

UNIVERSITY OF
STRATHCLYDE

Objective 2 Programming in Austria: Lower Austria and Styria

IQ-Net Thematic Paper 5(3)

Ruth Downes

***IQ-Net
Improving the Quality of Structural Fund
Programming through Exchange of
Experience***

European Policies Research Centre

University of Strathclyde

Graham Hills Building

40 George Street

Glasgow G1 1QE

Tel: +44-141-548 3339/3955

Fax: +44-141-548 4898

E-mail: j.f.bachtler@strath.ac.uk

sandra.taylor@strath.ac.uk

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Preface

IQ-Net: Networking to improve the quality of Objective 2 programmes

Launched in early 1996 and managed by the *European Policies Research Centre* (EPRC) at the University of Strathclyde in Glasgow, the network *IQ-Net* facilitates exchange of experience in the development, implementation and evaluation of Objective 2 programmes. Funded by a consortium of 13 Objective 2 areas and the European Commission (DG XVI), the network meets twice a year to examine issues of practical relevance to programme-makers and share examples of good, innovative and distinctive practice from across the EU. The sixth and most recent meeting was held in Semmering, hosted by the Lower Austrian government. Meetings provide the opportunity to discuss the results of a structured programme of applied research and debate, steered by the network's partner regions.

- Steiermark and Niederösterreich, Austria
- Nordjylland, Denmark
- Päijät-Häme and South Karelia, Finland
- Aquitaine, France
- Nordrhein Westfalen and Saarland, Germany
- Ångermanlandskusten and Fyrstad, Sweden
- Industrial South Wales and Western Scotland, UK

Previous meetings have been held in Glasgow, in association with Strathclyde European Partnership (February 1996), in Cardiff, hosted by the Welsh Office and Welsh Development Agency (September 1996), in Gelsenkirchen, Nordrhein Westfalen, hosted by the Land Government of Nordrhein Westfalen (April 1997), in Fyrstad, hosted by the Fyrstad Objective 2 secretariat, and in Bordeaux, hosted by the Aquitaine SGAR and Regional Council.

IQ-Net Thematic Papers

The fifth series of thematic papers, produced by EPRC in spring 1998 as part of *IQ-Net's* applied research programme and presented at the Semmering conference, included the following papers:

- 5.1: The new Structural Fund Regulations – preparing for the new Programmes
- 5.2: Wish you were here? Tourism and the Structural Funds
- 5.3: Objective 2 Programming in Austria: Lower Austria and Styria

Previous papers in the series have been on the following themes:

Series 1: Cardiff	Series 2: Nordrhein Westfalen
1.1: Managing the Structural Funds, Institutionalising Good Practice	2.1: Interim Evaluation
1.2: RTD/Innovation Policies in Objective 2 Programmes	2.2: Synergy between the ERDF and ESF
1.3: Generating Good Projects	2.3: The Environment in Objective 2
1.4: Monitoring and Evaluation	2.4: The Nordrhein Westfalen Objective 2 Programme

Series 3: Fyrstad	Series 4: Aquitaine
3.1: The Evolution of Objective 2 Programmes	4.1: The new Structural Fund Regulations – Current Debates
3.2: Integrating Equal Opportunities into Objective 2 Programmes	4.2: Employment and the Structural Funds – Making a Good Job of making Jobs

- | | |
|---|--|
| 3.3: Meso-Level Partnerships and Structural Fund Implementation | 4.3: Thinking Strategically – RTD and Objective 2 Programmes |
| 3.4: Objective 2 Programming in Fyrstad, Sweden | 4.4: Objective 2 Programming in Aquitaine, France |

Focusing on topics selected by the network's partner regions, each paper places issues in their international context, raises questions for debate and highlights distinctive and innovative practices. For the convenience of readers, executive summaries are included in French, German and English.

Papers are first drafted on the basis of field research (encompassing interviews with Objective 2 programme managers and partners at regional, Member State and Commission levels) and substantial desk research. They are then modified to reflect the discussions of the *IQ-Net* meeting and the comments of network sponsors. The papers are distributed to a wide group of people nominated by the sponsors. The EPRC welcomes comment and feedback on them.

Readers are reminded that the content of the papers does not necessarily represent the official position of either the partner regions or the Commission, and that errors of fact or interpretation are the responsibility of the authors alone.

Acknowledgements

The research team for Series 5 of the *IQ-Net Thematic Papers* comprised:

John Bachtler	Rona Fitzgerald	Dianne Oestergaard Nielsen
Ross Brown	Henrik Halkier	Mary Louise Rooney
Ruth Downes	Rona Michie	Sandra Taylor

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Translations were carried out by Ingrid Schumacher (German) and Christelle Promé-McKeegan and Languages for Business, Glasgow (French).

Further Information

Additional copies of papers and further information on *IQ-Net* can be obtained from John Bachtler and Sandra Taylor, managers of the network, at EPRC. The papers are also summarised in the '*IQ-Net Bulletin*', a newsletter co-financed by DG XVI and available from EPRC. Information about Objective 2 and *IQ-Net* is also available on the *IQ-Net* website at <http://www.eprc.strath.ac.uk/iquet/>.

Objective 2 Programming in Austria: Lower Austria and Styria

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Executive Summaries

*Objective 2 Programming in Austria:
Lower Austria and Styria*

*Programmes d'Objectif 2 en Autriche:
Basse-Autriche et la Styrie*

*Ziel 2 Programme in Österreich:
Niederösterreich und die Steiermark*

1.

2. OBJECTIVE 2 PROGRAMMING IN AUSTRIA: LOWER AUSTRIA AND STYRIA

2.1 Introduction

Austria has four Objective 2 programmes which cover 8.2 percent of the national population and account for 15 percent of the resources available to Austrian regionally targeted Structural Fund programmes for the 1995-99 period. This paper focuses on two of these programmes, Lower Austria (Niederösterreich) and Styria (Steiermark) and examines their socio-economic context, their strategic direction and their common implementation structures.

2.2 The Lower Austrian Objective 2 Programme

The Lower Austrian Objective 2 area is located within the NUTS III area of Lower Austria South (*Niederösterreich Süd*) and does not form a functional region but rather comprises an almost circular area, the centre of which is designated under Objective 5b (see Map). The Lower Austrian Objective 2 area shows many of the classic characteristics of an industrial zone in decline. The effects of structural problems include contractions in primary and secondary employment, a rapid increase in unemployment (rising in the Objective 2 area by 131 percent between 1981-91) and expanding commuting levels.

The importance of Wiener Neustadt as a source of economic growth for the region as a whole is recognised within the Objective 2 programme. This relates to its more positive economic indicators and its potential for the siting or expansion of higher level and more technology-oriented activities. The geographical location of Wiener Neustadt is also a potential strength, as it lies



only 54 km south of Vienna.

The 1995-99 Lower Austrian programme is the second largest of the Austrian Objective 2 programmes and will receive 22.4 MECU from the Structural

Funds as part of total public expenditure of 56 MECU. The programme has a two-fold development objective:

- to initiate a reversal of current regional economic development trends in Lower Austria South by increasing the dynamism of the regional economy and its adaptability to changing global conditions; and
- to achieve a functional re-orientation of the regional economy towards more technology and know-how intensive production processes and a broader economic infrastructure base.

Four overarching goals are listed through which the objectives will be met:

- Strengthening the competitiveness of local companies, particularly through technology
- Stimulating endogenous potential in new firm formation
- Selectively attracting company re-locations of strategic importance
- Expanding and improving economic infrastructure, focusing on Wiener Neustadt

2.3 The Styrian Objective 2 Region

The Styrian Objective 2 area is by far the largest in Austria, accounting for 4.5 percent of the Austrian population. The area has a long industrial tradition based on natural resources but factors such as industrial decline and the restructuring of nationalised industries have led to economic crisis and job losses. Between 1981 and 1991, employment in the productive sector declined by over 23 percent in the Objective 2 area and even more in certain sub-regions. Unemployment in 1995 had risen to 9.6 percent - markedly higher than the Styrian and Austrian averages.

The regional economy is overly dependent on a small number of large firms, particularly in the iron and steel industries, and SMEs occupy a relatively weak position. Styria was the only Austrian *Land* to suffer population decline between 1981 and 1991 and this trend was particularly marked in the Objective 2 area, resulting in an ageing population structure.

The Styrian Objective 2 programme, as the largest in Austria, will receive 58 MECU from the Structural Funds as part of total public expenditure of 182 MECU. The overall strategic aim of the programme is to “*contribute to the modernisation and diversification of the regional economic structure, improve the environmental conditions and create long-term jobs and improved quality of living of the regional population*”.

The programme identifies four priorities:

- Support for investment in industry and tourism (particularly SMEs)
- Creation, improvement and expansion of infrastructure
- Support for technology and innovation transfer, consultancy and other software activities
- Development of human resources

2.4 Managing and implementing the Austrian Programmes

The management and implementation structures of the Austrian Objective 2 programmes are fundamentally the same. The Structural Funds are implemented through existing (pre-accession) organisational structures and incentives. These are highly complex, primarily because the strong tradition of consensus-based decision-making and coalition politics has resulted in the division of many policy areas along political lines, at times leading to

duplication or overlapping responsibilities. This means that Austria has a great many aid schemes, with government Ministries, devolved agencies, funds and special banks, at both federal and *Land* level, all involved in administering their own specific schemes. Overall, Austria has one of the highest number of individual aid schemes in Western Europe.

Austrian regional policy is wide in its definition and approach. It is viewed almost more as the spatial dimension of a range of sectoral policies, with the more specific regional policy component oriented towards dynamic structural change through the stimulation of endogenous regional potential. This approach, together with the organisational structures outlined above, have resulted in a large number of organisations and individual aid schemes being incorporated into the SPDs as the way of co-financing Structural Fund monies. The Styrian SPD alone incorporates 19 funding agencies and 46 aid schemes.

2.4.1 *National Responsibilities*

In terms of specific Structural Fund responsibilities, the Federal Chancellery acts as the co-ordinating Ministry within Austria, reflecting its co-ordination role in the framework of national policy-making. The Federal Chancellery is responsible for official dialogue with the European Commission. In addition, ÖROK (Austrian Spatial Planning Conference), the co-ordinating body for regional development issues, also carries responsibilities for the over-arching inner-Austrian co-ordination of the Structural Funds. Financial co-ordination of each Fund is carried out by so-called 'Fund-corresponding Ministries' (*fond-korrespondierende Ministerien*) - the Federal Chancellery for ERDF, the Federal Ministry of Labour, Health and Social Affairs for ESF and the Federal Ministry of Agriculture and Forestry for the EAGGF. The Labour Market Service, an independent institution established by the Labour Ministry to administer labour market measures, carries out much of the practical implementation of ESF measures through its *Länder* offices (the Labour Market Service - AMS). Overall, a single Structural Fund Monitoring Committee covers all the Objective 2 programmes.

2.4.2 *Sub-National Responsibilities*

The *Land* governments are responsible for managing individual Structural Funds programmes. In Lower Austria and Styria, this role has been taken on in the current programming period by the economic development department of each government, with the support of internal co-ordination groups.

At sub-*Land* level, 'regional management offices' have been put in place, building on similar existing structures. Their remit varies but includes information transfer, lobbying, the support of co-ordination and consensus-building within the region and the provision of initial consultancy for regional firms accessing funding. The *Länder* AMS have also established separate structures for regional-level ESF implementation, often incorporating measures within Objectives 2, 3 and 4.

2.4.3 *Project Selection*

As outlined above, the Austrian Objective 2 programmes are implemented through existing organisations and aid schemes at federal and *Land* level. The

application procedures for individual firms are the same as before, but awards might now be EU co-financed. There are no central project selection committees or structures related specifically to the Structural Funds - pre-existing selection criteria for each aid scheme continue to be used by the funding agencies for project assessment. In a few cases, additional quality criteria are used for those projects which will receive EU co-financing as part of their award, but this is not universal.

Clearly this system may impede adherence to the strategic direction of the SPD as well as creating an administrative burden. A concerted effort towards simplification is evident in the preparations for the next programming period. This includes a push to define a clearer strategic framework for action and to restrict individual aid schemes to those which are most associated with the specified strategic aims.

3. PROGRAMMES D'OBJECTIF 2 EN AUTRICHE: BASSE-AUTRICHE ET LA STYRIE

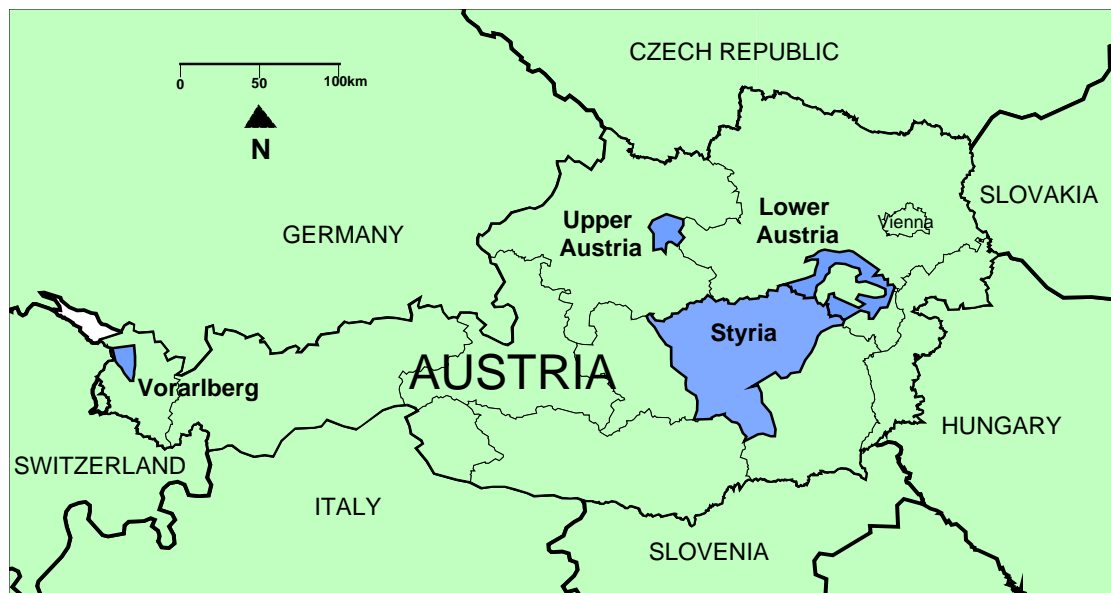
3.1 Introduction

L'Autriche a quatre programmes d'Objectif 2 qui représentent 8,2 pour cent de sa population nationale et regroupent 15 pour cent des ressources disponibles pour les régions d'Autriche ciblées dans le cadre des programmes de Fonds structurels pour la période 1995-1999. Ce document se concentre sur deux de ces programmes, celui de la Basse-Autriche (Niederösterreich) et celui de la Styrie (Steiermark) et étudie leur contexte socio-économique, leur direction stratégique et leurs structures communes d'exécution.

3.2 Le Programme d'Objectif 2 de la Basse-Autriche

La zone de Basse-Autriche identifiée par l'Objectif 2 est située au sein de la zone NUTS III Basse-Autriche Sud (*Niederösterreich Süd*) et ne constitue pas une région fonctionnelle, englobant plutôt une zone presque circulaire, dont le centre est éligible à l'Objectif 5b (voir Carte). La zone Objectif 2 de Basse-Autriche comprend nombre des caractéristiques d'une zone industrielle sur le déclin. Parmi les effets de problèmes structurels figurent des pertes d'emplois dans les secteurs primaire et secondaire, une rapide progression du chômage (avec une augmentation de 131 pour cent entre 1981 et 1991 dans la zone d'Objectif 2) et une augmentation des distances couvertes pour se rendre sur les lieux de travail.

L'importance de Wiener Neustadt en tant que source de croissance économique pour la région est reconnue dans le programme d'Objectif 2. Celui-ci fait état de ses indicateurs économiques plus positifs et de la possibilité de localiser et d'accroître des activités plus orientées vers la technologie. La situation géographique de Wiener Neustadt constitue



également un atout potentiel, étant située à 54 km au sud de Vienne.

Le programme de Basse-Autriche pour 1995-1999 est en deuxième position au niveau des programmes autrichiens d'Objectif 2 et recevra 22,4 MECU des Fonds structurels sur les 56 MECU de dépenses publiques. Ce programme a un double objectif de développement:

- initier un renversement des tendances actuelles de développement économique régional dans la Basse-Autriche Sud en dynamisant l'économie régionale et en encourageant une plus grande adaptabilité aux évolutions des conditions mondiales.
- effectuer une réorientation fonctionnelle de l'économie régionale vers des modes de production davantage basés sur une technologie et un savoir-faire de pointe et jeter les bases d'une infrastructure économique plus variée.

Sont également mentionnés quatre buts sous-jacents permettant la réalisation de ces objectifs:

- accroître la compétitivité des entreprises locales, en particulier grâce à la technologie
- encourager de façon sélective la réimplantation de sociétés d'importance stratégique
- étendre et améliorer l'infrastructure économique, en se concentrant sur Wiener Neustadt
- stimuler le potentiel endogène dans la création de nouvelles entreprises

3.3 La Région Objectif 2 de la Styrie

La zone Objectif 2 de la Styrie est de loin la plus grande d'Autriche, comprenant 4,5 pour cent de la population autrichienne. Cette région a une longue tradition industrielle basée sur les ressources naturelles mais certains facteurs tels qu'un long déclin industriel et que la restructuration des industries nationalisées ont provoqué une crise économique et des licenciements. Entre 1981 et 1991, le nombre d'emplois dans le secteur de la production a diminué de 23 pour cent dans la zone d'Objectif 2 et davantage même dans certaines parties de cette zone. En 1995 le taux de chômage avait atteint 9,6 pour cent, un taux bien supérieur à la moyenne de la Styrie et de l'Autriche.

L'économie régionale repose essentiellement sur un petit nombre d'entreprises locales, notamment sur l'industrie sidérurgique et les PME occupent une place relativement peu importante. La Styrie a été le seul Land autrichien à subir une baisse de population entre 1981 et 1991, cette baisse étant particulièrement sensible dans la zone d'Objectif 2, provoquant par là-même un vieillissement de la population.

Le programme d'Objectif 2 pour la Styrie, le plus important sur l'Autriche, se verra attribuer 58 MECU des Fonds structurels sur un ensemble de dépenses publiques de 182 MECU. L'objectif stratégique global de ce programme est de *"contribuer à la modernisation et à la diversification de la structure économique régionale, d'en améliorer l'environnement et de créer des emplois à long terme, tout en améliorant la qualité de vie de la population de la région."*

Ce programme a identifié quatre priorités:

- consolider les investissements dans l'industrie et dans le tourisme (en particulier dans les
- encourager le transfert de technologie et de pratiques novatrices, les services d'experts

- | | |
|--|---|
| PME) | conseil et autres activités informatiques |
| • créer, améliorer et développer les infrastructures | • développer les ressources humaines |

3.4 Dispositions de Mise en Oeuvre des Programmes Autrichiens

Les structures de gestion et d'exécution des programmes autrichiens d'Objectif 2 sont pratiquement identiques. Les Fonds structurels sont mis en oeuvre à travers des structures organisationnelles et des instruments de développement économiques qui existaient avant l'adhésion de l'Autriche à l'UE. Il s'agit là de structures fort complexes, dû en partie à une longue tradition selon laquelle les décisions sont prises par consensus et au fait que la politique de coalition a provoqué une fragmentation des mesures prises sur des bases politiques, ceci provoquant parfois une répétition ou un recoupement des responsabilités. L'Autriche bénéficie par conséquent de nombreux programmes d'assistance, impliquant des ministères, des agences décentralisées, des fonds et des banques spécialement établies, aux niveaux fédéral et du *Land*, tous ces organismes administrant individuellement leurs propres programmes. Sur l'ensemble, l'Autriche dispose du plus grand nombre de programmes d'assistance d'Europe occidentale.

La politique régionale de l'Autriche est définie et conçue de façon assez générale. Elle est presque davantage considérée en tant que dimension spatiale de diverses politiques de secteurs, la composante plus spécifiquement régionale de cette politique étant tournée vers une réforme structurale dynamique, activée par l'énergie régionale endogène. Cette démarche, combinée aux structures organisationnelles décrites ci-dessus, a provoqué l'incorporation d'un grand nombre d'organismes et de programmes d'assistance dans les DOCUP, dans le but de co-financer les capitaux avancés par le fonds structurel. A lui seul le DOCUP de la Styrie regroupe 19 organismes de financement et 46 programmes d'assistance.

3.4.1 Responsabilités au Niveau national

Au niveau des responsabilités spécifiques des Fonds structurels, la Chancellerie fédérale coordonne les opérations au sein de l'Autriche, son rôle de coordination étant reflété dans la structure de la politique nationale. La Chancellerie fédérale est officiellement chargée de dialoguer avec la Commission Européenne. En outre, ÖROK (Conférence autrichienne de planification spatiale), organisme de coordination pour toutes mesures de développement régional, a également pour responsabilité de superviser la coordination interne des Fonds structurels en Autriche. La coordination financière de chaque fond est assurée par des organismes intitulés 'Ministères de correspondance des fonds' (*fond-korrespondierende Ministerien*): la Chancellerie fédérale pour le FEDER, le Ministère fédéral du travail, de la santé et des affaires sociales pour le FSE et le Ministère fédéral de l'agriculture et de la forêt pour le FEOGA. Le Service du marché du travail, institution indépendante fondée par le Ministère du travail pour administrer les mesures affectant le marché du travail, se charge en grande partie de la mise en oeuvre pratique des mesures du FSE à partir de ses bureaux dans les *Lands* (Labour

Market Service/Service du marché du travail - AMS). Un Comité de Suivi des Fonds structurels supervise l'ensemble des programmes d'Objectif 2.

3.4.2 *Responsabilités sous-nationales*

Les gouvernements des *Lands* sont responsables de la gestion des programmes individuels des Fonds structurels. En Basse-Autriche et en Styrie, ce rôle est assumé au cours de la période de programmation actuelle, par le service de développement économique de chaque gouvernement avec le soutien de groupes internes de coordination. Au-dessous du niveau des *Lands*, des "bureaux de gestion régionale" ont été mis sur pied, se basant sur des structures existantes similaires. Leur rôle varie mais comprend en particulier le transfert d'informations, du lobbying, le soutien de mesures de coordination et de recherches de consensus au sein de la région ainsi qu'un service d'expertise conseillant les entreprises régionales qui cherchent à obtenir des fonds. Les AMS des *Lands* ont également une structure séparée permettant la mise en oeuvre du FSE au niveau régional, incorporant souvent des mesures tombant sous le coup des Objectifs 2, 3 et 4.

3.4.3 *Sélection des Projets*

Comme décrit ci-dessus, les programmes autrichiens d'Objectif 2 sont mis en oeuvre à travers des organismes existants et des programmes d'assistance opérant aux niveaux fédéral et du *Land*. Les procédures de demandes de fonds effectuées par les entreprises sont les mêmes qu'auparavant, mais ces fonds sont maintenant susceptibles d'être co-financés par l'UE. Il n'y a pas de comités centraux chargés de la sélection de projets ni de structures spécifiquement attachées aux Fonds structurels, les critères de sélection préexistants de chaque programme d'assistance continuant à être utilisés par les agences de financement pour l'évaluation des projets. Dans certains cas, des critères supplémentaires sont utilisés pour des projets en partie financés par l'UE, mais ce principe n'est pas universel.

4. ZIEL 2 PROGRAMME IN ÖSTERREICH: NIEDERÖSTERREICH UND DIE STEIERMARK

4.1 Einführung

Österreich hat vier Ziel 2 Programme, die 8,2 Prozent der nationalen Bevölkerung erfassen und 15 Prozent der Mittel in Anspruch nehmen, die für die österreichischen regional ausgerichteten Strukturfondsprogramme für den Zeitraum 1995-99 zur Verfügung stehen. Die vorliegende Arbeit konzentriert sich auf zwei dieser Programme - für Niederösterreich und die Steiermark - und untersucht ihren sozioökonomischen Kontext, ihre strategische Ausrichtung und gemeinsame Umsetzungsstrukturen.

4.2 Die niederösterreichischen Ziel 2 Programme

Das niederösterreichische Ziel 2 Gebiet liegt innerhalb des NUTS III Gebiets Niederösterreich Süd. Es ist keine eigentliche Region sondern umfaßt ein fast kreisförmiges Gebiet, dessen Zentrum nach Ziel 5b abgezeichnet ist (siehe Karte). Das niederösterreichische Ziel 2 Gebiet zeigt viele der klassischen Charakteristiken einer im Abbau begriffenen Industriezone. Zu den Folgen struktureller Probleme gehören die Schrumpfung primärer und sekundärer Beschäftigung, ein rapider Anstieg der Arbeitslosigkeit (im Zeitraum 1981-91 um 131 Prozent im Ziel 2 Gebiet) sowie eine Ausdehnung des Pendelverkehrs.

Die Bedeutung von Wiener Neustadt als einer Quelle für wirtschaftliches Wachstum für die gesamte Region wird innerhalb des Ziel 2 Programms anerkannt. Dabei geht es um die positiveren Wirtschaftsindikatoren und ihr Potential für die Ansiedlung oder Ausdehnung mehr anspruchsvoller und technologieorientierter Aktivitäten. Der geographische Standort der Wiener Neustadt ist ebenfalls eine potentielle Stärke, da sie nur 54 km südlich Wiens liegt.



Das niederösterreichische Programm für 1995-99 ist das zweitgrößte der österreichischen Ziel 2 Programme und wird von den Strukturfonds 22,4

MECU als Teil der gesamten öffentlichen Ausgaben von 56 MECU erhalten. Das Programm hat ein zweifaches Entwicklungsziel:

- Die Umkehrung der gegenwärtigen Trends regionaler Wirtschaftsförderung in Niederösterreich Süd durch Verstärkung der Dynamik der regionalen Wirtschaft und ihrer Anpassungsfähigkeit an globale Bedingungen.
- Eine funktionelle Neuorientierung der regionalen Wirtschaft zugunsten technologisch und fachwissenschaftlich intensiverer Produktionsprozesse und einer breiteren wirtschaftlichen Infrastrukturbasis.

Dies soll durch vier übergeordnete Ziele erreicht werden:

- Verstärkung der Wettbewerbsfähigkeit lokaler Unternehmen, insbesondere durch Technologie
- Stimulierung endogenen Potentials bei der Schaffung neuer Unternehmen
- Selektive Anziehung strategisch wichtiger Unternehmensverlagerungen
- Ausdehnung und Verbesserung wirtschaftlicher Infrastruktur mit Blickpunkt Wiener Neustadt

4.3 Die Ziel 2 Region Steiermark

Das Ziel 2 Gebiet Steiermark ist mit 4,5 Prozent der österreichischen Bevölkerung das bei weitem größte in Österreich. Das Gebiet hat eine lange industrielle Tradition basierend auf Naturschätzen, doch führten Faktoren wie industrieller Rückgang und die Umstrukturierung verstaatlichter Industrien zu Wirtschaftskrise und Arbeitsplatzverlusten. Zwischen 1981 und 1991 ging im Ziel 2 Gebiet die Beschäftigung im Produktionssektor um über 23 Prozent zurück und sogar noch mehr in bestimmten Unterregionen. 1995 war die Arbeitslosigkeit auf 9,6 Prozent gestiegen - beträchtlich höher als der Durchschnitt in der Steiermark und Österreich.

Die regionale Wirtschaft hängt zu sehr von einer kleinen Anzahl großer Unternehmen ab, besonders in der Eisen- und Stahlindustrie, und KMU haben eine relativ schwache Position. Die Steiermark war das einzige österreichische Land, das im Zeitraum 1981 bis 1991 einen Bevölkerungsrückgang erlebte, und dieser Trend war besonders deutlich im Ziel 2 Gebiet, wo es zu einer alternden Bevölkerungsstruktur führte.

Das Ziel 2 Programm der Steiermark wird als das größte in Österreich 58 MECU aus den Strukturfonds erhalten - als Teil der gesamten öffentlichen Ausgaben von 182 MECU. Das allgemeine strategische Ziel des Programms ist *"zur Modernisierung und Diversifizierung der regionalen Wirtschaftsstruktur beizutragen, die Umweltbedingungen zu verbessern und Dauerarbeitsplätze und eine bessere Lebensqualität für die regionale Bevölkerung zu schaffen"*.

Das Programm identifiziert vier Prioritäten:

- Unterstützung für Investitionen in Industrie und Tourismus (besonders KMU)
- Schaffung, Verbesserung und Ausdehnung der Infrastruktur
- Unterstützung für Technologie- und Innovationstransfer, Unternehmensberatung und andere Software-Aktivitäten
- Entwicklung humaner Ressourcen

4.4 Management und Umsetzung der Österreichischen Programme

Die Management- und Umsetzungsstrukturen der österreichischen Ziel 2 Programme sind im Grunde dieselben. Die Strukturfonds werden durch (vor dem Beitritt) bereits bestehende organisatorische Strukturen und Fördermaßnahmen umgesetzt. Diese sind höchst komplex, vor allem da die starke Tradition einer auf Konsensus basierenden Entscheidungs- und Koalitionspolitik zu einer Aufteilung vieler Bereiche nach politischen Maßstäben führte, was zeitweise eine Verdoppelung oder Überschneidung von Zuständigkeiten zur Folge hat. Dies bedeutet, daß Österreich eine große Anzahl von Förderprogrammen hat, wobei Regierungsministerien, dezentralisierte Agenturen, Fonds und Sonderbanken sowohl auf Bundes- als auch auf Landesebene alle mit der Verwaltung ihrer eigenen spezifischen Programme beschäftigt sind. Österreich hat insgesamt die größte Anzahl individueller Förderprogramme in Westeuropa.

Die österreichische Regionalpolitik ist in ihrer Definition und ihrem Ansatz sehr umfassend. Sie wird fast mehr als die räumliche Dimension einer Reihe sektoraler Maßnahmen betrachtet, wobei die mehr spezifische regionalpolitische Komponente auf dynamischen Strukturwechsel durch die Stimulierung endogenen regionalen Potentials ausgerichtet ist. Dieser Ansatz führte zusammen mit den bereits umrissenen Organisationsstrukturen dazu, daß eine große Anzahl von Organisationen und individuellen Förderprogrammen in die EPPD aufgenommen wurden, um Strukturfondsgeldern mitzufinanzieren. Das EPPD der Steiermark allein erfaßt 19 Finanzierungsstellen und 46 Förderprogramme.

4.4.1 Nationale Zuständigkeiten

Was spezifische Strukturfondszuständigkeiten anbelangt so agiert das Bundeskanzleramt als das koordinierende Ministerium in Österreich, was seine Koordinationsrolle im Rahmen nationaler Politik reflektiert. Das Bundeskanzleramt ist für den offiziellen Dialog mit der Europäischen Kommission zuständig. Außerdem trägt auch die ÖROK (Österreichische Raumordnungskonferenz), die Koordinationsstelle für Fragen regionaler Wirtschaftsförderung, eine gewisse Verantwortung für die übergeordnete innerösterreichische Koordination der Strukturfonds. Die finanzielle Koordination eines jeden Fonds wird durch sogenannte fondskorrespondierende Ministerien durchgeführt - das Bundeskanzleramt für EFRE, das Bundesministerium für Arbeit, Gesundheit und Soziales für den ESF und das Bundesministerium für Land- und Forstwirtschaft für den EAGFL. Der Arbeitsmarktdienst, eine unabhängige Institution, die durch das Arbeitsministerium zur Verwaltung von Arbeitsmarktmaßnahmen eingesetzt wurde, führt einen Großteil der praktischen Umsetzung der ESF-Maßnahmen durch seine Länderbüros (Arbeitsmarktservice - AMS) durch. Insgesamt erfaßt ein einzelner Strukturfondsbegleitausschuß alle Ziel 2 Programme.

4.4.2 Subnationale Zuständigkeiten

Die Landesregierungen sind für die Leitung einzelner Strukturfondsprogramme zuständig. In Niederösterreich und der Steiermark wird diese Rolle in der gegenwärtigen Programmperiode von den

Wirtschaftsförderungsabteilungen der einzelnen Regierungen übernommen, wobei sie von internen Koordinationsgruppen unterstützt werden.

Unterhalb der Landesebene sind 'regionale Managementbüros' eingerichtet worden, die auf ähnlichen, bereits bestehenden Strukturen aufbauen. Ihr Aufgabenbereich ist unterschiedlich, doch umfaßt er Informationstransfer, Lobbying, die Unterstützung von Koordination und Konsensaufbau innerhalb der Region und anfängliche Unternehmensberatung für regionale Firmen, die sich um Mittel bewerben. Die AMS der Länder haben auch eigene Strukturen für ESF-Umsetzung auf regionaler Ebene geschaffen, die oft Maßnahmen innerhalb der Ziele 2, 3 und 4 mit einbeziehen.

4.4.3 Projektwahl

Wie bereits umrissen, werden die österreichischen Ziel 2 Programme auf Bundes- und Landesebene durch bestehende Organisationen und Förderprogramme umgesetzt. Es gelten die gleichen Antragsverfahren für einzelne Firmen wie zuvor, doch werden Vergaben nun eventuell von der EU mitfinanziert. Es gibt keine zentralen Projektwahlausschüsse oder Strukturen, die sich speziell auf die Strukturfonds beziehen - bereits bestehende Selektionskriterien für die einzelnen Förderprogramme werden auch weiterhin von den Finanzierungsstellen bei der Projektbewertung verwendet. In einigen wenigen Fällen werden zusätzliche Qualitätskriterien für die Projekte verwendet, die als Teil ihrer Förderung EU-Mitfinanzierung erhalten, doch ist dies nicht überall der Fall.

Dieses System kann zweifelsohne eine Verfolgung der strategischen Richtung der EPPD behindern, sowie eine administrative Belastung darstellen. Ein deutliches Streben zur Vereinfachung zeigt sich bei den Vorbereitungen für die nächste Programmperiode. So wird u.a. auf die Definition eines klareren strategischen Aktionsrahmens gedrängt und eine Beschränkung auf die individuellen Förderprogramme, die am meisten mit spezifischen strategischen Zielen verbunden sind.

Thematic Paper

*Objective 2 Programming in Austria:
Lower Austria and Styria*

Objective 2 Programming in Austria: Lower Austria and Styria

1. INTRODUCTION

Austria has four Objective 2 programmes which cover 8.2 percent of the national population and account for 15 percent of the total EU Structural Fund allocation for the country in the programming period 1995-99. This paper focuses on two of these programmes, Lower Austria (Niederösterreich) and Styria (Steiermark) and examines the socio-economic situation of the two regions and the corresponding content of the programmes. It also presents the structures through which they are implemented, many of which are common to all the Structural Fund programmes in Austria.

2. THE LOWER AUSTRIAN OBJECTIVE 2 AREA

The Lower Austrian Objective 2 area is located within the NUTS III area of Lower Austria South (Niederösterreich Süd) and has a spatial coverage of 1,195 km² and a population of 139,830 inhabitants. The second largest urban settlement in the *Land* of Lower Austria, Wiener Neustadt (35,134 inhabitants) is located within the Objective 2 area. It is not a functional region and comprises an almost circular area, the centre of which is designated under Objective 5b. The Wiener Neustadt area lies in the southern part of the industrialised Vienna basin while to the south and west, the character of the area is dominated by industrialised valleys. The geographical situation of the Lilienfeld area, in the western part of the Objective 2 region, means that it is oriented more towards the Lower Austrian capital of St. Pölten, although in terms of its economic problems it is similar to the remainder of the Objective 2 region. The Lower Austrian Objective 2 area borders the Styrian Objective 2 area to the south and the Burgenland Objective 1 area to the east.

2.1 Economic Development Situation

The Lower Austrian Objective 2 areas shows many of the classic characteristics of an *industrial region in decline*. As in other industrial regions in Austria, Lower Austria was affected by the structural crisis in industry in the 1970s, which had a particularly strong impact with the onset of recession at the start of the 1980s. Despite the relatively wide diversity of industrial sectors, structural problems became apparent and were exacerbated by the delayed rationalisation of nationalised industries in the 1980s, which affected industrial employment particularly badly. Sectors which were worst affected included iron and metal production, metal goods production, paper, rubber and textiles. Employment in more future-oriented, technology-based sectors is also lower than the *Land* average and the former focus on low or single technology large firms has negatively affected the innovation capacity of regional firms.

Employment decline evidenced these structural problems. While overall employment between 1981-91 fell only slightly in the Objective 2 region (-0.8

percent), sectoral falls were much more significant. Employment in the secondary sector decreased by 16 percent and in the primary sector by 19 percent. The share of industry in the economy of Lower Austria South fell from 21.6 percent in 1981 to 18.1 percent in 1991. Service sector employment did rise over the same time period by 19 percent, but still proved insufficient to compensate for wider losses. Geographically, certain sub-areas have also suffered particularly severe employment decline including the heavily industrialised area of Schwarztal (-14.0 percent) and the declining tourism area of Semmering (-15.3 percent). Other indicators also show clear structural problems within the regional industry, including low levels of net production value.

A labour market disparity exists between the regional supply and demand of labour. There has been an increase in the number of people looking for employment due to an overall increase in the number of people in the working age group and an increased female participation rate. These trends are mirrored at *Land* and national levels. The result has been twofold. First, there has been a rapid increase in *unemployment*, rising in the Objective 2 area between 1981-91 by 131 percent. In 1993, unemployment in the region stood at 8.6 percent, with levels in sub-areas rising to nearly 10 percent. In almost all the regions of the Objective 2 area, six times as many people were looking for work in 1993 as had been the case in 1980.

The second impact of the labour market disparity is the increase in *commuting* levels. In 1991, 10.8 percent of the total population of the Objective 2 area commuted outside the area to work. The improvement of communication links has made commuting easier, even from the more peripheral parts of the region, and commuting from the more industrialised areas has increased sharply with the decline of regional jobs. While commuting helps to some extent to create employment opportunities for the regional labour force, it is not viewed as an entirely positive phenomenon. One particular problem is the development of a sharp dividing line between living and working functions which, from a regional development viewpoint, is associated with dangers including traffic congestion, the emergence of dormitory towns and out-migration.

A further aspect of labour market development in Lower Austria is the *qualification level* of the workforce which has been negatively affected by the former focus on mass production and standardised tasks. Further, the economic dominance of large firms led to the emergence of a branch plant structure with higher level company functions such as R&D and marketing undertaken outside the region. The region has lower than *Land* and national average proportions of the workforce with higher level qualifications, although a higher than average number who have undertaken vocational training.

Overall, the roots of the industrial problems in the Lower Austrian Objective 2 region can be traced to four main factors:

- the nature of historical industrial development, influenced by under-investment during the initial Soviet occupation, and the growth of nationalised, low-technology industry;

- the dominance of mass production which led to a branch plant structure as well as technological and organisational inflexibility within companies;
- the high degree of external control, resulting in problems such as labour market polarisation, reduced levels of R&D and low levels of company networking; and,
- the emergence of a culture of dependency as a result of, for example, mono-company towns and a 'job for life' mentality.

In terms of other sectors, *tourism* is very significant in the southern sub-region of Semmering-Rax in particular - although does not play an important role in the structure of the Objective 2 area as a whole. The wider developments in the tourism industry and changing tastes and destination choices have negatively affected the particular tourism product of the area ie. attractive leisure area within easy reach of Vienna. Modernisation and quality related improvements have been neglected and low turnover and capital availability restricts to some degree the options for structural improvement in this area.

The importance of the *Wiener Neustadt* area in economic terms for the future development of the region is explicitly recognised within the Objective 2 programme. While Wiener Neustadt is the only area within the designated region to display relatively positive economic indicators, it is viewed as very important as a source of economic growth impulses for the region as a whole. Equally, much of the strategy for renewal and regeneration rests on the promotion of higher level and more technology-oriented institutions and companies. The size and amenities of Wiener Neustadt make it the best potential candidate site for such activities. Care, however, must be taken to ensure that the '*dezentrale Konzentration*' (decentralised concentration) highlighted in the Objective 2 SPD ensures the spread of economic benefit to other parts of the region.

The *geographical location* of the region is an important potential strength. The Objective 2 area lies to the south of the Vienna agglomeration, Wiener Neustadt being only 54 km. south of the capital. This allows easy access to the social, educational and technological facilities on offer in Vienna. It also has good links eastwards to Central and Eastern Europe and southwards towards Styria. The transport and energy infrastructure is well developed.

In terms of wider socio-economic indicators, the *population* trends in the Lower Austrian Objective 2 area show a stagnation over the period 1981-91, although some of the more peripheral areas have witnessed significant population decline eg. Semmering (-7.2 percent) and Traisental (-5.0 percent). The structure of the population, in common with other traditional industrial areas, shows a higher than national average proportion of over 60 year olds (23.3 percent as opposed to 20.1 percent). This trend is likely to continue, with a projected increase of 18 percent in this age group between 1991-2011 and corresponding growth of the working age group of only two percent.

2.2 Lower Austrian 1995-99 Objective 2 programme

The Lower Austrian programme is the second largest of the Austrian Objective 2 programmes and will receive 22.4 MECU from the Structural

Funds as part of total public expenditure of 56 MECU. The programme has a two-fold overall development objective:

- To initiate a reversal of the current regional economic development trends in the underdeveloped industrial region of Lower Austria South. The ability of the regional economy to adapt to rapidly changing global economic, technological, ecological and social conditions should be considerably increased and dynamism in the regional economy should be achieved.
- A functional re-orientation of the regional economy should accompany this restructuring process. The former dominance of capital and labour-intensive industries should be supplemented and replaced by predominantly technology and know-how intensive production structures and strengthened through the broad development of economic infrastructure.

The SPD does not list priorities as such, but outlines the following overarching goals (*Oberziele*) through which the development objectives are to be met:

- Strengthening of the competitiveness of regional companies, particularly through an improvement of the technological know-how and strategic competencies;
- Stimulation of endogenous potential in new firm creation through making the process easier and encouraging a positive climate for entrepreneurs;
- Selectively attracting company re-locations of importance to the region in both the production and service sectors, focusing on those with high technological capacity and R&D functions; and,
- Expansion and improved quality of the economic infrastructure, based on existing quality supply in the Wiener Neustadt area in particular, to support the above company related developments.

These development goals are grouped into five principal areas, which are also quantified:

- *Industry*

- no further reduction of the relative importance of industry in the region in *Land* or national comparison
- maintenance or expansion of the sectoral diversity of industry
- slowing of the process of decline in existing firms and reversal of the negative development to date
- increase in the skill orientation in production and other company functions across all sectors
- increase in the number of firms which are fully functionally integrated, or at least have HQs in the region
- identification of suitable industrial sites, giving priority to the re-use of existing sites.

- *Technology and Research*

- increase in the technology component of industrial production, at least to the level of the national average
- creation of at least one technology focus in the region to act as a signal for future technology oriented development
- establishment of research institutes of wider regional or international importance
- improvement of technology transfer to regional SMEs

- *SMEs*

Intensification of new firm formation, particularly in production firms and economic infrastructure services
 Establishment of entrepreneur centres at suitable decentralised locations
 Increased competitiveness of SMEs in production and service sectors
 increased internationalisation of regional SMEs

- *Tourism*

maintenance and increase of commercial income generation potential in tourism sector
 integration of guest tourism in regional leisure industry
 development or expansion of sub-regional or municipality tourism foci of two-season or whole-year potential
 setting of regional economic impulses through tourism flagship projects

- *Human Resources, Labour Market*

increase in the vocational/qualification related flexibility of employed workforce
 regional use of qualification reserves of employed women

2.2.1 *Priorities and Measures*

The programme identifies seven measures (excluding technical assistance), some of which are divided into sub-measures.

Measure 1: Support of Restructuring and Modernisation (32 percent of the Community contribution)

- 1.1 Investment support for SMEs, new company formation and re-locations
- 1.2 Support of technology and innovation
- 1.3 Commercial investment in environmental protection

Measure 2: Renewal and Revitalisation of Traditional Tourism Areas (18 percent)

- 2.1 Support of investment for adaptation and modernisation
- 2.2 Support of key and pilot projects
- 2.3 Networking of regional culture, leisure and tourism services

Measure 3: Economic, Innovation, Ecological Company and Entrepreneurial Consultancy (3 percent)

- 3.1 Ecological company consultancy
- 3.2 Innovation and technology consultancy
- 3.3 Entrepreneurial and new firm consultancy
- 3.4 Structural company consultancy
- 3.5 Joint regional firm planning and development programme
- 3.6 Municipality consultancy and locational marketing

Measure 4: Economic Infrastructure and Services, Alternative Energy (24 percent)

4.1 Creation and expansion of economic infrastructure and services

4.2 Support of the use of alternative renewable energy

Measure 5: Increasing Flexibility of Employment in Industry, Commerce and Services; *Fachhochschule* training (11 percent)

5.1 Increasing employment flexibility

5.2 *Fachhochschule* training

Measure 6: Innovative Qualification Measures in Tourism (4 percent)

Measure 7: Qualification Measures for Women in the Problem Areas (4 percent)

3. THE STYRIAN OBJECTIVE 2 REGION

The Styrian Objective 2 area is by far the largest in Austria, with a spatial coverage of ca. 7,000 km² and a population in 1991 of 356,670 inhabitants (4.5 percent of the Austrian total) (See Figure 1.1). It encompasses six political districts and sub-areas of a seventh. The region has a number of population centres with more than 10,000 inhabitants including Leoben, Kapfenberg, Bruck/Mur, Mürzzuschlag and Liezen. The Objective 2 region can be viewed as two sub-regions: Obersteiermark, which comprises a reasonably coherent functional region; and, the district of Voitsberg which is more closely linked in economic and infrastructural terms to the Styrian capital of Graz.

3.1 Economic Development Situation

The Styrian Objective 2 area is characterised by a long *industrial tradition*, based on its coal and mineral natural resource base as well as forestry and water. Obersteiermark and Voitsburg in particular developed on the basis of the exploitation of raw materials. The double pronged problems of widespread industrial decline and falling productivity, together with the withdrawal of key business functions resulted in regional economic crisis and considerable job losses. Between 1981-1991 (the two most recent census dates), employment in the productive sector declined by over 14 percent in Styria as a whole, and over 23 percent in the Objective 2 area. Certain sub-regions show even higher rates of employment loss, up to nearly 35 percent. Much of this decline was related to the crisis in the above-mentioned raw materials industry which is concentrated in the Objective 2 area. Extensive restructuring within nationalised industries in the mid 1980s also led to considerable job losses.

In line with industrial employment decline, overall *employment* in the region has also fallen. Recent estimates foresee a continuation of this trend, with an overall estimated 12 percent decline in employed people over the period 1991 and 2011. New jobs created through new firm formation totalled ca. 2,300 between 1980 and 1992, a third fewer than were lost through industrial closures. The service sector is underrepresented in national comparison, accounting for under 20 percent of total regional employment, while agriculture represented only six percent in 1991. Tourism is a relatively weak sector in the region with a low value added. The supply of accommodation in

the Objective area fell by more than a quarter between 1981 and 1991. Tourism demand in both summer and winter seasons declined in the assisted area in the face of rising demand, for example, for winter tourism in Austria as a whole. Failure to increase quality and adapt to new market demands pose considerable threats to the tourism industry in the region.

Unemployment in the Styrian Objective 2 area stood at 10.3 percent in 1993, markedly higher than the Austrian average (6.8 percent) and also the overall Styrian level (8.4 percent) - although this total had fallen to 9.6 percent by 1995. Over the period 1990-94, unemployment in the Objective 2 area region rose by 42 percent, compared with 29 percent in Austria as a whole. Long-term unemployment is becoming an increasing problem with nearly half of the unemployed in 1994 having been without a job for more than six months. In common with Austrian-wide trends, unemployment is increasingly affecting older workers. Unemployment in the working age group (25-60) has been rising consistently and much of this growth relates to the increase of women in this total.

The *company size structure* in the region has moved towards a higher number of smaller firms, with the average number of employees per company falling from 185 in 1982 to 86 in 1991. However, the region remains overly dependent on a small number of large firms, particularly in the iron and steel industries. Small and medium-sized enterprises occupy a relatively weak position in the regional economy.

In terms of the *RTD and training infrastructure* in the region, the supply is heavily concentrated in the Leoben area and includes the well-regarded *Montanuniversität*, as well as other research institutes and specialised centres. Within the university, considerable recent growth and spin-off potential is evident in the area of synthetics and materials. A number of technology and new firm formation centres have been created as part of the regional renewal effort, offering a range of services from administrative support through to technology transfer and consultancy. However, the dominance of large, nationalised firms has reduced entrepreneurial capacity in the region and there is little tradition of drawing on external services for SME development and innovation support.

There is a good supply of more general educational and training facilities in Steiermark. However, problems also exist in this area. The nature of training offered, for example, is not always matched to the supply of suitable jobs in the regional labour market. Further the trend of selective out-migration has exacerbated the disparity between the regional supply of education and training and the qualification level of the inhabitants and the qualification level in the Objective 2 area lies behind both the Styrian and national average.

In terms of wider socio-economic indicators, Styria was the only Austrian *Land* to suffer *population* decline between 1981 and 1991 (-0.2 percent) and this trend was particularly marked in the Objective 2 area (-4.6 percent). At sub-regional level, considerably higher levels of population decline are evident, including from regional centres such as Leoben (-9.7 percent) and Kapfenberg (-9.1 percent). Much of this decline is related to the out-migration of the resident population and has resulted in an ageing of the population

structure. Population prognoses show that this negative trend is likely to continue, despite population increase in Austria as a whole.

3.2 Styrian 1995-99 Objective 2 Programme

The Styrian programme is the largest of the Austrian Objective 2 programmes and will receive 58 MECU from the Structural Funds as part of total public expenditure of 182 MECU. The overall strategic aim of the programme is to “contribute to the modernisation and diversification of the regional economic structure, improve the environmental conditions and create long-term jobs and improved quality of living of the regional population”. Four key areas are identified for the achievement of this objective:

- *Industry and commerce*

Modernisation and restructuring of industrial core areas
Sectoral diversification
Improvement of SME access to information and know-how
Strengthened regional synergies through improved cooperation between firms/entrepreneurs and technology centres in the areas of product and market development

- *Tourism*

Renewal and increased qualifications in ‘old’ tourism areas
Creation of tourism foci in specific areas of potential
Supply networking and the creation of supply chains
Expansion of cultural and city tourism

- *Labour market*

support of structural change through regionally appropriate qualification and employment measures for unemployed and those threatened with unemployment
greater ease of access to labour market for unemployed and regionally specific problem groups
support of equal opportunities and increased participation levels for women and creation of improved organisational and thematic basis for the development of a regionally appropriate demand.

- *Environment and socio-cultural area*

maintenance and improvement of environmental quality in central settlement areas
maintenance of cultural landscape in peripheral areas
development of culture and regional identity
new network and implementation structures.

3.2.1 Priorities and Measures

The programme identifies four priorities, each with a set of goals and measures:

Priority 1: Support of Investment in Industry and Tourism (particularly SMEs)

Goals:

- Restructuring regional economic structure
- Diversification of sectoral structure
- Improved supply of production related services

Measures:

- 1.1 Support of new firm formation and company relocations
- 1.2 Support of modernisation and structural improvement in existing

- Improvement of environmental quality firms
- Increased qualifications in tourism firms 1.3 Support of measures to improve the quality of tourism

Priority 2: Support of Technology and Innovation Transfer, Consultancy and other Software Activities

Goals:

- Strengthening of competitiveness of SMEs
- Reduction of information gaps
- Strengthening of innovative capacity of firms
- Tourism image of sub-regions and supply foci
- Improved regional co-operation and networking
- Reduction of bankruptcies (particularly of new firms in the initial growth phase)
- Support of (particularly co-operative) R&D projects

Measures:

- 2.1 Support of technology and innovation transfer, consultancy and information for SMEs in particular
- 2.2 Support of commercial and co-operative research projects, as well as industrially relevant basic research
- 2.3 Support of tourism marketing
- 2.4 Support of regional initiatives and development concepts

Priority 3: Creation, Improvement and Expansion of Infrastructure

Goals:

- Strengthened regional and sectoral diffusion of R&D
- Improvement of infrastructure for entrepreneurs and new company re-locations
- Improved targeting of qualifications and skills
- Improved networking of firms and the RTD infrastructure
- Improvement of locational conditions for tourism firms

Measures:

- 3.1 Creation, expansion and networking of economic infrastructure units
- 3.2 Expansion of tourism infrastructure

Priority 4: Development of human resources

Goals:

- Support of structural change through regionally appropriate qualification measures for unemployed and those threatened with unemployment
- Improved access to the labour market for unemployment and regionally specific problem groups
- Support of equal opportunities and an increased female participation rate

Measures:

- 4.1 Regional qualification management
- 4.2 Qualification measures in RTD
- 4.3 Qualification and employment measures for the metal production and metal working sector
- 4.4 Qualification and employment measures to support and adapt the industrial and service sectors
- 4.5 *Fachhochschule* support

- Improved framework conditions to develop 4.6 Technical assistance a regionally appropriate supply.

4. MANAGEMENT AND IMPLEMENTATION OF THE AUSTRIAN PROGRAMMES

The management and implementation structures for the Austrian Objective 2 programmes are fundamentally the same, although a degree of regional difference inevitably exists in actual practice. The Austrian decision in 1995, following the accession of the country to the European Union, was to implement the Structural Funds through existing channels, both in terms of organisational structures and incentive measures. The only new structure introduced, although it had existed to a lesser degree prior to the Structural Funds, was the regional management offices.

4.1 National Level Responsibilities

The coordinating Ministry for the Structural Funds in Austria is the Federal Chancellery. This role reflects its coordination role in the framework of national policy-making, including in the regional development field. The Federal Chancellery is responsible for dialogue with the European Commission and overall coordination of the Structural Funds in Austria. This position is particularly important given the nature of regional policy in Austria, which is very wide in its definition and approach. Regional policy is viewed almost more as the spatial dimension of a range of sectoral policies and what could be classed as the more specific regional policy component is oriented towards dynamic structural change through the stimulation of endogenous regional potential. This policy approach means that a range of incentive schemes in various sectoral policy areas are used to some degree in the promotion of regional development and have correspondingly been incorporated into the Structural Fund implementation framework.

In addition to the Federal Chancellery, ÖROK (Austrian Spatial Planning Conference) the coordinating body for regional development issues within Austria, also carries responsibilities for the over-arching inner-Austrian coordination. Financial coordination for each Fund is carried out by so-called 'Fund-corresponding Ministries' (*fond-korrespondierende Ministerien*). These comprise the Federal Chancellery for ERDF, the Federal Ministry of Labour, Health and Social Affairs for ESF and the Federal Ministry of Agriculture and Forestry for the EAGGF. The Labour Market Service, an independent institution established by the Labour Ministry to administer labour market measures, carries much of the practical implementation responsibilities through its *Länder* offices for the ESF resources. Overall, a single Structural Fund Monitoring Committee covers all the Objective 2 regions, although specific issues relating to individual regions are dealt with subsequent to a general discussion.

4.2 Sub-National Responsibilities

The respective *Land* governments are responsible for the management of the Structural Funds programmes. In the case of Styria and Lower Austria, the

economic development department within each government has taken on this role in the current programming period. In the drafting phase of the first SPDs, the *Länder* formed so-called Programme Groups comprising representatives of the federal Ministries, the *Länder*, the social partners and municipality representatives. These groups were subsequently superseded by internal *Land* coordination groups.

At regional (ie. sub-*Land*) level, the regional management structure has been put in place. While regional managers or consultants had operated prior to EU accession in conjunction with national regional policy, the comprehensive coverage introduced in line with the Structural Funds was a new development. The role of the regional managers has not always been exactly defined and the actual activities vary between offices. The Federal Chancellery includes the following areas of competence within the regional manager remit:

- transfer of information into the region, including innovative project ideas, information on financial support and specific consultancies;
- lobbying for, and information dissemination about, the region;
- assisting cooperation and coordination within the region, including tasks such as improving contacts and information flows between regional actors, stimulating joint participation in projects, consensus building and bringing cooperation partners together; and,
- providing initial consultancy, ie. acting as a first point of contact for regional firms and helping them identify possible partners, funding sources etc.

The regional managers are not designed to act as competitors for other regional development organisations in the area, but rather to help stimulate cooperation between them for the overall benefit of the region. The identification and stimulation of good projects in the region and the support of these projects through to the implementation stage is less often included in official descriptions of the regional manager role - although a number are already working in this direction.

The *Länder* AMS have also established individual structures for the implementation of ESF measures at regional level. In Steiermark, so-called *Büros für Ausbildungs- und Beschäftigungsentwicklung*, BAB (Offices for training and employment development) have been established for the implementation of ESF measures within Objectives 2, 3 and 4 - one is located in Graz and a further two in the Objective 2 area. In Lower Austria, a similar system of regional level ESF-consultants operates, although within a different organisational structure. The ESF consultant for Lower Austria South, for example, is responsible for the Objective 2 and 5b areas and Objective 4 in a number of administrative districts.

4.3 Project Selection Process

The Austrian Objective 2 programmes are implemented through pre-existing incentive schemes at both federal and *Land* level. These schemes are operated by federal and *Länder* ministries, economic development agencies, funds and special banks (eg. the BÜRGES Development Bank for SME support). Although overall guidance is given in the SPD relating to the type of projects

to be co-financed by the Structural Funds, the individual incentive schemes still use their own pre-existing selection criteria. There are no central project selection committees or structures related specifically to the Structural Funds. This clearly makes adherence to the strategic direction of the SPD considerably more difficult in the practical implementation of the programmes. The project selection system and its underlying structures are described in more detail in Section 5.

4.4 Monitoring and Evaluation

The creation of monitoring and evaluation structures in Austria presented a considerable challenge given the absence of a previous evaluation culture in the country. Nevertheless, a nation-wide system has been established with ÖROK acting as the overall coordinating organisation which receives the annual implementation reports of the individual Objective 2 programmes. The technical gathering of the required monitoring information has been contracted by the Federal Chancellery to the ERP Fund, based at the Federal Ministry of Science and Transport. Every funding agency must submit a list of projects and awards every three months, either directly or through a coordinating organisation such as the programme manager of EU Office at *Land* level. With regard to ESF monies, the new computer system developed for this area has many similarities with the ERDF equivalent. Information is collected and entered into the system, and the national Ministry of Labour and Social Affairs has the ability to access all the regional systems. The Ministry also carries out further monitoring and evaluation on the basis of this information.

The Monitoring Committee (*Begleitausschuß*) is comprised of representatives from all the funding agencies which make awards under the Structural Funds, as well as social partners and regional representatives. The tasks of this committee are currently more in the direction of a partnership forum of Austria-Commission discussions although there is a desire to use the Committee as an environment for more strategic discussions.

5. DISTINCTIVE PRACTICE IN AUSTRIA

The Structural Funds have been implemented in Austria through the existing institutional structures. This is not an unusual decision in the wider European context but the nature of this pre-existing system is what makes the implementation of the Funds somewhat distinctive in practice. The public assistance structures in Austria are highly complex, based on a number of factors. First, the strong tradition of consensus-based decision-making and coalition politics has exerted some influence on the nature of institutional structures. The political split of the current coalition (Social Democrats and Austrian Peoples' Party), which has been in power since the mid-1980s, is reflected through the public administration system, with Ministries adhering politically broadly to one party or the other. One result of this is the division of many policy areas between organisations, at times leading to duplicated or overlapping responsibilities.

Second, the use of devolved agencies, boards and funds, as well as special banks, in the administration of aid schemes is characteristic of the Austrian institutional system. Each individual aid scheme has its own regulatory

guideline (*Richtlinie*) which outlines the scheme's objectives, eligibility criteria, administrative procedures and so on. Each *Richtlinie* is linked to a budget specific to that scheme.

Third, the federal system in the country means that this situation is broadly mirrored at *Land* level, where *Land* governments are divided into individual departments, each of which administer their own schemes, all of which have dedicated *Richtlinien*. In recent years, the majority of *Länder* have also introduced semi-independent economic development agencies (EcoPlus in Lower Austria and the SFG in Styria). These agencies generally undertake tasks such as investment attraction, project management and the operation of industrial parks, consultancy and locational marketing. Overall, Austria has one of the highest number of individual aid schemes in Western Europe.

As highlighted in Section 4.1, regional policy is viewed very broadly in Austria and responsibility for this area is not constitutionally allocated either to the federal or the *Länder* government. This approach results in the involvement of a wide range of schemes in the administration and implementation of the policy area. At least five Ministries, as well as other organisations, have regional policy competence at federal level, together with a range of agencies at *Land* level.

The ramifications of this structure for the Structural Fund implementation are that a very large number of individual aid schemes have been incorporated into the SPDs to co-finance the European monies. In the Styrian SPD alone, for example, 19 funding agencies and 46 aid schemes have been used. Table 5.1 shows the route by which project applicants would access EU co-financing. The key part of this from the point of view of Structural Fund implementation procedures is the stage of project assessment. As mentioned briefly in Section 4.3, an applicant would apply as normal to the funding agency which operates the particular scheme under which they are applying. The funding agency then assesses the project according to the criteria detailed in the *Richtlinie* for that particular scheme. In some cases, additional criteria are applied for EU co-financed projects but this is not always the case. There is no separate and Structural Fund specific project decision-making committee and, for individual firms, the application procedures for money remain unchanged. The only difference is that their final award may be co-financed by the Structural Funds if the scheme is included in the SPD and the project is located in a Structural Fund area. The involvement of all the individual funding agencies in this manner means that a greater number of individual players are involved in the implementation than is the case in the majority of other Member States.

The experience of this programming period in Austria has been that, while implementation has progressed relatively smoothly due to the use of existing structures, the administrative burden has been very considerable and it has been difficult to maintain strategic direction specific to the Structural Fund programmes. One of the key elements of the current preparations for the next programming period, particularly at *Land* level, is a concerted effort towards simplification. This is emerging in two key areas. First, the definition of a much more clearly defined strategic framework for action, based often around a small number of thematic foci. Second, the inclusion of a much smaller

number of individual aid schemes as the vehicle for co-financing and their much closer association with the specified strategic aims.

Table 5.1: EU Structural Funds in Austria – route to EU co-financing

