

SOCIAL NETWORK ANALYSIS REPORT
Jihozápad NUTS 2 cohesion region, Czech Republic

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A. INTRODUCTION

The focus of our analysis is NUTS 2 cohesion region Jihozápad in South-West Bohemia, representing a relatively unproblematic and well adapted region. The cohesion region consists of two self-administrative territorial units, Jihočeský region and Plzeňský region. It does not suffer from any major structural development problems, such as high rate of unemployment, low HDP or cultural and racial frictions. Its economic structure is favourable, lacking major problems with declining industrial sectors. GDP per capita in the selected NUTS 2 region is just under 60% of the EU-25 average, i.e. third best after the capital city Prague cohesion region. Cohesion regions were intentionally designed as relatively equal (the worst NUTS 2 North-West region has GDP per capita 46% of the EU/25 average).¹ More information on the selected cohesion region and its local, economic and political characteristics is in the National Report; we do not include it here to avoid overlaps.

This main analytical part of this report is Part B which brings detailed results of UCINET analysis in part 2 and analysis of other quantitative and qualitative data from the interviews in part 3. Both part 2 and 3 are concluded with a summary and discussion of the main findings in the context of relevant literature and with the focus on our topic, i.e. social networks, adaptation and learning. The report is substantially longer than the required 8 000 words and we therefore suggest - to get to the main findings quickly - to read conclusions to part 2 and 3 (i.e. chapters 2.5 and 3.5). Finally, the report is concluded with the summary of the main overall findings in Part C.

B. ANALYSIS

1. MAJOR INSTITUTIONS AND THEIR ROLE

The major institutions were mapped with the view to the aim of our study, i.e. regional development. Therefore, we started from official bodies relating to regional development in the cohesion region and worked from there (representatives of important institutions in different boards, committees etc.). We used mostly positional identification and marginally also reputational identification (one pilot interview). The identification of actors has been complicated by the fact that bodies created for the implementation of Structural Funds in 2004 - 2006 have been recreated in a new institutional structure and with new responsibilities (see National Report) as of July 2006. New institutions started working as of September 2006 and therefore have a very short institutional history - although most staff remained in the old-new institutions and positions.

Table A gives the selected institutional actors according to region (Jihočeský region - left column, Plzeňský region - right column) with only a few public sector actors spanning the whole cohesion region NUTS 2. This reflects the reality when most public and private institutions as well as NGOs exist within sub-regional or regional framework, not the cohesion region.

¹ Source: Czech Republic National Report (this project).

Table A: Overview of major regional institutions

Public sector institutions	
Regional Council of the Cohesion Region NUTS 2 Jihozápad (5)	
Center for Regional Development of the Czech Republic, branch for NUTS 2 Jihozápad (11)	
Monitoring Committee of Joint Regional Operational Programme (JROP) 2004-2006 (10)	
Regional Council of the Jihočeský region (1)	Regional Council of the Plzeňský region (3)
Regional Office of the Jihočeský region in České Budějovice (2)	Regional Office of the Plzeňský region in Plzeň (4)
Secretariat of the Regional Council of the Cohesion Region NUTS 2 Jihozápad in České Budějovice (6)	Secretariat of the Regional Council of the Cohesion Region NUTS 2 Jihozápad in Plzeň (7)
Department of the Executive Body of Joint Regional Operational Programme (JROP), Regional department NUTS 2 Jihozápad at the Regional Office in České Budějovice (8)	Department of the Executive Body of Joint Regional Operational Programme (JROP), Regional department NUTS 2 Jihozápad at the Regional Office in Plzeň (9)
Regional Development Agency of Jižní Čechy in České Budějovice (12)	Regional Development Agency of Plzeňský region in Plzeň (13)
The University of South Bohemia (20)	The University of West Bohemia in Plzeň (21)
CzechInvest, regional office for Jihočeský region (22)	CzechInvest, regional office for Plzeňský region (23)
České Budějovice City Office (32)	Plzeň City Office (33)
Local Government in Strakonice (341)	Local Government in Rokycany (343)
Local Government in Prachatice (342)	Local Government in Kdyně (344)
Private sector institutions	
District Agrarian Chamber in Strakonice (151)	District Agrarian Chamber in Tachov (152)
Jihočeská Economic Chamber in České Budějovice (16)	Regional Economic Chamber of the Plzeňský region (17)
NGOs/Civil society	
Regional Council of Trade Unions associated in Czech-Moravian Confederation of Trade Unions in České Budějovice (18)	Regional Council of Trade Unions associated in Czech-Moravian Confederation of Trade Unions in Plzeň (19)
Centre for Community Organising Jižní Čechy (24)	Centre for Community Organising Západočechy (28)
Jihočeská Regional Disability Council (25)	Plzeňská Regional Disability Council (29)
Jihočeská Regional Council of Humanitarian Organisations (26)	Plzeňská Regional Council of Humanitarian Organisations (30)
Council of Children and Youth Jihočeského kraje (27)	Council of Children and Youth Plzeň (31)
Association for European Integration in České Budějovice (36)	

Note: The number in brackets is the code of the institution used in graphs and analysis

1.1 A note on the selection of major actors and interviews

There is a specific case of district agrarian chambers (151-2), district economic chambers and local government (341-344). We considered them to be very important actors in the cohesion region. However, given their high number, we selected only several of these actors to be interviewed with the knowledge these categories of institutional actors are not covered completely.

We conducted interviews in 26 institutions. Some of the institutions (6-10) had to be included as addressees of contacts since they played key role in the period 2004-2006 but were no longer in existence at the time of the research so could not be interviewed. We assumed the existence or non-existence of contacts is symmetric and this enabled us to include these actors into network analysis. Several institutional actors were not available for interview (3, 11, 17, 31).

Respondents were instructed to complete the list of major institutional actors. They either identified them as a general category of institutional actors, such as local government, district labour offices, district economic chambers, firms, private project agencies, local action groups – MAS, or named individually, it was categorized by the researchers ex post, such as NGOS (4x). These further contacts do not point to any specific important cohesion region institutional actor that would be mentioned repeatedly and should have been included in the analysis. A few respondents identified national level actors as important (CzechTrade, Economic Chamber of the Czech Republic, Ministries).

We found it difficult to select specific firms that would have major role in regional development of the cohesion region. Therefore, we included associations that represent the interests of private sector actors, such as economic and agrarian chambers.

2. INSTITUTIONAL NETWORK STRUCTURE AND LEARNING CAPACITY

2.1 A technical note on the matrices used in social network analysis

We had 38 institutions on the list of major actors and conducted interviews in 26 institutions. We assumed the network of „being in regular contact with“ makes sense as symmetric and this enabled us to construct a matrix with 38 nodes (actors).² This is the matrix entitled “CR_2_general_ord_all_symetr” for contacts concerning regional policy in general and another matrix for contacts concerning structural funds entitled “CR_2_SF_all_symetr” (see separate attachment to this report in DL format).

We conducted the analysis on these two undirected symmetric adjacency matrices – one for contacts concerning regional policy in general and one for contacts concerning specifically structural funds. The matrix for general contacts is available with ordinal variables measuring the strength of ties (a valued matrix), however, for most analytical purposes in this report we used a dichotomized - binary – version of the matrix.

Secondly, there are two larger matrices where the above mentioned 38 actors (or the respective ties) are complemented with additional actors mentioned by individual respondents as further important contacts. They are based on the same 26 interviews and contain 50 nodes (actors). The important methodological fact is these actors were named by individual respondents and were not included on the list of major actors included as standard part of the interview. Therefore, we can not assume symmetry of contacts and the matrix is just partial. This data is included in two matrices entitled “CR_2_general_ord_all_symetr_complemented” and “CR_2_SF_all_symetr_complemented” (see separate attachment to this report in DL format) and were not used for UCINET analysis.

2.2 DENSITY/institutional thickness

2.2.1 Cohesion region NUTS 2 network

The density of the network of general contacts (matrix average) is 0.3030. The results show that the proportion of ties actually present to all possible ties is relatively very low for the whole network concerning regional development, just 30%. The density could be considered as low and probably reflects the fact that networks exist within the individual regions, not across the cohesion region (NUTS 2). It is very similar to Paraskevopoulos’ results for Greece (2000, 2001, 2002).

The density of the network of contacts concerning Structural Funds is 0.2518. That is only 25% of all possible ties are present. Again, the result may suggest that networks exist within individual regions. However, Paraskevopoulos (200, 2001, 2002) found in all prefectures and regions that specific policy (SF) networks were considerably (about twice) denser than general relations networks. Our finding suggests an opposite trend. It could be that the first round of SF did not yet constitute a dense network – it would develop over time. Also, there has been since the beginning of 1990s a number of both

² I.e. those who were explicitly given on the list of major actors but who could not be interviewed.

national and regional support programs run at the regional level that gave basis for the development of institutional networks.

2.2.2 Individual regions within the cohesion region NUTS 2

We would like to calculate density of ties within and between the two regions, first concerning regional development in general.³ The actors were divided into the Jihočeský region (block 1), Plzeňský region (block 2) and cohesion region actors (block 3).⁴ We calculated the proportion of all ties within each block that were present (block density matrix).

Table 1. Density within and between blocks by regions – general ties

	Jihočeský	Plzeňský	Cohesion region institutions
Jihočeský	0.510	0.134	0.352
Plzeňský	0.134	0.449	0.255
Cohesion region institutions	0.352	0.255	0.333

We see from Table 1 that the density is considerably higher than the density of the network within the individual regions. The density of the cohesion region network is 30% while within the individual regions it is 45-50%. On the contrary, contacts about regional development across the two regions are thin, only 13% of all possible ties. Contacts among the joint cohesion region actors themselves are denser, but surprisingly thin (33%) compared to the density of intra-regional ties. How to explain it? Further on, contacts of the joint cohesion actors and Jihočeský region actors are denser (35%) than of the Plzeňský region actors (26%). This might be explained using qualitative data about regional differences.

The differences stick out even more when we create the "image" of the blocked matrix. In order to further summarize the information, if the density in a block is greater than the density for the whole matrix (0.3030), "1" is entered in a cell of the blocked matrix, and a "0" otherwise.

Table 2. Image matrix of density within and between blocks by regions – general ties

	Jihočeský	Plzeňský	Cohesion region institutions
Jihočeský	1	0	1
Plzeňský	0	1	0
Cohesion region institutions	1	0	1

Here we can see that the density is highest along the diagonal, i.e. within the blocks, and low between them. Network of ties among the Jihočeský region and the joint cohesion region actors form an exception. Its density is slightly above the density of the whole and represents about one third of all possible ties (i.e. it is still very low). The lack of information exchange between the two regions of the cohesion region means that the potential for learning and adaptation within this territorial and administrative unit is very limited. Even the joint cohesion region bodies do not as yet constitute a bonding structure. Regional policy is discussed within the individual regions and the cohesion region remains to be put into life.

Now, we will compute the same measures for the ties concerning specifically Structural Funds.⁵

³ We had to decide what to do with the cohesion region actors, common to both blocks. We transformed them into a third block.

⁴ Row Block Members (for codes of institutions, see Table A):

Jihočeský = block 1: 1 2 6 8 12 15 16 18 20 22 24 25 26 27 32 34 31 34 36

Plzeňský = block 2: 3 4 7 9 13 15 17 19 21 23 28 29 30 31 33 34 3 34

Cohesion region institutions = block 3: 5 10 11

⁵ The matrix is composed of exactly the same actors as in the previous case, only the ties are somewhat different.

Table 3. Density within and between blocks by regions – SF ties

	Jihočeský	Plzeňský	Cohesion region institutions
Jihočeský	0.438	0.118	0.315
Plzeňský	0.118	0.331	0.216
Cohesion region institutions	0.315	0.216	0.333

Table 3 shows lower densities than in case of regional development policy but we must not forget that the density of the whole network (38 actors) was also lower (0.2518).

Table 4. Image matrix of density within and between blocks by regions – SF ties

	Jihočeský	Plzeňský	Cohesion region institutions
Jihočeský	1	0	1
Plzeňský	0	1	0
Cohesion region institutions	1	0	1

Table 4 reveals exactly the same structure of tie densities as in case of regional development policy contacts before (Table 2). That is, concerning contacts and information exchange about Structural Funds, there is considerably higher density within the regions than across them. To take a look at subtler differences, we would like to compare Tables 1 and 3. However, they are related to different size of networks (number of actors in the network “cohesion region institutions” is very low compared to networks within regions) and this makes the comparison difficult. To solve that, I compare what percentage of the density is present within and across the three blocks in case of regional policy and in case of Structural Funds (Table 5).

Table 5. Density within and between blocks by regions relative to the respective overall mean densities – general and SF ties compared (%)

	Jihočeský		Plzeňský		Cohesion region institutions	
	general	SF	general	SF	general	SF
Jihočeský	170	175	43	47	117	126
Plzeňský	43	47	150	132	85	86
Cohesion region institutions	117	126	85	86	110	133

The differences are 1-5% plus or minus but in several cases the differences are more pronounced. In a simplified form, the comparison can be expressed in Table 6 bellow.

Table 6. Density within and between blocks by regions relative to the respective overall mean densities simplified – general and SF ties compared (%)

	Jihočeský		Plzeňský		Cohesion region institutions	
	general	SF	general	SF	general	SF
Jihočeský	0	0	0	0	0	+10
Plzeňský	0	0	0	-20	0	0
Cohesion region institutions	0	+10	0	0	0	+20

Concerning Structural Funds, the density of ties within block 3 (joint cohesion region actors) is relatively higher vis-à-vis the respective matrix average than in case of regional development policy in general. Here, therefore, we may observe the trend observed by Paraskevopoulos, i.e. higher densities concerning specific policy. It is obvious, given that the cohesion region actors were established above all to deal with Structural Funds.

Secondly, Table 6 adds more information about the differences between Jihočeský and Plzeňský region. We know that the Jihočeský region (block 1) is considerably more densely connected to joint cohesion region actors than the Plzeňský region (block 2), concerning both regional policy in general and Structural Funds in particular (Tables 2 and 4). Table 6 shows that the difference is more pronounced concerning Structural Funds. Also, we know that the Jihočeský region is somewhat more densely interconnected internally than the Plzeňský region, concerning both regional policy and Structural Funds (Tables 1 and 3). Table 6 again shows that the Plzeňský region is less thickly interconnected concerning Structural funds than regional policy in general. This seems to indicate that the differences between the regions concern regional development policy in general but become even more pronounced concerning Structural Funds in particular. Is it possible that the general network density is a predisposition for better information exchange concerning Structural Funds? And that Structural Funds perhaps do not improve the general quality of the network, rather they tend to strengthen existing disparities in institutional thickness/information exchange? This needs to be interpreted in the context of qualitative data on both regions (as well as quantitative data on the number of CS organizations, number of SF projects etc.).

2.2.3 Public, private and NGO/civil society actors within the cohesion region NUTS 2

We divided the actors into public sector actors (block 1), private sector actors (block 2) and NGOs/civil society (block 3).⁶ We calculated the proportion of all ties within each block that were present (block density matrix).

Table 7. Density within and between blocks by sectors – general ties

	Public sector	Private sector	NGOs/civil society
Public sector	0.455	0.196	0.245
Private sector	0.196	0.333	0.136
NGOs/civil society	0.245	0.136	0.182

We see from Table 7 that the density is considerably higher than for the network within the public sector (46% within the public sector compared to 30% for the whole network). On the contrary, for example contacts about regional development within the NGOs/civil society block are much bellow for the whole network. Let us now order inter and intra block relations according to their thickness (Table 8).

Table 8. Relations across and within sectors according to their density – general ties

1.	Public sector within	46%
2.	Private sector within	33%
3.	NGOs/Civil society and Public sector	25%
4.	Private sector and Public sector	20%
5.	NGOs/Civil society within	18%
6.	NGOs/Civil society and Private sector	14%

This seems to indicate that public sector institutions form the core of information exchange and learning concerning regional development. Other contacts within or across blocks are near or bellow

⁶ Block Members:

Public = block 1: 1 2 3 4 5 6 7 8 9 10 11 12 13 20 21 22 23 32 33 341 342 343 344

Private = block 2: 151 152 16 17

Civil Society = block 3: 18 19 24 25 26 27 28 29 30 31 36

the for the whole network. Another interesting feature is that NGOs/civil society actors are connected to public institutions much more than within their own sector. It would suggest that regional development is driven by public sector actors. Finally, there is almost no exchange among civil society and private sector institutions (which reflects poor contacts between these two spheres in society at large). Therefore most contacts between the private sector and civil society would be probably intermediated by public institutions - thus further strengthening their position in regional development.

When we look at block densities for Structural Funds in particular (Table 9), the structure of intra and inter block densities is the same. The average density for the network was 25% whereas the intra-block density for public actors is 40% and for private actors 33%. The order of inter and intra block relations according to their thickness also remains the same (Table 10).

Table 9. Density within and between blocks by sectors – SF ties

	Public sector	Private sector	NGOs/civil society
Public sector	0.399	0.152	0.202
Private sector	0.152	0.333	0.045
NGOs/civil society	0.202	0.045	0.127

Table 10. Relations across and within sectors according to their density – SF ties

1.	Public sector within	40%
2.	Private sector within	33%
3.	NGOs/Civil society and Public sector	20%
4.	Private sector and Public sector	15%
5.	NGOs/Civil society within	13%
6.	NGOs/Civil society and Private sector	5%

However, when we compare the intra and inter block densities relative to the respective network densities, some differences emerge (Table 11).

Table 11. Relations across and within sectors according to their density relative to the respective mean network densities – general and SF ties compared (%)

		general	SF
1.	Public sector within	153	160
2.	Private sector within	110	132
3.	NGOs/Civil society and Public sector	83	80
4.	Private sector and Public sector	67	60
5.	NGOs/Civil society within	60	52
6.	NGOs/Civil society and Private sector	47	20

Table 11 shows the intra and inter-block densities as a percentage of the respective network mean density. The comparison reveals that the differences of intra and inter-block densities become in each case even more pronounced in the Structural Funds network. So for example information exchange and contacts within public sector are even more above contacts of the whole network in case of Structural Funds networks. On the contrary, thin relations within civil society and across the civil society and private sector become even more bellow. We can say that the Structural Funds network intensifies the relational properties of the more general, regional policy network. It thus seems to support the thesis that the specific institutional exchange (Structural Funds) draws on the “capital” of the more general network. We therefore can hardly expect that the mechanisms of Structural Funds would go contrary to the effects of the more general network and perhaps remedy some of its deficiencies.

2.3 CENTRALITY/power

To assess the centrality of the network concerning regional development policy in general, we used Freeman's degree centrality measures (Ucinet). On average, actors have degree 11 (i.e. they are connected to 11 other actors on average), which is not much, given there are 38 actors in the network. There is a considerable variance within the network (35.429); minimum number of degrees is 3 and maximum 29. It shows the network is quite heterogeneous in structural positions. The coefficient of variation (the variability relative to the typical scores)⁷ in this network is 53. According to Hanneman, "by the rules of thumb that are often used to evaluate coefficients of variation", the value of 53 is moderate.

When we look at the position of individual actors (Table 12), we can see that actors 1 (Zastupitelstvo JČ), 12 (RERA JČ), 4 (Krajský úřad Plzeň), 21 (Západočeská univerzita), 13 (RERA Plzeň) and 20 (Jihočeská univerzita) have the most advantageous positions within the network, characterized by the greatest degree (most ties). From the point of view of the network, they have more ties and thus more opportunities to exchange information or exert influence and fewer constraints. For example the Zastupitelstvo of the Jihočeský region has regular contacts with almost 80% of the other actors in the cohesion region network.

Table 12. Centrality of individual institutions in the cohesion region – general ties

Actor (code)	Degree	Degree relative to the number of actors in the network (%) ⁸
Regional Council of the Jihočeský region (1)	29	78
Regional Development Agency of Jižní Čechy in České Budějovice (12)	23	62
Regional Office of the Plzeňský region in Plzeň (4)	22	59
The University of West Bohemia in Plzeň (21)	20	54
Regional Development Agency of Plzeňský region in Plzeň (13)	20	54
The University of South Bohemia (20)	20	54

The overall network centralization is 50.75%. The Freeman's graph centralization measure relates the current network to the most centralized type of network, the star, characterized by the most unequal distribution of power (one actor has contact to all others, all the others have no contacts but to this central actor). The measure "expresses the degree of variability in the degrees of actors in our observed network as a percentage of that in a star network of the same size" (Hanneman 2005). In our network, the graph centralization is 51% of the theoretical maximum. We could conclude that there is a substantial amount of centralization in the network. That is, the power of individual actors varies rather substantially, and this means that, overall, positional advantages are rather unequally distributed.

When compared to the results of Paraskevopoulous' Greek study, our network is considerably less centralized overall (centrality in the two Greek cohesion regions was 70 and 84%). However, the results for Greece were "extremely high" (2001).

In order to explore centrality in the individual regions, we created two matrixes, one for each region, in each case containing also the joint cohesion region actors, and computed the centrality measures for each. Table 13 compares the results for the two regions and the whole cohesion region.

Table 13. Centrality measures compared across regions – general ties

	Jihočeský region	Plzeňský region	Cohesion region as a whole
Average degree	10	7,5	11

⁷ The coefficient of variation is calculated by dividing standard deviation (5,952) by mean (11,211) times 100.

⁸ The degree count expressed as a percentage of the number of actors in the network, less one (ego). I selected those actors who had contacts to over 50% of other actors in the network.

Maximum/minimum	19/3	17/1	29/3
Variance	16	18	35
Coefficient of variation	41	56	53
Graph centralization	51%	56%	51%
Total number of actors	21	20	38

The centrality measures for the two regions and the cohesion region as a whole are basically comparable and there are no outstanding differences. The distribution of social positions within the cohesion region network is moderately centralized – concerning regional policy development - and the situation is similar within the two individual regions.

Positions of individual actors in the regions are shown in Table 14. We can see that the group of actors with many contacts (high degree) is larger in the Jihočeský region, where also the variance and variation within the network is smaller than in either the Plzeňský region or the cohesion region as a whole (Table 13). It seems to indicate that the distribution of power is somewhat more equal there and the network more horizontal.

Table 14. Centrality of individual actors in two individual regions – general ties

	Degree	Degree relative to the number of actors in the network (%) ⁹
Jihočeský region actors (codes)		
Regional Council of the Jihočeský region (1)	19	95
Regional Development Agency of Jižní Čechy in České Budějovice (12)	17	85
The University of South Bohemia (20)	14	70
České Budějovice City Office (32)	14	70
Jihočeská Regional Council of Humanitarian Organisations (26)	12	60
Regional Office of the Jihočeský region in České Budějovice (2)	12	60
Local Government in Prachatice (342)	11	55
Association for European Integration in České Budějovice (36)	11	55
Plzeňský region actors (codes)		
Regional Office of the Plzeňský region in Plzeň (4)	17	89
Regional Development Agency of Plzeňský region in Plzeň (13)	15	79
Local Government in Kdyně (344)	12	63
The University of West Bohemia in Plzeň (21)	12	63
Plzeň City Office (33)	10	53
Plzeňská Regional Disability Council (29)	10	53

Now we did the same for the network concerning specifically Structural Funds (Table 15). We can see that the overall graph centralization for Structural Funds in the cohesion region network is the same as for regional policy in general. However, there are more visible differences between the individual regions with the Plzeňský region being considerably more centralized.

Table 15. Centrality measures compared across regions – SF ties

	Jihočeský region	Plzeňský region	Cohesion region as a whole
Average degree	8	6	9
Maximum/minimum	18/2	16/0	27/0

⁹ We selected those actors who had contacts to over 50% of other actors in the network.

Variance	16	15,5	36
Coefficient of variation	49%	69%	64%
Graph centralization	54%	60%	50,5%
Total number of actors	21	20	38

The same can be illustrated on the positions of individual actors in the Structural Funds networks within the individual regions (Table 16). In case of regional policy in general, the group of actors with relatively many ties was larger in each region than in networks concerning Structural Funds policy. The difference is largest in case of Plzeňský region where there are only two strong actors with contacts to over 50% of other actors and all others are much less in contact concerning Structural Funds and thus their position is in this respect weaker.

We can conclude that the overall graph centrality for the cohesion region is similar for regional policy and for Structural funds policy. However, there are differences within the regions where in the Plzeňský region the distribution of favorable structural positions becomes more unequal concerning Structural Funds.

Table 16. Centrality of individual actors in two individual regions and the cohesion region – SF ties

	Degree	Degree relative to the number of actors in the network (%) ¹⁰
Cohesion region actors (codes)		
Regional Development Agency of Jižní Čechy in České Budějovice (12)	27	73
Regional Council of the Jihočeský region (1)	26	70
Regional Office of the Plzeňský region in Plzeň (4)	21	57
Regional Development Agency of Plzeňský region in Plzeň (13)	20	54
Jihočeský region actors (codes)		
Regional Council of the Jihočeský region (1)	18	90
Regional Development Agency of Jižní Čechy in České Budějovice (12)	17	85
The University of South Bohemia (20)	12	60
Regional Office of the Jihočeský region in České Budějovice (2)	11	55
Local Government in Prachatice (342)	11	55
Plzeňský region actors (codes)		
Regional Office of the Plzeňský region in Plzeň (4)	16	84
Regional Development Agency of Plzeňský region in Plzeň (13)	15	79

2.4 Structural equivalence

Using CONCOR assumes we know how many groups there are to be found in the data. Moreover, the partitioning proceeds in division steps, thus producing even number of groups (2, 4, 8). This may not be too useful.

We preset 2 steps of division (4 groups) and conducted the procedure on the general matrix and the Structural Funds matrix separately (Table 17).

Table 17. Members of equivalence classes – general and SF ties

Class	General ties
1	1, 2, 6, 8, 12, 20, 25, 32, 31

¹⁰ I selected those actors who had contacts to over 50% of other actors in the network.

2	5 , <i>14, 16, 18, 22, 24, 26, 27, 34, 35, 38</i>
3	3, 7, 9, 10, 15, 17
4	4, 11, 13, 19, 21, 23, 29, 28, 30, 33, 36, 37
Class	Structural funds ties
1	1, 2, 6, 8, 12, 31, 32
2	5 , <i>14, 16, 18, 20, 22, 24, 25, 26, 27, 30, 34, 35, 38</i>
3	7, 10, 11, 15, 17
4	3, 4, 9, 13, 19, 21, 23, 28, 29, 33, 36, 37

To understand the emergent blocks better, we highlighted Plzeňský region actors in green and Jihočeský region actors in yellow; joint cohesion region actors are left white. The result – both for regional policy and Structural Funds more or less justify the previous top-down division into blocks by region (when analyzing density in part 2.2.2). However, joint cohesion region actors do not represent a class of structurally equivalent actors.

Secondly, we highlighted public sector actors (bold and underlined) and private sector actors (small italics). A look at the Table 17 shows that in forming structurally equivalent positions, the sectors did not play a great part. In order to understand the results better, I counted the proportion of each group of actors in the individual equivalence classes (Table 18).

Table 18 Proportion of sector actors in equivalence classes (%)

General	Public	Private	NGO/CS
1	78	0	22
2	36	18	45
3	67	33	0
4	67	0	33
SF	Public	Private	NGO/CS
1	86	0	14
2	36	14	50
3	60	40	0
4	75	0	25

We can see that in equivalence class 3 – apart from it being composed almost entirely of Plzeňský region actors – there are no NGO/civil society actors; it is a type of network positions occupied by public and private actors only. On the contrary, equivalence classes 1 and 4 are composed only of public sector and NGO/civil society actors. Therefore, class 2 is special in the sense in contains actors from all three sectors.

Table 19. Density matrix of equivalence classes – general ties

	1	2	3	4
1	0.472	0.626	0.148	0.231
2	0.626	0.200	0.091	0.106
3	0.148	0.091	0.000	0.403
4	0.231	0.106	0.403	0.621

The density matrix (Table 19) shows the number of existing ties relative to the maximum possible number of ties within and between the blocks for the regional policy network. I highlighted the densities, which are above average for the network. Actors in equivalence class 1 send ties to class 2 and within its own class. Actors in equivalence class 2 send ties to class 1. Members of both 1 and 2 classes are with a few exceptions only Jihočeský region actors. Actors in equivalence class 3 have absolutely no ties within and send ties to class 4. Finally, actors in class 4 send ties to class 3 and within its own class. Actors in class 3 and 4 are with a few exceptions only Plzeňský region actors.

However, the R-squared coefficient is just 0.207 for the resulting 4 classes. It means the model explains only 20% of variance in ties of the network, which is very low (it rises only to 29% when 8 blocks are formed). Although according to Hanneman “there is no real criterion for what is a good fit”, he regards around 50% of variance explained as OK but “hardly a wonderful fit”. It is therefore doubtful how much we can draw from these results.

For the Structural Funds network, the results are summarized in Table 20 but the R-squared coefficient for the model is just 0,184, explaining again only a fifth of variance in the network.

Table 20. Density matrix of equivalence classes – SF ties

	1	2	3	4
1	0.429	0.561	0.250	0.114
2	0.561	0.165	0.060	0.143
3	0.250	0.060	0.530	0.300
4	0.114	0.143	0.300	0.000

We highlighted the densities, which are above average for the network (0,25). Actors in equivalence class 1 send ties to class 2 and within its own class. Actors in equivalence class 2 send ties to class 1. Members of both 1 and 2 classes are with a few exceptions only Jihočeský region actors. This structure closely resembles that in the regional policy network. Actors in equivalence class 3 send ties to class 4. Finally, actors in class 4 send ties to class 3 but have absolutely no ties within its own class. Actors in class 3 and 4 are with a few exceptions only Plzeňský region actors. This structure is similar to that in the regional policy network with the difference that class 4 has no ties within (not class 3). However, the model explains only one fifth of variance and therefore great caution has to be taken in interpretation.

2.5 Conclusion

In the social network analysis we studied networks among major public, private and civil society institutions in the Jihozápad NUTS 2 cohesion region. The networks concerned two kinds of relations, regular contacts concerning regional development in general and contacts concerning structural funds in particular.

We found that the thickness of the cohesion region networks is relatively low. Network density concerning general contacts is just 30% and the density of contacts concerning structural funds is even lower, just 25%. There have been a number of regional development programs (either central or regional) prior to structural funds and formed the basis for a somewhat denser social network. The first round of structural funds could not yet constitute a dense network, which would probably develop over time.

The low cohesion network density can be explained by the fact that denser institutional networks exist within the individual regions. The Jihozápad NUTS 2 cohesion region consists of two self-governing and administrative regions: Jihočeský and Plzeňský. Our analysis shows that the density of both general and specific structural funds ties is considerably higher within the individual regions than across them. For example, general network density is 30% for the cohesion region but 51% for the Jihočeský regions and 45% for the Plzeňský region. Moreover, general ties across the two regions are almost non-existent, only 13% of all possible ties!

We may also note differences between the two regions. The network of general contacts is denser for the Jihočeský region and, moreover, Jihočeský region has denser contacts to the joint cohesion institutions (35% for the Jihočeský region compared to 26% for the Plzeňský region). All of these differences become even more pronounced in case of structural funds. In other words when we focus on structural funds, Jihočeský region has even denser contacts within compared to Plzeňský region and even denser contacts to joint cohesion institutions (not in absolute numbers but comparatively to Plzeňský region). It seems that denser institutional networks concerning regional development in general may be a predisposition to develop denser institutional networks concerning a specific policy

(structural funds). In such a case, we could not expect structural funds to improve the general quality of the pre-existing network. Rather, they would tend to strengthen existing disparities and characteristics of the network.

When we look at network densities through the perspective of the three sectors, public, private and NGOs/civil society, we discover that public sector institutional actors have the most dense contacts, both general and concerning structural funds. This would seem to indicate that public sector institutions form the core of information exchange and learning concerning regional development. Other contacts within or across sectors are near or below the average for the network (for example contacts about regional development within the NGOs/civil society are much below average for the network).

Another interesting feature is that NGOs/civil society actors are connected to public institutions much more than within their own sector. It would suggest that regional development is driven by public institutions. Finally, there is almost no exchange among civil society and private sector institutions (which reflects poor contacts between these two spheres in society at large (Vajdová 2005a: 47-9)). Therefore most contacts between the private sector and civil society would be probably intermediated by public institutions - thus further strengthening their position in regional development.

When we focus only on structural funds contacts, the structure of relations remains the same but differences become more pronounced. In other words, the structural funds network intensifies the relational properties of the more general, regional policy network. It thus seems to support the thesis that the specific institutional exchange (structural funds) draws on the "capital" of the more general network. We therefore can hardly expect that the mechanisms of structural funds would go contrary to the effects of the more general network and perhaps remedy some of its deficiencies.

The general network is moderately centralized (51%), i.e. the power of individual actors varies rather substantially, and this means that, overall, positional advantages are rather unequally distributed. The situation is similar within the two individual regions although the Plzeňský region is slightly more centralized (51% and 56%). Concerning structural funds in particular, the network as a whole is equally centralized (51%), again with Plzeňský region slightly more centralized (54% and 60%).

The most centrally positioned cohesion region actors include the Regional Council of the Jihočeský region with regular contacts to almost 80% of the other actors and the Regional Office in the Plzeňský region (contacts to 60% of other actors). As one of our, well qualified respondents commented, in the Jihočeský region the Regional Council drives regional development whereas in the Plzeňský region this key role is played by the Regional Office. Further NUTS 2 central institutions include Regional Development Agencies¹¹ and regional universities in both regions.

When we look at the situation in each region separately, the group of actors with relatively many ties (to over 50% of the other actors) was always larger in the Jihočeský region than in Plzeňský region. In case of structural funds, the group of centrally positioned actors narrowed in both regions but the difference among them remained. Centrally positioned institutions have more ties and thus more possibilities and less constraints which makes them potentially powerful players in the network. Our findings show that the Jihočeský region is in this respect slightly less unequal or more horizontal: the group of potentially powerful actors is larger and there is less variance within the network.

We know that horizontal networks as well as denser networks form a better precondition for learning and adaptation since there is usually greater flexibility and faster spread of information. In this sense the SNA data show small but consistent differences between the two regions that form the selected cohesion region. The Jihočeský region has denser and more horizontal networks within, moreover with denser connection to the joint cohesion region bodies. The Plzeňský region on the contrary is less densely interconnected and its networks are slightly more vertical, with considerably thinner contacts

¹¹ Regional development agencies are independent bodies established by self-administrative regions to support regional development and to ensure the preparation, implementation and control of regional support programs including those co-financed by the EU (see National Report).

to the joint cohesion region bodies. Their potential to learn and adapt to changing circumstances is therefore somewhat lower.

Another important finding is that there exist moderately dense networks within each region but only quite thin institutional network within the cohesion region as a whole. There is a lack of information exchange between the two regions and it means that the potential for learning and adaptation within the larger territorial and administrative NUTS 2 unit is limited. Even the joint cohesion region bodies do not as yet constitute a bonding structure (although the Jihočeský region is more densely connected). Network analysis shows that both regional policy in general and structural funds in particular are dealt with within the individual regions and the cohesion region remains to be put into life. This may be the result of the way cohesion regions were established, as “one of the most artificial territorial units that ever existed on the territory of the Czech Lands”. As the National Report (this project) makes clear, “they neither resemble any historical units ... nor they are outcome of the more functional regionalization that would take into account the socio-economic and geographical structures”.

3. EVALUATING LEARNING/ADMINISTRATIVE CAPACITY

In this part we review the data collected through 26 interviews (structured and partly formalized) with representatives of major public, private and civil society institutions in the Jihozápad NUTS 2 cohesion region. They add important information on the quality of networks in individual regions and the cohesion region as a whole and enable us to make conclusions about learning/administrative capacity of the institutional infrastructure in connection to EU structural and pre-structural programs. This data was analyzed partly using SPSS, partly relying on qualitative approach (coding and categorization).

3.1 The impact of EU pre-structural programs

The situation during the pre-structural programs implementation is important, as it was the first meeting between the pre-existing Czech administrative and political culture and the principles put forward by the EU programs.

Respondents were in the organizations for a different period of time, not all of them long enough to be able to assess whether their organization participated in pre-structural funds (Phare, CBC Phare, ISPA, SAPARD) in 1999-2003. Since at least 2003 there were 21 out of 26 respondents. Among these organizations, 16 participated in pre-structural funds, i.e. about 3/4; they mostly applied for a project (13 out of 16) and/or implemented one (12 out of 16). They also participated as members of Regionální řídicí monitorovací výbory (Regional Steering and Monitoring Committees) – 10 out of 16 – or members of their working groups (9 out of 16). About half of these respondents later participated in the preparation of Regional development strategy ČR 2001-2006 and as well for the period 2007-2013. There are no striking differences between the two regions in the mentioned respects (this is an effect of the way respondents were selected: to represent in each region a network of the most important actors relating to regional development).

We asked representatives of those organizations which participated in pre-structural funds (and thus had a direct experience with their functioning) to assess the composition of the Regional Steering and Monitoring Committees (RSMC) and their working groups from the point of view of the partnership principle. We asked specifically if the public, private and civil society sectors were adequately represented.

Table 21. Partnership principle in the implementation of pre-structural funds¹²

	RSMC			RSMC working groups		
	Completely	Completely	Total ¹⁵	Completely	Completely	Total

¹² Question: Regional executive and monitoring committees had an important role in regional development in this period (1999-2003). How would you evaluate the composition of the Regional executive and monitoring committee and its working groups in your region with the view to the partnership principle? We are interested in the representation of the individual sectors – public administration, firms and NGOs.

	or rather adequately represented ¹³	or rather inadequately represented ¹⁴		or rather adequately represented	or rather inadequately represented	
Public sector	14 (8)	1	15	12 (6)	1	13
Private sector	10 (2)	4	14	10 (2)	3	13
NGOs/civil society	9 (2)	5	14	8 (3)	4	12

As Table 21 shows, most respondents felt the partnership principle was mostly put in practice, but there was a considerable scope for improvement in case of both private sector and civil society.¹⁶ The not quite adequate representation of the two sectors was most frequently explained as a result of public administration approach (8 times). Several respondents stressed that public administration had a very dominant role in the process (either district offices or the central ministries), resulting in inadequate or just formal representation of the private sector and civil society. Two respondents also point to the fact that public administration had its traditional way of working which did not include longer-term strategic thinking or the partnership principle (e.g. public administration viewed civil society as a bothersome element, the whole process was hasty and NGOs were not informed).

The lack of adequate representation was secondly explained as a result of the approach of the under-represented sectors themselves (4 times). One respondent argued NGOs can be blamed to behave in a conflicting and uncooperative manner (thus becoming the bothersome element avoided by public administration). Another two pointed to the fact that NGOs had no regional representation at the time, resulting in insufficient organization/communication within the sector; it was therefore difficult to find representatives to the pre-structural funds bodies. In the private sector, two respondents argued the influence of Economic Chambers is too strong while they do not represent the private sector well.

Finally, two respondents mentioned the predominance of district cities and the regional capital in the bodies, with the smaller and more detached municipalities being little represented.

We also asked the respondents if they felt the projects financed by the EU contributed to selected aims of the regional policy (Table X3).

Table 22. EU pre-structural funds contributing to regional policy aims¹⁷

	Very or somewhat helpful	No impact	Rather or definitely negative influence	Total ¹⁸
Improvement of competitiveness of regional economy, support of enterprise	15	3	0	18
Improvement of regional technical infrastructure, development of transport, IT	14	2	0	16
Development of tourism	14	4	0	18
Decrease of social disparities in the region, support of social integration	6	12	0	18

¹³ The „completely adequately represented“ answers are given in brackets.

¹⁴ No „completely inadequately represented“ answer occurred in our data.

¹⁵ The rest to the total of 16 is those who did not know.

¹⁶ 10 respondents elaborated on the reasons for the deficiencies in the representation of the three sectors.

¹⁷ Question: To what extent do you think the projects financed by the EU contributed to the following aims of the regional policy?

¹⁸ The rest to the total of 21 respondents (who were in organisation at least since 2003) is those who did not know.

It is obvious from Table 22 that overall the pre-structural funds are believed to have contributed to regional development priorities. However, tourism is a sphere viewed excellently in the Jihočeský region (10 out of 10 believe EU helped), but not so much so in Plzeňský region (4 out of 8 believe EU helped). The reason is the Jihočeský region has more potential for tourism – it is rather agricultural region with a lot of attractive nature as compared to more industrial Plzeňský region. In case of social integration EU funds overall were not perceived to help much, which only partly can be explained by comparably smaller amount of finances available to this aim.¹⁹ EU funds had more impact on social integration in the Jihočeský region (5 out of 10 believe EU helped) than in the Plzeňský region (1 out of 8 believes EU helped). This could be connected to greater number of more active NGOs in the Jihočeský region (since NGOs were among frequent applicants within this particular aim) but we do not have any data to support such hypothesis. The number of NGOs is in both regions comparable (Jihočeský region - 470 and Plzeňský region - 450 civic associations per 100 thousand inhabitants) (Vajdová 2005a: 33).

To conclude, pre-structural funds are believed to have extensive influence on regional development, especially in the sphere of regional economy competitiveness and infrastructure, much less in the sphere of social integration. The pre-structural programs were influential in the material sense but also in the sense of importing administration and policy-making principles, such as partnership. Over half of our respondents believe the partnership principle was put into practice already during the pre-structural funds. However, the representation of the private sector and civil society was far from perfect. This was mainly due to the fact that the traditional style of public administration did not include the partnership principle and public administration dominated the whole process. On the other hand, lack of well functioning representation structures within the private sphere and civil society might have made the search for adequate partners more difficult.

3.2 Transparency and compromise in JROP (2004-2006)

The decisions regarding allocation of funds for JROP at the national level are perceived as a government decision rather than a compromise of all parties. However, the matter is perceived in both regions in a rather undifferentiated way (with the prevailing option “do not know”) (Table X4). This reflects the fact that there was no large public debate or controversy about the allocation of JROP funds in the Czech Republic. The idea of individual regional operational programs was abandoned following a strong recommendation of the European Commission to create a joint regional operational program; JROP was finally accepted by all parties.

Table 23. Allocation of funds for JROP 2004-2006

	Compromise	Government decision	DK	Total
Jihočeský	4	5	6	15
Plzeňský	2	4	5	11
Total	6	9	11	26

The selection process of projects is regarded by over half respondents as completely or rather transparent (with no substantial differences between the two regions), although from 1/5 to 1/3 do not know how to assess it (Table X5).

Table 24. Transparency of the selection process for JROP 2004-2006

		Completely or rather transparent ²⁰	Completely or rather non-transparent ²¹	DK	Total

¹⁹ Improvement of competitiveness of regional economy 45, 138 mil. EUR; Improvement of regional technical infrastructure 106, 375 mil. EUR; Support of social integration 37, 143 mil. EUR; Development of tourism 108, 1 mil. EUR.

²⁰ Number of „completely transparent“ answers is given in brackets.

²¹ Number of „completely non-transparent“ answers is given in brackets.

Evaluation of projects	Jihočeský	10 (5)	3	2	15
	Plzeňský	7 (3)	0	4	11
	Total	17 (8)	3	6	26
Proposals for the selection of project	Jihočeský	7 (4)	5	3	15
	Plzeňský	4 (2)	1 (1)	6	11
	Total	11 (6)	6 (1)	9	26
Decision on the projects to receive support	Jihočeský	10 (6)	2	3	15
	Plzeňský	5 (1)	1 (1)	5	11
	Total	15 (7)	3 (1)	8	26

The projects were in the first phase evaluated by experts (allocation of points according to given criteria). In the second phase, projects were selected by regional commissions composed mainly of members of the regional assembly, i.e. rather political in character. The final decision was taken in some cases by the regional assembly.

The first phase has been regarded as the most transparent phase of the project selection while the second phase was most problematic. On the whole, however, although the second phase was not perfect, it has been regarded as outright non-transparent only by 1/5 of respondents.²² One of the problems was that the order of projects based on the number of points allocated by experts in the first phase could be changed by the commission in the second phase without any clearly given mechanism.²³ Negative role was also played by the fact that those who decided about the selection of projects in some cases at the same time applied for support. Such conflict of interests was mentioned by two respondents from public administration (although it was apparently prohibited by the ethical codex of the Ministry of regional development). Several more respondents pointed to subjective decision-making in the commissions, interpreting it as a necessity that cannot be avoided.

To conclude, the implementation of JROP did not constitute a controversy. Although the allocation of funds is regarded rather as a government decision than a compromise of all parties, most respondents do not have an opinion on it. The process of evaluation and selection of projects is regarded as mostly transparent. The more problematic phase was the selection of projects in regional commissions. Clear criteria were lacking and therefore a space opened for possible conflicts of interest and attempts at personal influence. On the whole, however, the selection process does not constitute a controversy where respondents would have clear-cut opinions and it is regarded as mostly a transparent process in both regions.

3.3 Civil society as a partner in regional policy

In this part we would like to investigate whether the EU principle of partnership has influenced the position of NGOs/civil society in policy-making in the two regions that constitute the cohesion region.

It appears that the NGOs/civil society have rather little possibility to take part in policy-making in the selected cohesion region. However, there are some differences among the two regions: in Jihočeský region almost half of respondents believe NGOs have considerable possibility to participate whereas in Plzeňský region not even one third believes so (Table 25).

Table 25. Possibility of NGOs to participate in policy-making in the region

	Great or considerable possibility ²⁴	Little or no possibility ²⁵	DK	Total
Jihočeský	7 (1)	6 (1)	2	15

²² Altogether 16 respondents further elaborated on the reasons of somewhat reduced transparency.

²³ The rules of the process in general have been mentioned as a cause for certain lack of transparency by 4 other respondents.

²⁴ The number of „great possibility“ answers is given in brackets.

²⁵ The number of „no possibility“ answers is given in brackets.

Plzeňský	3 (1)	6 (0)	2	11
Total	10 (2)	12 (1)	4	26

We presumed that EU programs (both pre-structural and structural) and the principles that go with them might influence the style of regional policy-making. The results, however, reveal striking difference between the two regions that constitute the selected cohesion region (Table 26). Two thirds of respondents from Jihočeský region believe there was a considerable increase in NGOs/civil society influence on policy-making in the last five years as a result of EU programs and principles. In Plzeňský region, however, only 1 out of 11 respondents believes so and almost $\frac{3}{4}$ respondents see no or little increase.

Table 26. Increase in NGOs participation in policy-making as a result of EU programs and principles in the last 5 years

	Great increase	Considerable increase	Little increase	No increase	DK	Total
Jihočeský	1	9	0	2	3	15
Plzeňský	1	0	3	5	2	11
Total	2	9	3	7	5	26

There are two main reasons for the little increase in influence of NGOs in the Plzeňský region (Table 27). According to five respondents the partnership principle is just a rhetoric, which does not find its way into the practical rules and considerations in the policy-making process. The second most frequently given reason is the existence of closed cliques where only some NGOs belong, the influence of other NGOs being little or none. As one of the respondents from public administration elaborates, only those NGOs with connections to regional politicians are influential; in this respect situation in the region even worsened compared to five years ago.

Table 27. Two main reasons for not a great increase in NGO participation (see Table 26)

	Jihočeský	Plzeňský	Total frequency of reasons
NGOs are too passive	2	2	4
NGOs do not have sufficient skills, knowledge	2	2	4
In the decision-making process there are closed cliques where only some NGOs belong	3	4	7
The partnership principle is just a rhetoric with no influence on the praxis of decision-making bodies	3	5	8
Problems of communication with NGOs, lack of their regional umbrella organization	3	*	3
Other reasons	2	1	3
Total respondents ²⁶	9	8	17

* This reason was categorized out of “other” reasons and detected only in Jihočeský region.

As Table 27 shows, both above mentioned reasons work also for the Jihočeský region, although there they do not dominate. Three respondents from the Jihočeský region also blame the lack of regional umbrella organization. This way, NGOs are regarded as responsible for the little increase in their influence. Also other reasons point this way – NGOs passivity or a lack of skills and knowledge. On the other hand, as one respondent pointed out, regular NGOs do not have the capacity (time and other resources) to participate in policy-making. Therefore, although possibilities might exist, only larger NGOs have the resources to actively engage in the process.

²⁶ Number of respondents who thought the increase in influence was not as large as it could be and gave reasons. Respondents gave one or two reasons, therefore the table total in this case is not the sum of columns.

To conclude, in the cohesion region as a whole, NGOs have little possibility to participate in policy-making. However, great differences exist in this respect between the two regions (Jihočeský and Plzeňský) that form the selected cohesion region. According to our respondents, not only do have NGOs somewhat larger influence on policy-making in the Jihočeský region, but – above all – this influence considerably increased as a result of EU programs and related principles. In Plzeňský region, on the contrary, EU programs and principles led to no or little increase in the influence of NGOs. Respondents in the Plzeňský region stress more than their counterparts in the Jihočeský region the existence of closed cliques where only certain few NGOs belong with ties to politicians and believe the partnership principle is just a rhetoric for the decision-making bodies.

3.4 Social capital in the regions

As far as interpersonal trust is concerned, the set of our respondents is far above the national average. According to a representative 2004 national survey, just 17% of Czech citizens think other people can be trusted²⁷ whereas the cohesion region average is 42%. This is related to the fact that our respondents are very likely part of the regional elite with higher education and higher social status – two factors known to influence interpersonal trust.

Table 28. Interpersonal trust according to region

	People can be trusted	One cannot be too careful	Hard to say	Total
Jihočeský	7	5	3	15
Plzeňský	4	7	0	11
Total	11	12	3	26

As Table 28 shows, respondents from the Jihočeský region exhibit an exactly opposite trend than Plzeňský region respondents. In Jihočeský region 47% of respondents trust other people and 33% do not trust; in Plzeňský region 37% trust and 64% do not trust. This constitutes another marked internal difference within the selected cohesion region data set and probably points to real differences between the regions.

Within the cohesion region, local self-administration is most trusted (73%), followed by regional self-administration (65%), NUTS 2 bodies (54%) and EU funds management (50%). The NUTS 2 bodies have a very high proportion of do not knows (over one third of respondents), which could indicate that some respondents do not have direct experience with them but the main reason is probably that the bodies exist in the new form only since July 2006.

As Table 29 shows, Jihočeský region respondents exhibit overall much higher levels of trust – more than a half trusts all the named institutions with regional self-administration at the top (80%). Plzeňský region respondents trust above all local self-administration (81%) and only less than a half trust the other named institutions. The difference is most marked in case of regional self-administration, which is trusted by 80% of Jihočeský region respondents (12 out of 15) and only 45% of Plzeňský region respondents (5 out of 11), and in case of NUTS 2 bodies, trusted by 67% of Jihočeský region respondents (10 out of 15) and only 36% of Plzeňský region respondents (4 out of 11).

Table 29. Trust in institutions according to region

INSTITUTIONS MANAGING EU FUNDS IN THE CZECH REPUBLIC				
	Definitely or rather trust ²⁸	Definitely or rather not trust ²⁹	DK	Total
Jihočeský	8 (3)	7 (0)	0	15
Plzeňský	5 (0)	6 (0)	0	11
Total	13 (3)	13 (0)	0	26

²⁷ Vajdová (2005). Equal wording of the question.

²⁸ The number of „definitely trust“ answers is given in brackets.

²⁹ The number of „definitely do not trust“ answers is given in brackets.

REGIONAL SELF-ADMINISTRATION IN YOUR REGION				
	Definitely or rather trust	Definitely or rather not trust	DK	Total
Jihočeský	12 (5)	3 (0)	0	15
Plzeňský	5 (1)	6 (1)	0	11
Total	17 (6)	9 (1)	0	26
BODIES OF THE COHESION REGION NUTS 2 JIHOZÁPAD				
	Definitely or rather trust	Definitely or rather not trust	DK	Total
Jihočeský	10 (3)	1 (0)	4	15
Plzeňský	4 (1)	1(0)	6	11
Total	14 (4)	2 (0)	10	26
LOCAL SELF-ADMINISTRATION IN THE RESIDENCE OF YOUR ORGANIZATION				
	Definitely or rather trust	Definitely or rather not trust	DK	Total
Jihočeský	10 (7)	4 (0)	1	15
Plzeňský	9 (3)	2 (0)	0	11
Total	19 (10)	6 (0)	1	26

To conclude, there are marked differences in social capital between the two regions, as measured through interpersonal and institutional trust. Respondents from the Jihočeský region have higher levels of both interpersonal and institutional trust. Moreover, they considerably more trust both regional government and the NUTS 2 institutions. This is likely to have a direct effect on the regional and whole cohesion region networks. It is clear that the two regions in certain respects constitute two different politico-cultural entities. Jihočeský region will probably have denser social networks within and better connection to joint cohesion region bodies.

3.5 Conclusion

As viewed by representatives of important institutions in the Jihozápad NUTS 2 cohesion region, pre-structural funds made impact on regional development, especially in the sphere of regional economy competitiveness and infrastructure. However, pre-structural programs (Phare, CBC Phare, ISPA, SAPARD) in 1999-2003 can be seen also a practical interaction between the pre-existing Czech administrative and political culture and the principles put forward by the EU programs. For example, the pre-structural programs bodies were supposed to be composed on the basis of the partnership principle. This seems to really be the case in the selected cohesion region where over half of respondents believe the partnership principle was put into practice during the pre-structural funds implementation completely or rather adequately. (On the beginnings of regional policy see Vajdová 2006)

However, the representation of the private sector and civil society in the pre-structural bodies was not completely adequate. According to respondents, this was mainly due to the traditional style of public administration, which did not include the partnership principle. Public administration dominated the whole process and did not include partners from the private sector and civil society adequately. On the other hand, lack of well functioning representation structures within the private sphere and civil society might have made the search for adequate partners more difficult in some regions. Lack of finances and other resources in NGOs might have also contributed to the fact that NGOs could not actively participate in the bodies (the work was not paid and was often time-consuming).

The requirement of civil society representation in the pre-structural and structural programs bodies – the partnership principle - was heralded by civil society as a great opportunity to take part in policy-making (Frič 2000: 91). They therefore made quite a lot of effort to be appointed to these bodies both at the regional and at the central level. It can be safely said that the initiative came from civil society. Sector Conference of Local, Regional and Communal Activities (OKAMRK) was founded in 1998 as a (partial) umbrella body which hoped to legitimately nominate representatives of civil society to planning, steering and monitoring bodies connected to pre-structural and structural funds; and in general to push the so far indifferent public administration to implement the partnership principle (Frič 2000: 90). At the central level, Government Council of NGOs played a crucial role in pushing for the implementation of the partnership principle (Vajdová 2005b).

The actual impact of NGO representatives in the pre-structural programs bodies, however, was not great. NGO representatives were often confronted with pre-formed blocks of public administration and private sector actors. Regional steering and monitoring committees were perceived mostly closed to the influence of NGO representatives some of whom claimed their presence in the bodies was just to testify to the implementation of the partnership principle so that Czech public administration could render account to the EU (Frič 2000: 62).

According to the representatives of major institutions in the studied cohesion region as a whole, NGOs/civil society have little possibility to participate in policy-making regarding regional development. However, differences exist between the two regions that form the cohesion region. NGOs have somewhat larger influence on policy-making in the Jihočeský region and – above all – this influence considerably increased as a result of EU programs and related principles. In Plzeňský region, on the contrary, EU programs and principles led to no or little increase in the influence of NGOs. Respondents in the Plzeňský region stress more than their counterparts in the Jihočeský region the existence of closed cliques where only certain few NGOs belong with ties to politicians and believe the partnership principle is just a rhetoric.

It is clear that the partnership principle associated with the implementation of pre-structural and structural programs confronted pre-existing administrative and political culture as well as pre-existing institutional networks. The extent to which the EU principle could influence and change the pre-existing structures was obviously different in each region. We do not have data to compare the Jihozápad NUTS 2 cohesion region as a whole to other Czech NUTS 2 regions but we can compare the two regions – Jihočeský and Plzeňský - that form the selected NUTS 2 region.

Our research showed marked differences in social capital between the institutional representatives in the two regions, as measured through interpersonal and institutional trust. Respondents from the Jihočeský region have higher levels of both interpersonal and institutional trust. Moreover, they considerably more trust both regional government and the NUTS 2 institutions. The data seem to confirm that a higher level of social capital correlates with more adaptability to new EU principles and more ability to learn. The partnership principle was reported to have made much larger impact in the Jihočeský region where also the levels of interpersonal and institutional trust are considerably higher.

The research shows that the two regions forming the cohesion region are in certain respects two different politico-cultural entities. Jihočeský region with higher levels of trust – especially towards regional government and NUTS 2 institutions – would probably have denser social networks within and better connection to joint cohesion region bodies. It may be more predisposed to further develop functional networks that would cover the space and opportunities provided by the structural programs, which take place within the framework of the NUTS 2 administrative region. Plzeňský region may lag behind in this respect.

Our research has consequences for the cohesion as a whole. Several respondents emphasized that the main NUTS 2 body- Regional Council of Cohesion Region – is not working properly, lacking real life; “everything takes place separately” in the two regions. For example finances from JROP were divided between the two regions by exact halves and each region managed its own part without much cooperation. When finances remained unused in Plzeňský region, it was very difficult to transfer them to Jihočeský region. Internal differences between the two regions can make it even more difficult to bring into life the “cohesion” of the cohesion region.

C. CONCLUSION

The focus of our analysis has been NUTS 2 cohesion region Jihozápad in South-West Bohemia, representing a relatively unproblematic and well adapted region. The cohesion region consists of two self-administrative territorial units, Jihočeský region and Plzeňský region. Its economic structure is favourable, lacking major problems with declining industrial sectors. GDP per capita in the selected NUTS 2 region is just under 60% of the EU-25 average, i.e. third best in the Czech Republic after the capital city Prague cohesion region.

Impact of the EU on regional policy and administrative/learning capacity

Already the Phare program since the beginning of the 1990s probably had some influence on the development of civil society and could - very partially - influence administrative culture at the central level since it funded some of the administrative reform work. During the pre-accession period, the EU significantly influenced Czech political debate by publishing yearly regular evaluation of the progress of the Czech Republic in the sphere of economy, democracy and human rights and public administration in the so called Regular Reports. More specifically to regional development the Czech Republic had to develop own regional policy, planning and programming documents and to build institutions for the preparation, implementation and control of the pre-structural funds.

Development of regional policy in the Czech Republic since the end of 1990s has been influenced by the European Union. The EU requirements worked as an impetus to develop regional policy and start regional planning, which has taken place in two parallel processes - national regional policy and planning in preparation for the structural funds. The fact that the EU served as a catalyst for the creation of the regional governments can be in fact seen as perhaps the most important effect of the EU regional policy on Czech regional development (LaPlant 2004). The EU insisted on the implementation of the guiding principles of its policy, such as subsidiarity, additionality and perhaps most importantly to our topic, the partnership principle.

Europeanization can be seen as a result of the EU pressure for change meeting the local administrative and political culture, pre-existing networks and vested interests and agendas. The extent of europeanization of the regional policy is complex and difficult to evaluate. The implementation of structural programs began quite recently. For example, as of July 2005 about 76% of the allocated funds were assigned to approved projects (JROP 2004-2006, Objective 1) but only 3% of the allocated amount was actually spent (National Report). The overall absorption capacity is as yet difficult to assess.

EU support programs realized in the pre-accession period (Phare, ISPA, SAPARD) in 1999-2003 can be seen as a practical interaction between the pre-existing Czech administrative and political culture and the principles put forward by the EU programs. Among others, pre-structural program bodies were supposed to be composed on the basis of the partnership principle. Our research showed that although according to most respondents the partnership principle was reflected in the composition of the program bodies quite adequately, representation of the private sector and civil society was not completely adequate. The EU principle was confronted with the traditional style of public administration, which did not include partnership and public administration actors thus dominated the whole process. The requirement of civil society representation in the pre-structural and structural programs bodies – the partnership principle - was heralded by civil society as a great opportunity to take part in policy-making. However, the actual impact of NGO representatives was not great (Frič 2000).

According to the representatives of major institutions in the studied cohesion region, NGOs/civil society actors have little possibility to participate in policy-making regarding regional development. The situation is reported as somewhat better in the Jihočeský region and – above all – influence of NGOs in this region considerably increased as a result of EU programs and related principles. In Plzeňský region, on the contrary, EU programs and principles led to no or little increase in the influence of NGOs. The reason why the EU principle does not find its way into policy-making has to do among others with pre-existing closed cliques of public sector actors and selected civil society actors and many respondents stress that the principle is used just as a rhetoric.

It is clear that the partnership principle associated with the implementation of pre-structural and structural programs confronted pre-existing administrative and political culture as well as pre-existing institutional networks. The extent to which the EU principle could influence and change the pre-existing structures was obviously different in each region. We do not have data to compare the Jihozápad NUTS 2 cohesion region as a whole to other Czech NUTS 2 regions but we can compare the two regions – Jihočeský and Plzeňský - that form the selected NUTS 2 region. Our data show differences both in social capital and in the quality of social networks (see below).

Existing social networks in the Jihozápad NUTS 2 cohesion region and their characteristics

Our findings show that the institutional thickness in the cohesion region concerning regional policy in general is relatively low (30% of possible ties). However, denser institutional networks exist within the two self-administrative units that form the cohesion region - Jihočeský region (density 51%) and Plzeňský region (density 45%) – while ties across the two regions are almost non-existent (only 13%). This may be the result of the way cohesion regions were established as one of the most artificial territorial unit that ever existed in the Czech Republic.

When we look at the specific structural funds network, we see the same relational properties: the cohesion region network is relatively thin (25% density) but thicker within individual regions (Jihočeský region 44%, Plzeňský region 33%). It is interesting that the differences between the two regions – not large but consistent for the general network – become even more pronounced in case of the structural funds relations. In other words when we focus on structural funds, Jihočeský region has even denser contacts within compared to Plzeňský region (not in absolute numbers but comparatively to Plzeňský region). It could indicate that denser institutional networks concerning regional development in general are a predisposition to develop denser institutional networks concerning a specific policy (structural funds). We could hypothesize that the specific institutional exchange draws on the “capital” of the more general network. We therefore can hardly expect that the mechanisms of structural funds would go contrary to the effects of the more general network and perhaps remedy some of its deficiencies.

The existence of two parallel and mutually almost unconnected social networks in each individual region has been until recently also supported by the formal institutional structure of the cohesion region. The main cohesion region body –Regional Council of Cohesion Region was based in two parallel secretariats in each region (located in regional capitals České Budějovice and Plzeň). This has changed in 2006 when a revised law re-established the cohesion region regional councils as legal persons and strengthened their competencies (in force since July 2006). They will be responsible for the implementation of regional operation programs, while until recently (2004 – 2006) they only participated in the implementation of JROP.

The strengthened role of the Regional Council of Cohesion Region may remedy the fact that it has been until now perceived as a body which lacks real life since everything takes place in the two regions separately. On the other hand, the fact that there so far exist two parallel networks and even the cohesion region bodies do not as yet constitute a bonding element can make the “cohesion” of the cohesion region in reality difficult. Another important consideration is the small but consistent differences between the two regions.

Apart from denser institutional networks within the Jihočeský region, we noticed that the institutions in the Jihočeský region have denser general contacts to the joint cohesion region bodies and this pattern of relations even intensifies in case of the specific structural funds contacts. This may predispose the region to further develop functional networks that would cover the space and opportunities provided by the structural programs, which take place within the framework of the NUTS 2 administrative region. Plzeňský region may lag behind in this respect.

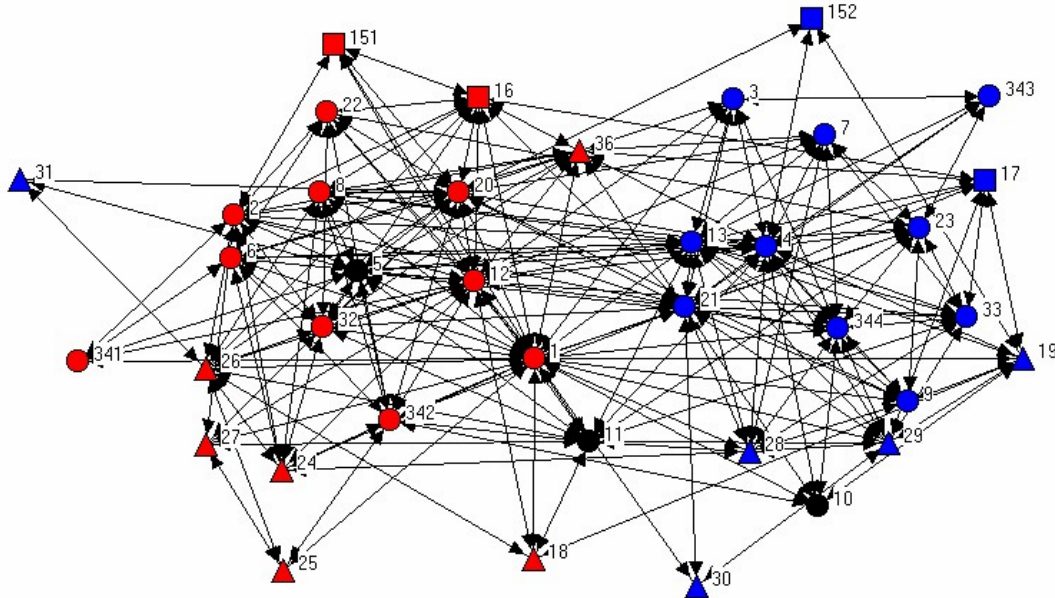
The overall centrality of the cohesion region is moderate (51%) both for the general exchange and the structural funds. It is similar within the two regions, although the Plzeňský region is slightly more centralized (51% and 56% for the general network and 54% and 60% for structural funds). The group of centrally positioned and potentially powerful actors is less restricted in the Jihočeský region and there is less variance within the network. This makes the institutional network more horizontal or equal and thus somewhat better predisposed to open information exchange, effective adaptation and learning.

Our research also shows that the levels of interpersonal and institutional trust differ among the two regions. Representatives of institutions from the Jihočeský region have higher levels of both interpersonal and institutional trust. Moreover, they considerably more trust both regional government and the NUTS 2 institutions than actors in the Plzeňský region. This agrees well with the fact that the institutional network of the Jihočeský region was found to be better connected to the joint cohesion region bodies. When the competencies of the Cohesion Region Regional Council were strengthened in 2006, its parallel structure of secretariats in the two regional capitals was unified. Perhaps not so

surprisingly, the new seat of the council secretariat was “won” by the Jihočeský region and is located in its capital, České Budějovice.

Public sector institutions are the key actors in regional development (see Graph 1). The most centrally positioned cohesion region actors belong to the public sector. It is the Regional Assembly of the Jihočeský region with regular contacts to almost 80% of the other actors and the Regional Office in the Plzeňský region (contacts to 60% of other actors). As one of our, well qualified respondents commented, in the Jihočeský region the Regional Assembly drives regional development whereas in the Plzeňský region this key role is played by the Regional Office. Further NUTS 2 central institutions include Regional Development Agencies³⁰ and regional universities in both regions. Centrally positioned institutions have more ties and thus more possibilities and less constraints which makes them potentially powerful players in the network.

Graph 1 Network of regional development contacts in general by region and sector (NUTS 2 Jihozápad)



A note on the meaning of individual nodes

Nodes according to color

Red nodes Jihočeský region
 Blue nodes Plzeňský region
 Black nodes joint cohesion region institutions

Nodes according to shape

Circle nodes public sector actors
 Triangle nodes NGOs/civil society actors
 Square nodes private sector actors

Node codes

Each code a has a number (code) which links it to the particular institution it represents (see Table A this report)

³⁰ Regional development agencies are independent bodies established by self-administrative regions to support regional development and to ensure the preparation, implementation and control of regional support programs including those co-financed by the EU (see National Report).

We found that the public sector actors have above average density of contacts within their own sector, both in general and concerning structural funds. This would seem to indicate that public sector institutions form the core of information exchange concerning regional development. Contacts within or across other sectors are near or below the average for the network (for example contacts about regional development within the NGOs/civil society are much below average).

Another interesting feature is that NGOs/civil society actors are connected to public institutions much more than within their own sector. It would suggest that regional development is driven by public institutions. Finally, there is almost no exchange among civil society and private sector institutions (which reflects poor contacts between these two spheres in society at large (Vajdová 2005a: 47-9)). Therefore most contacts between the private sector and civil society would be probably inter-mediated by public institutions, thus further strengthening their position in regional development.

D. ANNEX: Matrices in DL format in the form of electronic attachment

- Regional policy contacts in general, used in analysis (CR_2_general_ord_all_symetr)
- Structural funds contacts, used in analysis (CR_2_SF_all_symetr)
- Regional policy contacts in general (CR_2_general_ord_all_symetr_complemented) and structural funds contacts (CR_2_SF_all_symetr_complemented) complemented by other actors, both not used in analysis

For further comments on the matrices see part 2.1 of this report.

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