other hand, does not affect citizens' information about Cohesion Policy. The visibility of EU actions in general, captured by the per capita amount of funds spent on Cohesion policy actions, is positively associated to the level of awareness, with decreasing returns as funds increase.

Model [a] in Table 2 shows that when the needs perceived as relevant by the single respondent match the objective necessities of the region, the awareness of Cohesion Policy is significantly higher. The same holds (model [b]) when most of the Communitarian funds are invested in policy fields perceived as urgent by the individuals. It is interesting to note that, on the other hand, the correspondence between objective needs and funds' allocation has an insignificant effect on the level of awareness (model [c]). This result, which was not expected (Table 1), raises an important implication, as it points out that the subjective dimension, i.e. the individual perception of the regional needs, is a crucial determinant of the level of awareness. As a final control, model [d] in

Table 2 includes a dummy variable equal to 1 if the perceived needs of the respondent are matching the objective ones and, at the same time, they are in one of the top-3 regional fields of intervention. As expected, the simultaneous occurrence of these conditions is linked to higher level of awareness.

Table 3 reports the estimation results of equation [2], where the dependent variable is the level of satisfaction with Cohesion Policy, captured by a dummy variable equal to 1 if the respondent stated that the program had a positive impact on the region of residence and equal to 0 if the perceived impact was negative (see footnote 6).<sup>13</sup>

The relationship between individual characteristics and satisfaction is significant only for age and education. As for the level of awareness, the effect of age has an inverted U-shape, while graduated respondents are more likely than the others to report a positive opinion on the effect of EU policies. The support to the redistributive principle of Cohesion Policy is strongly associated to satisfaction, while people living in rural areas tend to be more dissatisfied than those in urban settings. This last finding could be explained by the unbalanced economic growth rates of settings characterized by different levels of urbanization, which are not fully compensated by the spatial allocation of funds (Farole et al., 2011).

As far as the context conditions are concerned, the institutional framework leads to satisfaction with Cohesion Policy in the case when the high perceived institutional quality is matched with a pro-EU orientation of the local parties. This result is coherent with our assumptions, since high-quality institutions are expected to be more effective in the implementation of policies and, as a consequence, to increase through their actions social welfare. The findings reported in Table 2 point out, however, that this happens only in policy settings characterized by a generalized support of the political movements to the EU strategies. In other words, the Eurosceptic orientation of the local parties is likely to be associated to higher levels of awareness, since the EU themes are at the core of the political debate (Table 2). At the same time, however, anti-European administrators could have an incentive to misreport the outcomes of the actions undertaken within the Communitarian programs, which would lead, keeping constant the quality of institutions, to lower levels of satisfaction (Table 3).

The relationship between satisfaction and the general visibility of EU policies shows that an increase in visibility (measured through the amount of per capita funds spent) does not raise any probability to have a higher number of people satisfied. This finds an explanation in the fact that satisfaction is highly related to subjective perception and interests.<sup>14</sup> This result has an interesting drawback: the pure amount of funds does not lead to a higher consensus around Cohesion Policy. The consensus calls for a higher matching between EU actions and perceived needs, i.e. the probability for individuals to be more satisfied is higher when EU actions take place in fields where perceived needs are felt by individuals (Table 3, model [b]).

Interestingly enough, when perceived needs match the real ones, citizens are more likely to be satisfied with EU actions (Table 3, model [a]). Again, however, if the last ones take place in fields where real needs occur independently from individual preferences, the probability to be satisfied does not turn to be higher (model [c]). In order for the real needs to impact on citizens' satisfaction it is necessary that EU actions take place both where real and perceived needs are felt (model [d]). All this suggests that the achievement of "individual / private / subjective" needs is fundamental for the explanation of the citizens' satisfaction of EU values. What is striking is that this is true, independently from the capacity of EU actions to accomplish their main goal, i.e. that of taking care of "real / collective / objective" needs. The consequence of this finding is that the two goals of Cohesion Policy – fostering regional development from one side, and increasing EU values on the other – may not be met simultaneously. Whenever a mismatch between perceived and real needs

Table 2. EU citizens' awareness of the existence of Cohesion Policy as a function of individual characteristics and context conditions.

	[a]	[b]	[c]	[d]
<b>Individual characteristics</b>				
Age	0.008*** (0.001)	0.008*** (0.001)	0.008*** (0.001)	0.008*** (0.001)
Age <sup>2</sup>	-0.000*** (0.000)	-0.000*** (0.000)	-0.000*** (0.000)	-0.000*** (0.000)
Gender: F	-0.062*** (0.007)	-0.062*** (0.007)	-0.062*** (0.007)	-0.062*** (0.007)
Graduated	0.084*** (0.008)	0.084*** (0.008)	0.084*** (0.008)	0.084*** (0.008)
Manager/professionals	0.085*** (0.011)	0.085*** (0.011)	0.084*** (0.011)	0.085*** (0.011)
Office workers	0.042*** (0.009)	0.043*** (0.009)	0.043*** (0.009)	0.043*** (0.009)
Manual workers	-0.035** (0.015)	-0.035** (0.015)	-0.035** (0.015)	-0.035** (0.015)
Students	0.026 (0.017)	0.025 (0.017)	0.025 (0.017)	0.025 (0.017)
Setting of residence: rural area	-0.006 (0.007)	-0.006 (0.007)	-0.005 (0.007)	-0.005 (0.007)
Support to Cohesion Policy principle	0.053*** (0.010)	0.052*** (0.010)	0.055*** (0.010)	0.054*** (0.010)
<b>Context conditions</b>				
Quality of local institutions	-0.010 (0.015)	-0.005 (0.015)	-0.011 (0.015)	-0.015 (0.015)
Pro-EU orientation of local parties	-0.019* (0.012)	-0.019* (0.012)	-0.019* (0.012)	-0.019* (0.012)
Quality of local inst. * Pro-EU orientation of local parties	0.009 (0.013)	0.006 (0.013)	0.008 (0.013)	0.014 (0.013)
Visibility of EU actions in general (Total amount of per capita funds spent)	0.042*** (0.005)	0.042*** (0.005)	0.043*** (0.005)	0.041*** (0.005)
Matching between perceived and real needs (Individual priorities in fields where real needs occur)	0.078*** (0.019)			
Visibility of EU actions in fields with high perceived needs (Individual priorities in the three most financed policy fields)		0.067*** (0.014)		
Visibility of EU actions in fields with high real needs (Real needs in the three most financed policy fields)			0.012 (0.013)	
Visibility of EU actions in fields with high real and perceived needs (Individual priorities in the three most financed policy fields where real needs occur)				0.040*** (0.010)
Constant	0.002 (0.049)	-0.011 (0.050)	0.057 (0.048)	0.046 (0.047)
Observations	19,670	19,670	19,670	19,670

Ref. categories: unemployed (occupation), urban area (setting of residence).

Standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Table 3. EU citizens' satisfaction with Cohesion Policy as a function of individual characteristics and context conditions.

	[a]	[b]	[c]	[d]
<b>Individual characteristics</b>				
Age	0.002* (0.001)	0.002* (0.001)	0.002* (0.001)	0.002* (0.001)
Age <sup>2</sup>	-0.000*** (0.000)	-0.000*** (0.000)	-0.000*** (0.000)	-0.000*** (0.000)
Gender: F	0.002 (0.008)	0.002 (0.008)	0.002 (0.008)	0.003 (0.008)
Graduated	0.035*** (0.009)	0.035*** (0.009)	0.035*** (0.009)	0.035*** (0.009)
Manager/professionals	0.008 (0.013)	0.008 (0.013)	0.008 (0.013)	0.007 (0.013)
Office workers	-0.010 (0.011)	-0.009 (0.011)	-0.010 (0.011)	-0.010 (0.011)
Manual workers	-0.016 (0.018)	-0.016 (0.018)	-0.016 (0.018)	-0.016 (0.018)
Students	0.009 (0.022)	0.008 (0.022)	0.008 (0.022)	0.008 (0.022)
Setting of residence: rural area	-0.023*** (0.008)	-0.023*** (0.008)	-0.023*** (0.008)	-0.023*** (0.008)
Support to Cohesion Policy principle	0.174*** (0.013)	0.174*** (0.013)	0.175*** (0.013)	0.174*** (0.013)
<b>Context conditions</b>				
Quality of local institutions	0.010 (0.009)	0.011 (0.009)	0.009 (0.009)	0.007 (0.008)
Pro-EU orientation of local parties	0.003 (0.008)	0.002 (0.008)	0.004 (0.008)	0.006 (0.008)
Quality of local inst. * Pro-EU orientation of local parties	0.040*** (0.010)	0.039*** (0.010)	0.041*** (0.010)	0.044*** (0.010)
Visibility of EU actions in general (Total amount of per capita funds spent)	-0.001 (0.007)	-0.002 (0.007)	-0.001 (0.007)	-0.004 (0.007)
Matching between private needs and real needs (Individual priorities in fields where real needs occur)	0.074** (0.030)			
Visibility of EU actions in fields with high perceived needs (Individual priorities in the three most financed policy fields)		0.037* (0.021)		
Visibility of EU actions in fields with high real needs (Real needs in the three most financed policy fields)			0.011 (0.014)	
Visibility of EU actions in fields with high real and perceived needs (Individual priorities in the three most financed policy fields where real needs occur)				0.031*** (0.011)
Constant	0.639*** (0.043)	0.606*** (0.047)	0.671*** (0.038)	0.664*** (0.037)
Observations	7,045	7,045	7,045	7,045

Ref. categories: unemployed (occupation), urban area (setting of residence).

Standard errors in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

occur, risks of distortion in Cohesion Policy implementation may arise. When subjective/private aim overcomes the real/social one, the risk may be that of having Cohesion Policy actions influenced by lobbies, by poorly informed people, by ideological positions. On the contrary, when the real/social aim overcomes the perceived/private one, regional development could be fostered at the expenses of citizens' satisfaction and therefore of support to the EU values.

## 5. Conclusions and policy implications

The present paper presented a first attempt to study the determinants of both awareness and satisfaction with Cohesion Policy. The topic is extremely relevant since individuals' perception of EU policies represents the link between the implementation of Communitarian actions to the process of EU identity building. Even if the main goal of Cohesion Policy is not the creation of a common identity, the citizens' support to the EU strategies and values is fundamental for the future of the policy program itself.

This work aimed at testing the idea that the context conditions in terms of policy settings in which the EU actions are undertaken may favour the link between Cohesion Policy implementation and EU identity building. The context conditions are, in fact, assumed to foster the awareness and satisfaction with EU actions.

Most of the findings are consistent with our expectations. The political orientation and the perceived quality of institutions are important determinants of the perception of Cohesion Policy.

The most significant and most persistent results on both the dimensions of awareness and satisfaction, are those concerning the matching between the allocation of funds across alternative areas of intervention and the perceived and real policy needs. The empirical analysis pointed out that the subjective dimension plays a determinant role in explaining the perception of Cohesion Policy. For instance, an allocation of funds fitting the real needs of the region is not, per se, associated to higher level of neither awareness nor satisfaction. Only when the objective dimensions match the individuals' needs the impact on the perception of Cohesion Policy becomes positive and statistically significant.

This result conveys relevant policy implications. When private (perceived) and collective (real) interests do not match, a potential trade-off between the main goal of EU Cohesion Policy action, that of fulfilling real (collective) needs, and the secondary aim of building a European identity occurs. This result is rather important that it calls for additional research to test its true validity.

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<sup>1</sup> In this view EU identity might coexist also with strong national or sub-national identities. "Anti-Europeanism" (Risse, 2015) is the counterpart of what we consider as EU identity.

<sup>2</sup> The perception of EU actions as socially good can be based on very different reasons. In the case of the introduction of the euro, for instance, Risse (2003) suggested that the common currency was perceived more favourably in contexts characterized by low trust in the national institutions, where EU integration is viewed as a solution to overcome the inefficiency of local administrators.

<sup>3</sup> Exceptions are represented by the works of Wilson (2011), who found no significant change in the EU support of the same student before and after the participation to the program, while Van Mol (2013) claimed that the effect is highly country-specific.

<sup>4</sup> The second condition defined by Haas (1958) seems to be less related to EU policies and actions, but rather based on the personal political and ideological orientation.

<sup>5</sup> Flash Eurobarometer studies are *ad hoc* surveys conducted from 1989 at the request of any service of the European Commission.

<sup>6</sup> More precisely, for the awareness of the existence of EU policy the question (Q1A) was "Europe provides financial support in regions and cities. Have you heard about EU co-financed projects to improve the area you live in?". In the case of the level of satisfaction with Cohesion Policy, the question was: "Taking into consideration all the projects you have heard about, would you say that this support had a positive or negative impact on the development in your city or region?"

<sup>7</sup> The question wording was the following one (Q4): "Most European regional funding is concentrated on the poorest regions in order to help them to catch up. In your opinion, is this rather a good or rather a bad thing?"

<sup>8</sup> Individuals in the survey are classified according to their NUTS2 region of residence, apart from some countries (Spain, Italy, Germany, UK, Spain), for which the information is available at NUTS1 level. The empirical measurement of the context conditions is therefore consistent with these two classifications.

<sup>9</sup> The classification of parties between Eurosceptic and non-Eurosceptic is based on internet-based research and on the analysis by Treib (2014). Both soft and hard Eurosceptic movements are classified together as anti-EU. The source of the data is the European Election Database managed by the Norwegian Centre for Research Data.

<sup>10</sup> The question is: "EU regional policy can support many different sectors. I will read a list of areas to you. Please tell me for each of them, if you consider them among the more important or less important ones for your city or your region?" The sectors for which the respondent had to report her opinion were the following ones: transport facilities, energy networks, renewable, clean energy, research and innovation, broadband and Internet access, environment, support for small businesses, employment training, education, health and social infrastructure, tourism and culture.

<sup>11</sup> For details on the identification of the real needs by policy field, see Capello and Perucca (2016).

<sup>12</sup> The choice of the funding period is based on the fact that the survey study was conducted in 2010, while in the programming period 2000-08 regions were able to spend Communitarian funds until 2008. Countries that did not receive any support in that period (Bulgaria and Romania, which entered the EU in 2007) are not included in the analysis.

<sup>13</sup> It is worth recalling that the question about the level of satisfaction was asked only to those respondents who were aware of the existence of the Cohesion Policy program. Therefore, the number of observations in the estimates reported in Table 3 is lower (7,045 individuals) than in Table 2 (19,670).

<sup>14</sup> The coefficient of the linear term of the visibility of EU actions in general is only slightly insignificant in Table 3 (p-value = 0.13 in model [a]).