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Abstract	<p>The place-based approach has been the guiding principle of the EU's Cohesion Policy for a decade. Building on the idea that place matters, the place-based narrative advocates that socio-spatial inequalities can be overcome by the production of place-tailored public goods designed and implemented through integrated and deliberative policy decisions. The role of external agents is to help local actors to mobilize resources "from below" through an enabling regulative framework. Within the EU's multi-level governance system, the EU can provide incentives for place-based policies, but the implementation of these interventions is strongly embedded in national policy regimes. This chapter explores the way Hungary's domestic institutional environment, being at odds with Cohesion policy's place-based approach, could impair a progressive, place-based initiative to further objectives on social cohesion. The chapter scrutinizes the institutional evolution of Give Kids a Chance program, an initiative to tackle child poverty, whose priorities and governance modes have been reshaped under the constraining effects of the domestic policy landscape. Centralization, selective decentralization in the form of outsourcing policy delivery and disinvestment in social policy are identified as trends in the Hungarian public policy to have contributed to the loss of place-based program elements and coordination mechanisms of EU funded Give Kids a Chance program. Empirical evidence for the chapter was gathered in the frame of a post-doctoral research project (PD 112659) and the RELOCAL project: Resituating the Local in Cohesion and Territorial Development H2020 Framework project.</p>	
Keywords (separated by " - ")	Place-based approach - Cohesion policy - Hungary - Child poverty - Centralization - State disinvestment	

Chapter 10 1

Lost in Transformation: Place-Based 2

Projects in the EU's Multi-Level System 3

Judit Keller 4

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Keywords Place-based approach · Cohesion policy · Hungary · Child poverty · Centralization · State disinvestment 26
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28 10.1 Introduction

29 As the “home turf” of the European Union’s (EU) multi-level governance frame-
30 work, Cohesion policy (CP) builds on the idea that economic efficiency and social
31 cohesion can be reconciled without trade-offs through the concerted efforts of
32 national governments, local communities and the European Commission (Bache
33 and Chapman 2008). In recent years, the place-based approach (Barca 2009) has
34 become the mainstream policy tool of CP to apply principles of subsidiarity in the
35 European multi-level model. The EU’s Social Investment Package and the European
36 Structural and Investment Fund (ESI) play a fundamental role in the Commission’s
37 strategy to combat spatial inequalities by calling for the adoption and implementa-
38 tion of place-based interventions.

39 Building on the idea that place matters, the objective of the place-based approach
40 is to overcome persistent social exclusion and to reduce spatial inequalities through
41 institutional procedures that mobilize underutilized local potentials and elicit local
42 knowledge through deliberation and dialogue (Barca 2009). The place-based narra-
43 tive is driven by the recognition that central states have limited knowledge to design
44 good local development policies, and that top-down interventions are not effective
45 for the mobilization of local knowledge. Therefore, the place-based approach puts
46 forward an institutional framework that sets responsibilities between various insti-
47 tutional levels and delegates power to the level closest to the problems to be tackled.
48 In this institutional architecture external agents help local actors “from above” to
49 mobilize local resources “from below” when tailoring policies and services to local
50 needs (Trigilia 2001). In the EU’s multi-level governance system, the European
51 Commission with ESI funds is the external agent that can set strategic policy direc-
52 tions and provide incentives through funding. In response to the Commission’s rec-
53 ommendations and in a contractual relationship with it, national governments can
54 put in place institutional arrangements for domestic policies that provide local
55 actors with capacities to implement policy objectives. Place-based interventions are
56 thus embedded in both European governance processes and national regimes that
57 are intertwined through the EU’s multi-level governance framework. The success of
58 place-based interventions depends on the partnership between European and
59 national levels of governance and the coherence of European and domestic institu-
60 tional arrangements in distributing authority to the local level (Pike et al. 2007).

61 Although European governance comprises a heterogenous institutional environ-
62 ment for decentralization and capacity-building of the local level, some general
63 trends in contemporary local governance can be identified that have influence over
64 the implementation of CP’s place-based approach. Studies have observed the way
65 decentralization has ironically lost its democratic value in the EU’s multi-level gov-
66 ernance framework, which is seen to implicitly blur the traditional central-local
67 dichotomy (Kopric 2016). Decentralization is not an essential component of demo-
68 cratic political systems anymore; its role has become purely instrumental in deliver-
69 ing public services by the local level (Kopric 2016). The narrative of selective
70 decentralization has become particularly accentuated as a result of the global

economic crisis, which enhanced the process of localization of public service provisioning – particularly in welfare policies – coupled with austerity packages. The localization of welfare has meant “the downloading of resources, responsibilities, and risks to local administrations and extrastate agencies” orchestrated as institutional reform by the national state (Peck and Tickell 2002, 391). In this framework, local governments have been expected to “lead the way on public service modernization”, enrolling citizens in public service networks that not only save money for the government but also *activate* and *empower* local people (Penny 2016, 7).

The idea that local welfare is more effective in providing public services to tackle heterogenous needs in European societies has been actively promoted by the European Union through its multi-level governance framework and a post-crisis shift in CP's focus (Andreotti and Mingione 2016; Mendez 2013). Since its inception, Cohesion policy has aimed at distributing opportunities for wellbeing fairly across space, reconciling conflicting goals of economic and social development (Hooghe and Marks 2001; Farol et al. 2009). However, in the aftermath of the global economic crisis, the social principle of CP was hijacked by the “Lisbonisation of cohesion policy” as objectives of economic competitiveness and fiscal rigor triumphed over social equity and territorial cohesion (Mendez 2013; Vaughan-Williams 2015). In many European countries this was followed by “centralization reflexes”, in particular fiscal centralization and cuts in public expenditure (Andreotti and Mingione 2016; Pálné Kovács 2020, in this volume), coupled with a general withdrawal of the central state from social policy, reduced funding for education and healthcare, and “radical reforms in a number of areas, such as social dialogue, social protection, pensions, labour market and social cohesion in general” (Vaughan-Williams 2015, 47–48).

All in all, post-crisis reforms – state withdrawal, selective decentralization of welfare and fiscal centralization – did not take a uniform, nor linear institutional pathway in Europe. In some countries, fiscal centralization was only temporary (Pálné Kovács 2020, in this volume), while in others the governance of central-local relations has become characterized by overregulated state capacities and reaffirmed central state power parallel to devolution, localization, and interjurisdictional policy transfer (Peck and Tickell 2002). In the same vein, in some EU member states strong regulatory and financial commitment of the central state to place-based mechanisms prevailed, while in others insufficient financial, professional and institutional resources have been provided by a centralized regulatory environment (Andreotti and Mingione 2016). In the latter, place-based interventions struggle with the absence of institutional space for local deliberation and inter-jurisdictional partnership as well as with the insufficient amount of financial resources of an overall disinvesting policy landscape (Andreotti and Mingione 2016; Keller and Virág 2019).

In Hungary, post-crisis reforms meant a move away from the logic of “good governance”, horizontal coordination and an enabling state for place-based solutions, towards a neoweberian understanding of the “good state” based on hierarchies and bureaucratic solutions (Pálné Kovács 2014; Keller and Virág 2019). Institutional changes entailed the transfer of municipal responsibilities in public service provision to state administrative institutions through which the state exercised rigorous

116 control over the local level (Pálné Kovács 2020, in this volume; Keller and Virág
117 2019). These and the overall disinvestment of the central state in welfare policies
118 had constraining effects on place-based interventions aiming at social cohesion and
119 inclusion.

120 This chapter will scrutinize the effects of this institutional environment on the
121 place-based intervention of Give Kids a Chance program. By presenting a case
122 study about the institutional evolution of Give Kids a Chance, the chapter sheds
123 light on the way the incoherence of the Hungarian institutional environment with
124 CP's objectives and procedures could turn a progressive, place-based initiative tack-
125 ling child-poverty into an instrument whose institutional logic is based on hierarchi-
126 cal forms of coordination. Squeezed by insufficient financial and professional
127 resources and the absence of institutional space for deliberation, Give Kids a Chance
128 could eventually provide temporary solutions and the conservation of inequalities
129 (Keller and Virág 2019). A key aspect of this study is to situate its findings in the
130 broader context of the role Cohesion policy can play in reducing socio-economic
131 and spatial disparities in the highly heterogenous institutional environment of EU
132 member states. The approach taken here stresses the important role of the state in
133 setting institutional conditions for Cohesion policy to play out its objectives on
134 social cohesion. It is believed that some cautious generalizations from this study can
135 contribute to wider debates about the present and future of Cohesion policy in a
136 multi-level and versatile institutional environment where domestic states play a
137 paramount role in shaping policies and center-local relations.

138 The analytical framework of this study is anchored in the literature that views
139 development as an expansion of human capabilities rather than capital accumulation
140 (see Sen 1999; Hirschman 1958; North 1991). This approach holds that the expan-
141 sion of human capabilities should not only be the paramount goal of development
142 but also its means, established through participative and deliberative mechanisms
143 and the distribution of authority to help people to "lead the kind of life we value"
144 (Sen 1999, 18). The foundations of capability expansion are public goods and ser-
145 vices (Evans et al. 2017) that states must invest into in order to strengthen people's
146 capacities and "prepare" them to confront life's risks (Esping-Andersen et al. 2002;
147 European Union 2013). Early childhood education and care services is a good
148 example for such capacitating public goods that serve purposes of capability expan-
149 sion by increasing individual aspirations and educational chances (Evans et al. 2017).

150 In this framework integrated policy coordination and trust-based developmental
151 alliances based on participatory mechanisms are thought to provide states with
152 capacities to effectively invest in the provision of public services and in implement-
153 ing interventions for capability expansion. These institutional arrangements, how-
154 ever, are not fixed once and for all, rather shaped by institutional conditions provided
155 by the state. Since the "*main features of the state structure in degrees of bureaucra-
156 tization, centralization and clientelism can account for the way in which local prob-
157 lems are regulated and state/society relations are shaped*" (Paraskevopoulos 2001,
158 20), the state can help local actors from above to mobilize resources from below
159 through a regulative framework based on the "virtuous relationship" between scales
160 of governance (Trigilia 2001).

In the multi-level governance framework, the EU does not have the latitude to impose institutional arrangements on member states, but it can provide incentives for domestic states to adopt non-hierarchical and participatory institutions through its development programs that influence domestic balances of power (European Union 2015; Bruszt 2005). In the case of postsocialist member states, it was the EU's pre-accession support programs (Phare, SAPARD) that first acquainted domestic actors with non-hierarchical modes of governance and empowered the local level vis-à-vis central governments through external incentives and social learning (Bruszt 2005; Hughes et al. 2003). However, by the time these states became full members of the EU, the principles of Cohesion policy had changed from favoring political to technical accountability, which strengthened central governments vis-à-vis the local level (Hughes et al. 2003; Bruszt 2005). Subsequently, a recentralization process began in the Hungarian policy field, which gained special impetus after 2010 with the coming to power of a right-wing government. The Fidesz-Christian Democratic coalition government intensified centralization by pulling administrative and public service functions away from local governments in nearly all policy areas parallel to fiscal centralization through the earmarked funding and decreasing resources for education and social services (Greskovits 2015; Szikra 2014; Velkey 2017).

The place-based intervention of Give Kids a Chance program, with its focus on providing spatial justice in child welfare service provisions, arrived in Hungary prior to 2010. The chapter sheds light on the way the place-based character of Give Kids a Chance program, despite incentives provided by Cohesion policy funds, transformed in the post-2010 Hungarian domestic policy landscape, which systematically enhanced and reproduced social inequalities. The main question the chapter addresses is how Cohesion policy's place-based agenda can be utilized to tackle uneven social and spatial development in a centralized territorial governance system and a welfare policy field that favors bureaucratic solutions and penal measures against poverty rather than 'good governance' and an enabling institutional environment for social investment.

Empirical evidence for the chapter was gathered in the course of a three-year long post-doctoral research on inequalities in early childhood care provisions (PD 112659) funded by the National Research Development and Innovation Office and within the framework of the RELOCAL project.¹ In order to address questions about the institutional evolution of Give Kids a Chance program, mixed methods were used in both projects. The study thus builds on the analysis of policy documents and statistical data about early childhood provisions, child poverty and the architecture of Give Kids a Chance program. On the other hand, the analysis is also informed by semi-structured expert interviews and qualitative sociological field

¹Post-doctoral research was financed by the fellowship of the Hungarian National Research, Development and Research Office. The RELOCAL project: Resituating the Local in Cohesion and Territorial Development H2020 Framework project No. of Grant Agreement 727,097. www.relocal.eu

200 work carried out between 2016 and 2018 in several micro-regions² that implemented
 201 Give Kids a Chance programs.

202 The following sections of the chapter will first discuss the transformation of
 203 Hungary's territorial governance system and welfare policies after the coming to
 204 power of the right wing Fidesz government in 2010. Subsequent sections will present
 205 the institutional evolution of Give Kids a Chance program since its inception
 206 until 2016, indicating entry points where domestic political and policy processes
 207 affected the program's components and its governance modes.

208 10.2 The Development and Social Policy Landscape

209 With the fall of state socialism in Hungary the concept of local democracy and the
 210 elimination of central state control in local affairs gained special emphasis. Although
 211 the Act on Local Governments (1990) provided all this, it lacked measures on fiscal
 212 decentralization (Fekete and Bodolai 1995). This and mounting social and economic
 213 problems caused by economic transformation triggered cooperation among
 214 local governments and non-state actors (Fekete and Bodolai 1995). Local and
 215 regional initiatives were also encouraged by the central state that due to its weak
 216 coordination capacities searched for new partners for its territorial development
 217 policy (Fekete and Bodolai 1995). Due to the general weakness of civil society,
 218 local governments emerged as leaders of bottom-up development activism and
 219 cross-sectoral coalition-building in the 1990s. Cross-municipal associations ranged
 220 from special sectoral associations (e.g.: Public Education Service Districts to coordinate
 221 public education administration), to encompassing cross-settlement develop-
 222 mental alliances integrating state and non-state actors across the vertical and
 223 horizontal spectrum (Keller 2010).

224 Changes in the principles of Hungary's territorial development regime first
 225 appeared at the turn of the millennium under the influence of the Commission's new
 226 priorities in its pre-accession funds. In line with the Copenhagen criteria, the
 227 Commission changed its preferences to central states' administrative capacities in
 228 order to ensure the "safe money transfer" of prospective Structural Funds (Hughes
 229 et al. 2003; Bruszt 2005; Ágh 2010). "Performance pressure" (Ágh 2010) on central
 230 governments gave prerogatives to the central state to define the goals and means of
 231 regional development policy and launched a re-centralization process that

²Micro-regions first emerged as voluntary associations of neighbouring settlements in the 1990s. As centralization increased towards the end of the decade, settlements' membership in the associations, the content and institutional mechanisms of cross-settlement cooperation increasingly came to be defined by the central state. The endpoint of this process was the establishment of public administration districts that grouped settlements according to statistical-administrative boundaries and designed the content of their cooperation from without. The institutional evolution of Give Kids a Chance reflects this process as the program targeted micro-regions until 2013 when public administration districts became targeted subnational units.

re-created hierarchical modes of governance (Hughes et al. 2003; Bruszt 2005; Ágh 2010). New domestic regulations appeared that limited local autonomy to organize coalitions for developmental purposes. The regulation on multi-purpose micro-regional partnerships in 2004 was one of the first steps in the process of centralization whereby the central state aimed to define the jurisdiction, the competence and membership of cross-municipal associations (Keller 2010).

The centralization process switched gears after the second victory of the right-wing Fidesz party at national elections in 2010. Public policy reforms launched by the government strengthened the role of the central state at the expense of local governmental autonomy by transferring several public service provisions to state administration. The Local Government Act (CLXXXIX/2011) reduced local governments' tax-extracting functions and introduced financial support earmarked by the central state for the provision of the few services left in the competence of local governments. Further amendments to the CLXXXIX Act in 2013 re-introduced public administration districts and district offices that were inserted into the hierarchy of state administration. The boundaries of public administration districts were laid out by the central state disregarding settlement membership in micro-regional partnerships that were inevitably terminated. The establishment of public administration districts enabled the direct oversight of the local level and can be viewed as a move away from "good governance", towards a neoweberian understanding of the "good state" based on hierarchies and bureaucratic solutions (Pálné Kovács 2014).

Districts not only fulfilled administrative functions but were also given mandates to represent functions of state authority in child welfare and education service provisions. The new Act CXC on National Public Education Act (2011) took the rights of settlements away to maintain educational institutions in two phases. A central office (Klebsberg Centre for Maintaining Institutions)³ and its district level offices were founded by the national government to manage and control the administration of public schools. Several domains of public education were directly re-nationalized such as curriculum development and text-book publishing, while the provision of Special Pedagogical Services was transferred to educational district centers from local governments. Similar changes took place in the child welfare sector in 2016, where in the first phase Family Support Services and Child Welfare Services were merged with appeal to the introduction of holistic approaches in welfare provisions. In the second phase daily service functions of the new Family and Child Welfare Services were transferred to local governments without appropriate levels of funding, while administrative and authoritative functions were pulled to the Family and Child Welfare Centres at the district level.

The reorganization of pedagogical and welfare provisions was framed by discourses on remedying spatial injustice in the availability, accessibility and quality of child welfare services. Statistical data indicate persistent decline in service provision in those geographical places where they would be needed the most, i.e. small

³The central office of Klebsberg Centre for Maintaining Institutions was terminated in 2017. Successor district offices continued the management of public education and schools onwards.

273 rural villages and settlements characterized by socio-economic decline and poverty
274 interlinked with a concentration of the Roma population in the northeast and south-
275 west of the country (Velkey 2017; Virág 2006; Nagy et al. 2015). Incumbents'
276 promise was to end school segregation through centralized standards in school pro-
277 visions and in curriculum, while in the case of pedagogical and welfare services a
278 holistic approach for improved quality was envisioned. Streamlining, however in
279 both cases meant increased workload for the personnel due to centralized adminis-
280 trative duties. On the other hand, increased costs and personnel needs to provide
281 more services for families and children were not met by adequate supply of finan-
282 cial and human resources. Local governments only had mandate to provide Family
283 and Child Welfare Services but with their decreased financial competencies and
284 limited central state funds earmarked for local welfare services, they were unable to
285 supply what the central state missed out. Losing competencies in financial resource
286 management and administrative capacities was especially devastating for small
287 settlements where local governments have even less room for maneuver in mobiliz-
288 ing resources. In general, reforms reshaped settlements' role in local affairs and
289 decreased their capacity to influence local spheres of life at their discretion.

290 In addition to pulling administrative functions and authority towards the central
291 state, the content of domestic policies also changed after 2010, often in incongruent
292 ways. The patterns of these changes did not follow a uniform neo-liberal retrenchment,
293 rather an increased involvement of the state in the administration of selective
294 policies, (Szikra 2014; Ferge 2017) parallel to a general disinvestment in welfare
295 policies and anti-poor punitive measures (Greskovits 2015; Szikra 2014; Velkey
296 2017). Thus, while kindergarten attendance was made mandatory from age 3, crèche
297 services extended to smaller settlements, Sure Start houses⁴ institutionalized and
298 funded from central state budget, the bifurcation of social policy (Szalai 2013) pre-
299 vailed. Flat-rate child care allowance and universal family benefit that meant some
300 sort of a basic income for poor families had not been indexed since 2009 and lost
301 30% of their value (Szikra 2014, 2018). On the other hand, the means-tested parental
302 leave allowance used by families with stable income was extended and a new

⁴The Sure Start program was adapted from the British model in Hungary in 2003. Initially, pilot projects began in six deprived localities in Hungary, then in 2009 the program was extended to other localities financed by the European Social Fund. Similar to its original British methodology, Hungarian Sure Start houses are children and family centers established in deprived localities to provide services that support early childhood development by linking it to child well-being, family welfare and the development of parental competencies. In order to avoid stigmatization and improve accessibility all families living in depressed neighbourhoods have access to Sure Start Houses, irrespective of their socio-economic background. The Sure Start program aims to reduce regional disadvantages by filling gaps in local early childhood care and family welfare services and enhancing the quality and accessibility of existing services. Since 2009 Hungarian Sure Start houses could also be established within Give Kids a Chance program first as an optional, later on as a mandatory program element. In 2012 Sure Start houses were incorporated in the domestic institutional system of child-welfare services financed by the central state through annual funding of approximately €20,000.

family tax allowance scheme was introduced that also compensated families with higher income. 303
304

The disadvantages of low-income families were exacerbated by restrictions in 305
the provision of regular child-protection allowance and in making claims for “dis- 306
advantaged” and “multiply disadvantaged” status for children. Regular child- 307
protection allowance had been an important source of regular income (€133 per 308
month) for low-income families even though it has not been indexed since 2009 and 309
can be provisioned only in-kind since 2012. Since 2013 (Act XXVII) the allowance 310
must be requested by families through a strict administrative procedure although 311
formerly it was automatically attached to children’s disadvantaged status. In the 312
new framework disadvantaged children are those who are eligible for regular child 313
protection allowance and are raised by parents who are either unemployed or have 314
low educational attainment or live in a segregated/low-amenity environment. 315
Multiply disadvantaged children are those who meet at least two of these criteria. 316
Requests for status are evaluated by the local notary public and claims about low- 317
amenity living conditions must be verified through the notary’s home visit. 318

In Hungary the spatial distribution of disadvantaged children displays a particu- 319
lar pattern (Fig. 10.1). High concentration of deprived children can be found in 320
small villages of micro-regions located in the northeastern and southwestern parts 321
of the country. In 2007 these micro-regions were classified as “most disadvantaged” 322
(Decree 311/2007 XI.17) based on their underdeveloped economic, social and 323
infrastructural conditions (Bauer et al. 2015). Disadvantaged micro-regions com- 324
prised settlements with a population at high risk of poverty due to economic decline, 325
unemployment, low educational attainment, and underdeveloped public institu- 326
tional infrastructure. While the socio-economic data of these micro-regions show 327
considerable lagging behind from the national average, intra-regional disparities are 328
also significant between micro-regional centres and its surrounding settlements 329

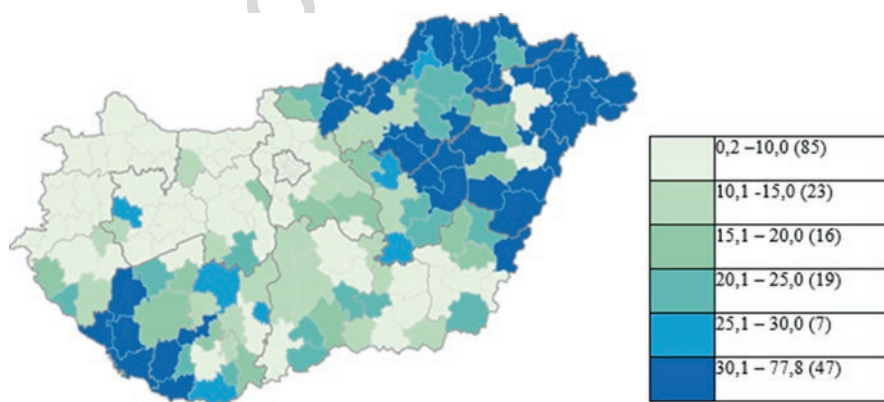


Fig. 10.1 Proportion of disadvantaged children in kindergartens at the district/micro-regional level 2016/17. (Source: Hungarian Statistical Office, 2016/17 <http://www.ksh.hu/interaktiv/terkep/mo/oktat.html?mapid=ZOI017&layer=dist&color=7&meth=sug&catnum=6>)

330 (Keller and Virág 2019). The social and ethnic composition of these micro-regions,
 331 but especially their even more disadvantaged villages is characterized by a high
 332 number of children and the concentration of the Roma. In addition to suffering from
 333 poverty, children living in these areas are also deprived of high-quality public ser-
 334 vices due to the shortage of child welfare professionals (teachers, nurses, speech
 335 therapists, paediatricians amongst others) and services that could alleviate the
 336 impact of socio-economic disadvantages. The provision of child welfare services
 337 gradually declines with the settlement slope: services that can compensate chil-
 338 dren's socio-economic disadvantages concentrate in micro-regional centres, leaving
 339 the most disadvantaged in small villages with sporadic and poor service provisions.
 340 The complex interplay of spatial, social and ethnic exclusion is most visible in the
 341 ghettoized rural villages of the most disadvantaged micro-regions (Virág 2006;
 342 Ladányi and Szelényi 2006; Nagy et al. 2015; Keller and Virág 2019).

343 10.3 Give Kids a Chance and Its Structural Transformation

344 As part of larger government efforts to expand employment capacities and improve
 345 living conditions in the most disadvantaged micro-regions, government decree
 346 311/2007 XI.17 earmarked most disadvantaged micro-regions for targeted complex
 347 development programs through the Structural Funds. One of these complex pro-
 348 grams was *Give Kids a Chance* that aimed at combatting child poverty and reducing
 349 regional disadvantages by filling gaps in child welfare provisions and improving the
 350 quality and accessibility of existing ones to better alleviate children's
 351 disadvantages.⁵

352 The program was initiated by academics at the Hungarian Academy of Sciences
 353 and embedded in the *National Strategy to Combat Child Poverty* (2007), which
 354 identified its long-term objectives in improving the situation of families with chil-
 355 dren in terms of income, employment and housing and by improving the quality and
 356 availability of education, social and healthcare services for children (Bauer et al.
 357 2015). Associated with the Strategy, Give Kids a Chance was first implemented as a
 358 pilot project in 2006, in the micro-region of Szécsény, one of the most disadvan-
 359 tagged areas in Northern Hungary. The pilot program was financed by the Norwegian
 360 Fund, which provided flexible financial mechanisms for the implementation of
 361 complex and integrated services. The management of the overall program was
 362 maintained by the Hungarian Academy of Sciences' (HAS) Program Office to
 363 Combat Child Poverty in cooperation with the Prime Minister's Office.

⁵The place-based approach of *Give Kids a Chance* and the role played by a nation-wide Christian charity in its coordination inspired the program *Endless Possibilities* in 2017. Similar to *Give Kids a Chance*, *Endless Possibilities* also aimed at introducing innovative solutions in child welfare and community development services and improving the quality of existing ones in the five most disadvantaged districts. Financed over a four year period by the European Social Fund, these projects are currently being implemented by five religious charity organisations.

The institutional design of the Szécsény pilot was based on the place-based approach. It employed the principle of “explicit but not exclusive” by providing child welfare services for the entire micro-regional community with special focus on the most vulnerable communities. Interventions were designed with the inclusion of local communities, targeting particularly marginalized families. The institutional framework was developed in the course of action-research that provided permanent feedback for the Program Office to Combat Child Poverty and enabled knowledge transfer between local implementers and researcher at HAS, whose role was to provide methodological guidance in bottom-up planning techniques, community building and to monitor implementation. Findings of action research were incorporated into methodology development and service planning in order to ensure “learning by doing” (Sabel 1994). The overall institutional framework of the pilot program designated the main areas of intervention and courses of action, but left room for local implementers to plan and implement specific local interventions tailored to local needs (Bauer et al. 2015). In this vein, the Szécsény program put the stress on institutional coordination among child welfare service providers by introducing new services, such as Sure Start houses and community houses. It also aimed at improving the human resource supply of child welfare services in the micro-region by inviting education and developmental professionals, psychologists to the micro-region.

Local preferences and knowledge were elicited by researchers at HAS who guided local planning based on community forums, public hearings, community planning sessions, amongst other. In addition, some researchers also moved into settlements of the micro-region, thus providing the permanent presence needed for building deep personal relations with the inhabitants. This permanent presence and personal relations provided the embeddedness that helped to understand the local situation, to elicit local preferences and elaborate strategies and services tailored to the needs of different communities. Place-based planning methods, permanent dialogue and horizontal feedback platforms between researchers at HAS and local communities was supported by an overall result-oriented and long-term program strategy rather than a short-term, compliance-driven project structure.

In 2011 the *National Strategy to Combat Child Poverty* was merged into Hungary's *National Social Inclusion Strategy* that provided funding for extensions of the Szécsény pilot program from the Structural Funds. Micro-regional extensions of Give Kids a Chance were carried out in four phases in the most disadvantaged micro-regions of the country. The first phase took place between 2009 and 2012 in five micro-regions, the second one between 2011 and 2014 in six micro-regions, the third period lasted from 2012 to 2015 in twelve micro-regions. Funding provided by the European Social Fund (ESF) was available for three years for all micro-regions with a budget of HUF 450–600 million (€1.5–2 million) per micro-region. The fourth program extension is currently taking place in 31 districts over a five-year period with similar rates of funding (Fig. 10.2).

At the level of discourse, extension programs of Give Kids a Chance followed the Szécsény pilot's integrated approach closely in combining complex objectives, such as the reduction of child poverty and the expansion of children's capabilities

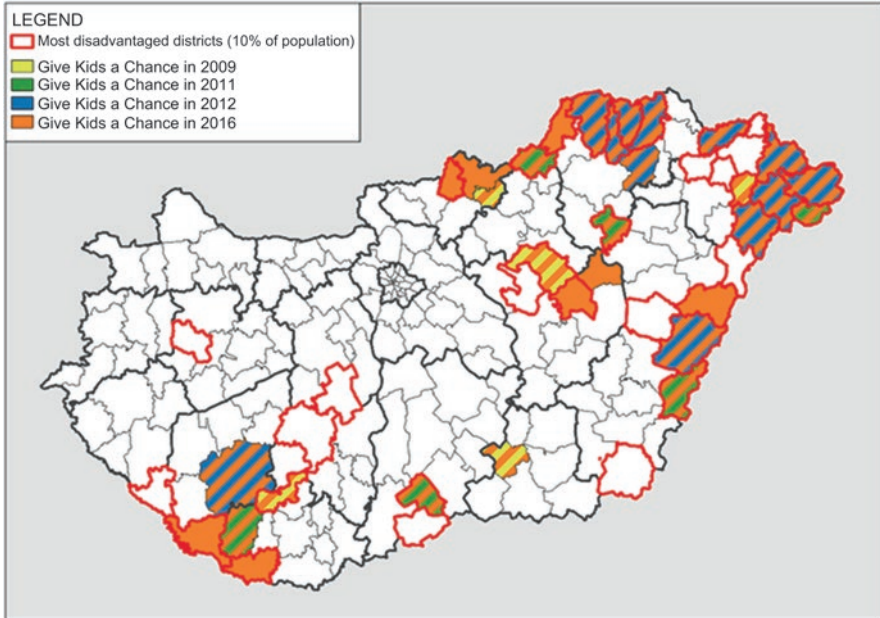


Fig. 10.2 Micro-regions participating in Give Kids a Chance program. (Source: www.teir.hu by Gergely Tagai)

409 with goals to eradicate poverty among families and to end segregation. Give Kids a
 410 Chance programs assigned the highest priority to early childhood care and educa-
 411 tion (between 0 and 5 years), inter-professional institutional cooperation among
 412 child welfare professionals (teachers, nurses, social workers, special developmental
 413 specialist) and long-term strategic planning (Bauer et al. 2015). Overall, program
 414 elements have included early childhood education and capability expansion ser-
 415 vices, such as Sure Start houses; integrated public education services, such as after
 416 school tutorials; complex family support and capability expansion services, such as
 417 community houses with IT points, youth clubs, counselling, washing machines,
 418 showers; special developmental in-school classes; second chance programs; health
 419 screening; housing projects and recreational activities (summer camps, family days,
 420 sporting events, excursions) (Bauer et al. 2015). The implementation of program
 421 elements was facilitated by a mentoring program scheme managed by the Program
 422 Office to Combat Child Poverty at HAS in the first two extensions of Give Kids a
 423 Chance and by a consortium in its subsequent iterations. In the planning phase men-
 424 tors elicited local knowledge and needs and facilitated local planning guided by the
 425 place-based approach. During implementation mentors provided methodological
 426 and administrative support for local implementers, ensured quality control and
 427 monitoring.

428 Under institutional pressure of centralized policy making and an overall policy
 429 landscape that institutionalized disinvestment in welfare policies, Give Kids a

Chance has gone through significant changes since its inception. Changes entailed shifts in the program's priorities as reflected in the transformation of program elements and in the modes of governance that defined participating actors' relations and coordinated their activities. In the following section, I present the main characteristics of this transformation, pointing to aspects of the constraining effects of structural variables, such as centralization and welfare retrenchment.

10.3.1 Shifts in Program Priorities

Transformations in Hungary's public policy regime affected program elements of Give Kids a Chance in both direct and indirect ways. The underlining feature of transformations was a rapidly and often erratically changing institutional environment that destabilized implementation and compelled local interventions to align their objectives to the political and policy goals of the national government.

When Hungarian Parliament passed the new Act on Public Education in 2011, 11 micro-regions from the first two extensions of Give Kids a Chance were in the middle of their local program implementation. The renationalization of public education in schools directly affected their local programs as schools were no longer maintained by local governments but managed by the central state and its education district centers. With the change of maintainer, in-school program elements of the local Give Kids a Chance had to be coordinated with the administration of new education districts with whom cooperation was based on formal bureaucratic procedures that often led to conflicts with local implementers (Husz 2016). New regulations in public education also made it mandatory for children to stay in school until 4 p.m., which made after-school tutorials of Give Kids a Chance difficult to implement. New bureaucratic regulations in the definition of disadvantaged and multiply disadvantaged children induced a decline in the number of disadvantaged children, which made it difficult for local implementers to fulfill local program indicators. Other regulations that introduced the new teacher carrier model demanded additional administrative duties from teachers depriving them of capacities to participate in teacher training programs for social inclusion organized by the Give Kids a Chance program.

The constraining effects of centralized state policies could also be observed in the increasing number of mandatory program elements and regulations about their implementation at the local level. The rationale behind the move towards centralized program definition was similar to the renationalization of public education; i.e. to provide standardized services for disadvantaged families and neutralize place-specific disparities in service provision deriving from different local governmental capacities. Each of the four extensions of Give Kids a Chance included approximately 25 mandatory and optional program elements. In each program iteration the number of mandatory program elements gradually increased, leaving steadily decreasing room for local actors to design local programs based on local specificities and needs. The tender call in 2009 listed 10 mandatory program elements; by

471 2011 the number of mandatory elements increased to 13, and by 2012 up to 17. In
472 the current program period, local actors in all micro-regions are compelled to imple-
473 ment all 22 program elements. Additionally, procedures for planning and imple-
474 mentation were also decreasingly left to the discretion of local actors. While
475 program regulations in 2009 and 2011 only outlined general requirements for
476 implementation, in subsequent program cycles in 2012 and in 2016 local imple-
477 menters had to fulfil meticulously detailed and increasingly strict administrative
478 requirements.

479 The weakening of the place-based approach of Give Kids a Chance was exacer-
480 bated by a new project evaluation system in 2012, which – unlike the first two pro-
481 gram cycles in 2009 and in 2011 – gave priority to formal administrative requirements
482 over innovative local solutions and content-based programming. The bureaucratiza-
483 tion of the evaluation system resulted that micro-regions with tenders designed and
484 drafted by external professional consultants were more successful than those that
485 prepared their own tenders with meagre human capacities based on local needs
486 (Bauer et al. 2015). External consultants often neglected local stakeholders’ knowl-
487 edge and included elements in local programs that were misaligned to local needs
488 and had unrealistic commitments. These instances generated an overall atmosphere
489 of distrust and resistance towards the entire program in several micro-regions (Husz
490 2016). The atmosphere of distrust towards the central program was intensified by
491 the establishment of a centralized evaluation system in 2016. In the new system, all
492 EU funded tenders are evaluated by “state evaluators” who are mainly ministry
493 bureaucrats undertaking tender evaluation as a part-time position. The evaluation of
494 31 tenders in the fourth program extension took one year for state evaluators. Since
495 most of these micro-regions applied for funding to continue their local Give Kids a
496 Chance program, delays in evaluation caused discontinuities in funding services,
497 leading to the termination of local program elements (e.g.: Sure Start houses) in
498 some localities.

499 Shifts in program priorities to align Give Kids a Chance interventions to domestic
500 policy objectives could be observed in the way the program increasingly targeted
501 most disadvantaged children without complementary infrastructural program ele-
502 ments. Optional program elements of the first two program cycles, such as health
503 screening, developmental and skill screening, preventive programs for early school
504 leaving, amongst other, became mandatory in the third and fourth program exten-
505 sions, while the establishment of settlement/community houses providing these and
506 other types of complex support for most disadvantaged families in segregated com-
507 munities withered away by the third extension program in 2012 (Husz 2016). At the
508 same time, the priority of desegregation that was a benchmark in the evaluation of
509 micro-regional tenders in 2009 entirely disappeared from the requirements of sub-
510 sequent programs’ regulations (Husz 2016). Although the *National Social Inclusion
511 Strategy* sets development programs the strategic goal of desegregation in housing
512 and service provisions, Give Kids a Chance was increasingly shaped to focus on
513 improving the quality of services in segregated communities (Husz 2016).

514 The spill-over effect of centralized policy solutions and local actors’ increasingly
515 “authorized” freedom (Bauer et al. 2015) to shape local program according to local

needs could also be observed in the program's growing emphasis on strengthening cooperation between local Give Kids a Chance programs and the local child welfare system (Husz 2016). While this program element was optional in the first program extension in 2009, in the second program cycle in 2011, it became mandatory for local implementers to involve local child welfare professionals in implementation (Husz 2016). This priority shifted further in the third iteration of the program when it became mandatory for local implementers to introduce programs that "modernize" local child welfare services (Husz 2016). This expectation culminated in the fourth program extension in 2016, when local tenders had to be submitted and implemented through the new micro-regional Child and Family Welfare Centers and Services. This shift took place in the institutional framework of the recent restructuring of child and family welfare provisions and conveyed the overall expectation towards Give Kids a Chance to modernize these provisions by introducing new methodologies and mobilizing scarce human resources in local welfare.

Such high expectations towards a single program were unfair, especially under structural constraints of dramatic undersupply of human and financial resources by the state. Due to the disinvestment of the state in the welfare sector and the combined effect of increased workload, "authorized freedom" and stricter bureaucratic procedures but stagnating salaries, the outmigration of child welfare professionals – school and kindergarten teachers, pediatricians, early childhood caretakers, social workers – has been steadily growing in disadvantaged micro-regions targeted by Give Kids a Chance programs. General shortages in social, healthcare and educational professionals were intensified by the program's requirements for personnel with high degrees, which expectation local implementers could hardly fulfill. In some cases, formal regulations had to be modified, amongst other, to require lower educational attainment from personnel in order to support implementation. All in all, the scarcity of welfare public servants often paralyzed the program, which could only provide temporary relief in scarce resources and services.

10.3.2 The Transformation of Program Governance

In the immediate aftermath of the coming to power of the right-wing Fidesz government, the Program Office to Combat Child Poverty at HAS was terminated. Its duties to manage the mentoring program were transferred to a consortium of a governmental background institution, a nation-wide Christian charity organization and a reduced team of social scientists at the Centre for Social Studies of HAS. Each consortium member was responsible for the mentoring of several micro-regions, the facilitation of local program planning and implementation according to place-based logics. Change in the ownership of mentoring program's management, however had an overwhelming effect on the place-based governance of Give Kids a Chance.

Until 2011, during its first two extensions, when the Program Office at HAS managed program facilitation, mentors' interventions focused on eliciting local knowledge to translate framework conditions and to tailor them to local needs. This

557 place-based methodology of Give Kids a Chance began to erode when some mem-
558 bers of the new management consortium used their authority, provided by the state,
559 to interfere with micro-regional program design by informally approving or disap-
560 proving local decisions. In micro-regions whose mentoring was undertaken by the
561 charity organization, local implementers often experienced limited room for maneu-
562 ver in striking a balance between local needs, program requirements and mentors'
563 recommendations. Local coordination was sometimes laden with tension between
564 mentors of the charity organization and local implementers who felt constrained in
565 their autonomy to design and implement the program according to local needs.
566 They often felt that their knowledge of local conditions was sidelined by mentors'
567 "monocropped" methodological solutions, who as mentors never stayed in the
568 locality long enough to provide continuity and sustainability.

569 These instances were part of general trends in the country's welfare system, in
570 which the central government abandoned its responsibility to coordinate social ser-
571 vice provisions for marginalized communities and outsourced its duties to non-
572 governmental or church-affiliated organizations (Jelinek and Virág 2019). The
573 Christian charity organization has received funding from central state budget for
574 undertaking social policy and service delivery for disadvantaged communities,
575 which has overlapped with its own ambition to extend the methodology it developed
576 over the years based on intensive social work. Its growing influence in welfare pol-
577 icy can be seen in its capacities to act as gatekeeper and influence decisions in local
578 development programs (Jelinek and Virág 2019; Keller and Virág 2019).

579 The most striking feature of Hungary's post-2010 public policy environment has
580 been the parallel trend of state disinvestment in welfare provisions and the rapid
581 centralization of public administration and policy making. The mechanism that
582 linked state withdrawal to centralized decision-making was the overall increase of
583 bureaucratic control in public administration and in the institutional framework of
584 policies. The disinvestment of the central state in welfare policies coupled with
585 punitive measures making access to welfare entitlements (disadvantaged status, per-
586 manent child protection benefits amongst others) more difficult through complex
587 administrative procedures. At the same time, centralization diminished local gov-
588 ernments' room for manoeuvre and positioned them in a hierarchical relationship
589 where administrative control over local affairs was increasingly exercised by the
590 central state through district offices. This hierarchical mode of governance spilled
591 over to Give Kids a Chance and has been manifest in top-down regulatory plat-
592 forms, the lack of bottom-up feedback channels for the local level and over-detailed
593 bureaucratic regulations.

594 Centralized policy-making changed the institutional framework of Give Kids a
595 Chance in a way that the program increasingly instigated exclusively top-down
596 communication channels between upper policy levels and local stakeholders. The
597 central state communicated with the local level through bureaucratic regulations, in
598 which it defined program elements that the local level must implement as well as
599 requirements about the way it should implement them. In the third and fourth itera-
600 tions of Give Kids a Chance local implementers were required to supply meticu-
601 lously detailed data about participants and local programs, and respond to online

surveys without any feedback from the central state level regarding the goal and utilisation of this information. The lack of transparent feedback platforms prohibited the local level to “upload” its place-based knowledge and preferences to the central state, which resulted in misaligned program planning at the level of the state.

It were the most marginalized communities of disadvantaged micro-regions – segregated neighbourhoods and “ghettoized villages” – that suffered the most from the tightening grope of centralization and the withdrawal of the central state from its responsibilities to provide welfare for its citizens (Table 10.1). In these communities, with limited financial and human capacities in service provision, Give Kids a Chance could only provide an oxygen tube that temporarily resuscitated life into a systematically undersupplied child welfare system. Marginalized communities are greatly dependent on micro-regional centres since due to their size they are unable to maintain many welfare services locally. The intensified hierarchical governance of the post-2010 era increased their passive role in development projects whose parameters were increasingly decided from the outside: from the district center and the central state. This administrative hierarchy in many micro-regions meant the weakening of place-based planning and the allocation of resources to district centers rather than to marginalized communities in small villages (Bauer et al. 2015).

10.4 Conclusion

This chapter presented the way the incoherence of domestic modes governance with CP's objectives and procedures have shifted place-based mechanisms in Give Kids a Chance program towards hierarchical forms of coordination in Hungary. Hungarian reforms in territorial governance, policy coordination and content played a fundamental role in reshaping priorities and program coordination of Give Kids a Chance in the aftermath of the global economic crisis and the second landslide victory of the right-wing Fidesz party.

Although Hungarian reforms dovetailed with contemporary trends in local governance transformation pertaining to central state withdrawal from social policy, selective decentralization and fiscal centralization, they went beyond the remodeling of territorial governance in other EU countries. While in some countries fiscal centralization and selective decentralization was only temporary, in Hungary the central state's power was reaffirmed in a model of the good state based on hierarchical coordination, bureaucratic and overregulated state capacities coupled with a downloading of public responsibilities in welfare to non-state actors and an overall disinvestment in social policy. Overregulation and bureaucratic procedures served purposes of a compliance-driven control of the local level that was further weakened by hierarchical modes of territorial governance escalating hierarchies in state-society relations. In Hungary financial centralization was coupled with functional centralization, i.e. the diversion of former municipal public services to state administration, which pulled power away from local governments and increased the dependent position of settlements on higher policy levels. At the same time, the

t1.1 **Table 10.1** Overview of Give Kids a Chance 2006–2013

	Institutional design	Szécsény Pilot 2006	2009 extension	2011 extension	2012 extension	2016 extension
t1.2	Institutional background	Programme Office to Combat Child Poverty at HAS Prime Minister's Office	Give Kids a Chance team at the Center for Social Studies at HAS Christian Charity Organization	Consortium: Give Kids a Chance team at the Center for Social Studies at HAS Christian Charity Organization		
t1.3		Norwegian Fund	Structural Funds	Background institution of Ministry of Human Resources		
t1.4		1	5	6	12	31
t1.5		No mandatory elements, local programs tailored to local needs	10 mandatory program elements	13 mandatory program elements	17 mandatory program elements	22 mandatory program elements
t1.6		Cooperation with child welfare services is optional	Cooperation with child welfare services is optional	Institutional development, must include Family and Child Welfare Center/Services	Institutional development must include Family and Child Welfare Center/Services	Institutional development and implementation led by Family and Child Welfare Center
t1.7		Desegregating services	Complex services in settlement houses	Cooperation with child welfare services is mandatory	Modernization of Family and Child Welfare Services	Cooperation with child welfare services is mandatory
t1.8			Desegregating services	Complex services in settlement houses	Cooperation with child welfare services is mandatory	Absence of settlement houses and desegregating services
t1.9				Absence of desegregating services	Absence of settlement houses and desegregating services	
t1.10	Program priorities					
t1.11		Action research	Christian Charity's increasing influence over local programs	Christian Charity's increasing influence over local programs	Christian Charity's increasing influence over local programs	Christian Charity's increasing influence over local programs
t1.12		Feedback	Top-down regulatory platforms without bottom-up feedback options	Top-down regulatory platforms without bottom-up feedback options	Top-down regulatory platforms without bottom-up feedback options	Top-down regulatory platforms without bottom-up feedback options
t1.13		Knowledge transfer	Over-detailed regulations and requirements on implementation	Over-detailed regulations and requirements on implementation	Over-detailed regulations and requirements on implementation	Over-detailed regulations and requirements on implementation
t1.14		Community planning	Lack of transparent feedback vis-à-vis the central state	Lack of transparent feedback vis-à-vis the central state	Lack of transparent feedback vis-à-vis the central state	Lack of transparent feedback vis-à-vis the central state
t1.15		Permanent dialogue				
t1.16		Long-term strategy for results				
t1.17	Governance modes					
t1.18						
t1.19						
t1.20						
t1.21						
t1.22						
t1.23						
t1.24						
t1.25						
t1.26						
t1.27						
t1.28						
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t1.30						

state's withdrawal from social policy meant dramatic underfunding of the sector, a deflection from its public duty to guarantee social rights equally across space and irrespective of local conditions coupled with the outsourcing of welfare service management and delivery to a charity organization.

The institutional evolution of Give Kids a Chance program was influenced by these transformations in a way that place-based program elements and procedures became dominated by place-blind elements and hierarchical coordination mechanisms. The increasing number of mandatory program elements meant that local actors had less autonomy to design programs based on local needs. Enhanced by the new centralized system of tender evaluations that gave priority to administrative program compliance over content-driven and result-oriented evaluation, defining the goals and means of local Give Kids a Chance programs from the center reduced space for public debate at the local level and strengthened exclusionary procedures. The latter could be observed in shifting program emphasis on desegregation towards improving the quality of services in segregated communities. Similarly, the growing expectation for Give Kids a Chance to take over responsibilities of the state in modernizing child welfare services and filling gaps in service provision generated by state disinvestment indicate the way the framework of local programs was increasingly aligned to serve objectives of the national government. The weakening of the place-based character of Give Kids a Chance was intensified by the outsourcing of a large part of the management of this intervention to a Christian charity organization whose gatekeeper function constrained local coordination. In addition, local coordination was inhibited by bureaucratic procedures that required administrative accountability and transparency from the local level without transparent feedback platforms available for the local level vis-à-vis the central state. While the central state communicated with the local level through bureaucratic requirements, the local level had no means to communicate with state-level program management authorities, nor capacities to follow the way local knowledge and data was used by the central state. As a result, situated in an institutional landscape that reproduces hierarchies and social injustice, local Give Kids a Chance programs could provide only temporary "oxygen tubes" for marginalized communities to fill gaps of an otherwise undersupplied and hierarchical public policy system.

Certainly, there is no uniform way to implement the place-based approach (European Union 2015) and it can play out differently amidst EU member states' institutional heterogeneity and commitment to subsidiarity, partnership and integrated policy mechanisms. As the Hungarian example shows, filtering place-based interventions of CP through diverse domestic institutional environment of various member states can indeed yield different policy procedures and outcomes. The lesson that emerges from the institutional transformation of Give Kids a Chance for Cohesion policy shows the limits of Cohesion policy funded place-based initiatives in a multi-level regulatory framework of the European Union. Within the multi-level governance system of the EU, the effects of domestic institutional constellations can often be stronger than the catalyzing role of Cohesion policy for place-based development. The place-based approach has weak capacities to affect domestic policy systems through spill-overs and social learning as features of state

688 structures – governance modes and public policy priorities – can hijack place-based
 689 initiatives to deliver policy objectives of national governments. If the general prin-
 690 ciples of domestic territorial governance and welfare policies are at odds with the
 691 principles of place-based development, such initiatives are likely to be impaired to
 692 further objectives on social cohesion.

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