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The 'hidden hypothesis'- approach in evaluation methodology: a case study from Switzerland's crossborder cooperation policy.

Manfred WALSER

Institute for public services and tourism (IDT-HSG), University of St. Gall
Varnbuelstrasse 19
CH-9000 St.Gall, Switzerland
manfred.walser @ unisg.ch

Abstract

The 'hidden hypothesis'- approach for intermediate evaluation is characterized by two elements: (1) an emphasis on the invisible goals of an evaluated programme or instrument and (2) a strong orientation towards processes of learning and motivation with the actors involved.

(1) The formulation of political programmes tends to integrate as much different interests as possible. Such goal-setting processes simplify political agreement. But to evaluate such programmes with all their different and partly conflicting goals creates problems. The quality of an evaluation cannot be better as the quality of the evaluated goals and conflicting goals lead straight forward to conflicting results.

(2) Evaluating the results of a political programme is also confronted with problems of measurement. Evaluation methodology normally distinguishes output, impact and outcome of a programme or a project. The presented approach of evaluation works with different logic. The approach aims at enabling the actors concerned to modify and rearrange their activities. The evaluator acts as moderator and gives inputs for the necessary learning processes.

Key words: evaluation methodology, regional crossborder development, INTERREG, Switzerland

The paper is about the results of an evaluation study of the Swiss participation on the European INTERREG II- programme. The Swiss government decided to support the programme with own financial resources for co-financing projects according to the EU's co-financing. The support enables the border regions to implement a lot of projects within the crossborder cooperation. For controlling and improving the implementation an intermediate evaluation has been ordered in the same way as it is an instruction in the EU's INTERREG II- programme.

The methodology of the evaluation study has been first described during a workshop about crossborder policy evaluation in Kehl in November 1997 as a 'work in progress'. Now the whole project is finished since April 1998, which enables us also to present the results - especially the hidden hypothesis used in this project.

The methodology in general

Regional development, and crossborder cooperation in particular, needs feedbacks on the impacts of public policies. Policy evaluation is one appropriate tool. The 'hidden hypothesis'- approach is characterized by two elements: (1) an emphasis on the invisible goals of an evaluated programme or instrument and (2) a strong orientation towards processes of learning and motivation with the actors involved.

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(2) Evaluating the results of a political programme is also confronted with problems of measurement. Evaluation methodology normally distinguishes output, impact and outcome of a programme or a project. In general it is very tricky to evaluate the outcome. Thus the presented approach of evaluation works with different logic. The approach aims at enabling the actors concerned to modify and rearrange their activities. The evaluator acts as moderator and gives inputs for the necessary learning processes.

This approach can be used especially in intermediate evolutions and monitoring. The case of the Swiss participation to the European INTERREG II- Programme shows a great complexity concerning political goals and concerning the cooperation in a federalistic political structure. Therefore the casestudy is a good example to demonstrate the advantages of the approach.

The starting-point in Switzerland

The Swiss participation on the European INTERREG II- programme has different goals and a complex set of motivation. Over all, the fear of being isolated is the main motivation of acting within European programmes. In 1992 the Swiss population voted against joining the European Economic Market Treaty. The narrow rejection by plebiscite divided the nation in different ways and lead to intense discussions about the national cohesion. The borderline between pro's and con's not only can be found between rich and advanced regions on the one hand and on the other hand the conservative, poor and peripheral regions. The borderline also run between the French-

and the German-speaking parts of Switzerland, a traditional line of conflicts which is called the 'Röstigraben'.

The majority of politics and administration on the federal and cantonal level supported the idea of joining the European Economic Market Treaty. Now it was time to limit the detriment. As a consequence the people should be confronted with the use of an European integration from the bottom up. Especially the people living in the border region from Germany and Switzerland voted against the joining in spite of a dense and vital network of transborder cooperation between administrations and different groups of interest. It seemed that the cantonal governments was not been able to communicate the good experiences.

As a first step the cantonal possibilities to act in foreign policy became enlarged. But on the other hand the crossborder cooperation was defined as part of the Swiss regional policy which made it a task of the federal level. Both steps lead to an intense debate in Switzerland. The next federal activity was the decision to take part in the INTERREG II- programme of the European Community. The national parliament voted clearly for this participation with a budget of about 15.000.000 ECU. The main arguments in the debate stressed the 'double-dividend' of the measure, the meaning for regional policy as well as for the policy of integration. To stress the effects in regional policy means to immobilize the opponents of an European integration. The conflicting goals with different logics - efficiency versus equalization - influences the whole participation in INTERREG II.

The implementation of the Swiss participation on INTERREG II became not task of an institution responsible for foreign policy or EU policy; it became task of the Federal Departement of Industry, Business and Labour (BIGA), which is also responsible for regional policy. The first job was to divide the national subsidies between the five border regions of Switzerland to enable the regions to plan together with the neighbour regions across the border. Also the organisation of exchange of experience has to be done. The intermediate evaluation of the Swiss participation on INTERREG II here get a enormous importance for legitimation.

The task of the evaluation

To prepare the intermediate evaluation a study has been worked out by the "Institute de hautes études en administration publique (IDHEAP)". Following the BIGA formulated the tasks of the intermediate evaluation:

- To formulate criteria to divide the second part of the national subsidies between the five border regions
- To prepare recommendations to improve the cooperation between the federal level and the cantons and between the border regions
- To compare and value the organisation within the region especially with a view of subsidiarity
- To prepare the final evaluation

The main task which seemed to be very critically was the first task: to formulate criteria for dividing subsidies. The first part of the subsidies which was released to the regions was for about 60 percent of the whole budget. The criteria to divide this amount has

been very simple and the way, the criteria has been developed was very intransparent. Also the cooperation of the BIGA with the single region differed according to the region's requests and experiences in crossborder cooperation. To analyse this structure was the other main part of the evaluation.

The progress of the evaluation

The evaluation team¹ obtained a general view of the goals and measures while analysing the regional 'Operational Programmes', the database of projects, the minutes of the steering committees and working groups in the regions and others documents more. Also the team had first discussions with the regional responsables; they has been initiated from the BIGA for the implementation of INTERREG II.

Out of these analysis and discussions the team was able to formulate the so-called 'hidden hypothesis'. Such hypothesis are about the main tasks of the evaluation and try to connect the different visible and invisible goals to get an intersection. The intersection describes the implementation on the regional level (how the choice of the projects in different courses of the regional programme is done) and the representation of different interests on the national level (how the BIGA acts vis à vis the regions). The hypothesis formulate the central points of interest for the further analysis. They became comprehended in a short report and discussed with the BIGA as the orderer of the intermediate evaluation.

In a next step a guide for interviews became elaborated on the base of the hidden hypothesis and the additional interests of the BIGA. Interlocutors has been all cantonal responsables for the implementation of the INTERREG II- Programme as well as politicians and members of some federal departements working on crossborder issues. The interviews lead to the necessary knowledge about the state of implementation, the hindering influences and framework conditions and the complex relationship between different levels of action. The implementation of the INTERREG II- Programme is influenced by the relationship between:

- the federal and the regional/cantonal level,
- the transborder region and the cantons concerned within this region,
- the regional/cantonal level and the actors within the projects,
- the five Swiss transborder regions among one another,
- the border regions and the few Swiss inner cantons without a national borderline,
- and - of course - the way of transborder cooperation with the Austrian, French, German and Italian partners.

With the plenty of information the evaluation team get prepared to hold a workshop on the politically most delicate question of the distribution of the remaining budget between the five INTERREG- Regions. For that purpose half a day a discussion took

¹ The evaluation study has been worked out by the Swiss Institute for Research in International Economics, Regional Science and Structural Problems (SIASR) at the University of St. Gall (Dr. Alain Thierstein & Manfred Walser) and the Communauté d'études pour l'aménagement du territoire (C.E.A.T.), Lausanne (Michel Rey & Luc Vodoz).

place between the regional and cantonal responsables and the evaluation team without the representatives of the federal level and in the afternoon the results got discussed together with them. Afterwards the results should be taken back into the regions and an internal process of discussion should go on.

The last step was to work out the final report with the proposals to improve the organisation between and within the regions. The presentation of the draft of the final report to all regional and federal responsables took place at the end of 1998.

The 'hidden hypothesis'

The first bundle of hypothesis was about the distribution of the budget within one region between different political issues included in the INTERREG II- Programme of the European Union. The distribution become negotiated within the whole region between the partners across the border. In this case the evaluation is not limited on the Swiss part of the region. In three of the five regions the evaluation team could work on the base of a terminated regional (self-)evaluation which is prescribed from the EU. The hypothesis are:

- *The distribution of the budget within the region is done by chance*

The choice of the central issues of crossborder cooperation strongly is shaped according to the possibilities determined from the EU's decrees about the implementation of the Structural Funds. The issues must be formulated in a way that makes them able to become promoted by the EU. Additionally the personal priorities of the inner circle of crossborder cooperation are important. The analysis of regional strengths and weaknesses, threats and opportunities in the programme are written on demand of the EU and are oriented towards the expectations of the EU.

- *The distribution of the budget is done reactive*

Also in this case there exists no well-targeted planning. The emphasis is on existing institutional and thematic networks of crossborder cooperation. A part of the programme will be fulfilled with projects on the base of studies worked out in INTERREG I. Another part is on the agenda of regional actors already deeper involved in the crossborder cooperation.

The greater part of the hypothesis was on the choice of the single project within the region. With this choice the quality of the programme will be determined. Also the choice of the projects is done in crossborder cooperation and the recognition out of these hypothesis is about the influence of the Swiss partners in the whole programme.

- *The choice of the projects happens within a 'logic of tradition'*

The hypothesis is connected with the above mentioned hypothesis of a reactive way of the distribution of the budget. In some of the regions the cooperation has a strong tradition and different transborder institution are established. In these regions the INTERREG I- Programme of the European Union was used to produce a necessary database for further development (concepts of spatial planning, of natural protection, of demands in public traffic and so on). In these regions many projects are based on such studies and with the starting shot of INTERREG II a lot of projects were on the table.

- *The choice of the projects happens within a 'logic of finance'*

One of the most crucial part of developing a project is the search for the regional part of financing which mostly is given from cantonal departements or from communities. This bottleneck has a great influence whether a project in its creation phase will be followed up. It also leads to a strong influence of cantonal budgets and creates a time lag because of the necessity of budgeting the amount. Until now, only a few cantons have introduced global funds in their budgets for supporting INTERREG- projects.

- *The choice of the projects happens within a 'logic of minimizing conflicts'*

The INTERREG II- Programme operates as a new framework for policy. On the one hand it enables regional actors to design parts of a policy without the usual constraints of communication within a well established circle of actors (as it can be found in every policy field). On the other hand this open space of political steering is difficult to manage because of a lack of established channels of communication and routines to harmonize the ideas. Especially in the cooperation across the political border a lot of uncertainty can be seen depending from different cultures and political systems. Therefore the logic of minimizing conflicts gains in significance.

- *The choice of the projects happens within a 'logic of pressure of problems'*

This is the most normal case in the beginning of a crossborder cooperation. Everyday problems create a pressure on the political responsables to act. A great variety of such problems exist - from the use of water resources until the health insurance for crossborder commuters.

The third part of 'hidden hypothesis' is explicitly aimed at the Swiss federal level. It is about the different interests of the federal level in supporting the region's transborder activities. The focus is on the daily work of the BIGA .

- *An interest in justification can be stated*

The BIGA's interest in justifying the own measures and activities is aimed at three different issues: the distribution of the first part of the federal budget between the five regions, the expectant distribution of the second part of the budget and the 'modus operandi' which means the way of communication and coordination. The BIGA also is responsible to implement Swiss regional policy together with the cantons. In the Swiss federal system the cantonal level has a strong position in policy design. Therefore the interest to work in friendly terms with the cantons dominates.

- *An interest in political steering in foreign policy can be stated*

As mentioned above a majority of politics and administration supported the idea of joining the European Economic Market Treaty. Especially the BIGA has a strong interest in an European cooperation. Out of this interest one of the BIGA's main criteria for successful transborder cooperation on a regional level is the participation of a broad range of people in the Swiss border regions to make visible the use of integration.

- *An interest in regional policy and cohesion can be stated*

The five regions have very different starting points in transborder cooperation. It is difficult to consider carefully between two goals: on the one hand the promotion of regions with a lack on experience in transborder cooperation as a kind of regional

promotion. On the other hand the promotion of regions with well established mechanisms where the subsidies can give a great surplus in a efficient cooperation network. With the subsidies the distance of development between the regions should not increase.

The valuation of the methodology

All in all the 'hidden hypothesis' has been very helpful for the work of the evaluation team. Although beeing formulated very strictly none of the hypothesis could be falsificated in general. Most of them became modified during the work as the explanations above can show. The question is how the hypothesis get used during the project. The characteristic of the methodology is the concentration on processes of learning and moitivation with the help of the knowledge about hidden and conflicting goals.

To valuate the methodology one has to take into account the specific starting point of Switzerland as it is described. Also the particularities of an intermediate evaluation are important. In this case one get two kinds of problems the evaluation team had to work with:

- Specific issues: The distribution of the budget with the problem of criteria, the problem of conflicting goals in the federal view and the 'problem' of federalism in the Swiss constitution.
- Methodological issues: the discrepancy between quantitative and qualitative criteria and the question of shifting some work from the intermediate evaluation to the final evaluation

The distribution of the budget

As mentioned above this point seemed to be the most critical problem in the whole evaluation because the consequences can be seen very directly in the share of the common budget. The degree of experiences and practical knowledge in transborder cooperation varies strongly between the five regions. Not all of them had participated in the INTERREG I- Programme of the European Union. In the borderline between Switzerland and Italia the first INTERREG- projects are starting now in spite of a long tradition of transborder contacts and relations. In the borderline between Switzerland and Germany a great part of the budget is spent and some project are even finished. There was a risk of a 'struggle for allocation'.

The BIGA decided to distribute the first rate with a few simple criteria:

30%	committment of the EU in the region
30%	financial capacity within the region
20%	length of the borderline
20%	density of population

The first rate was about 60 percent of the whole amount of subsidies. With these criteria the BIGA had good hopes to take into account the geographical and economical situation of the region as well as the state of the art in transborder cooperation. To prepare the decision about the distribution of the second rate some questions are to be answered:

- Which amount of the allocated first rate of the subsidies the regions already have dedicated for projects? This mean: what is the intensity of a possible struggle between the regions?
- What is the view of the cantonal/regional level: will they fight for subsidies? Or will they try to minimize the konflikt?
- And where is the front-line: between the regions or between regional and federal level?
- What are the main interests: the most efficient use of the subsidies or an equal distribution between the regions?

With the results out of the interviews the evaluation team created a set of qualitative and quantitative criteria to discuss with the actors concerned. As the final result the regions agreed on the former criteria the BIGA has used to distribute the first part of the subsidies. The main reasons has been the following:

- Quantitative criteria can not be found in an intermediate evaluation if most of the projects are not completed yet.
- Qualitative criteria are difficult to decide about because of the heterogeneity of the different goals.
- The total amount of subsidies does not lead to a real alarming bottleneck in the regions.
- There is no interest in fighting for money because of the intense relationship between the regional responsables.

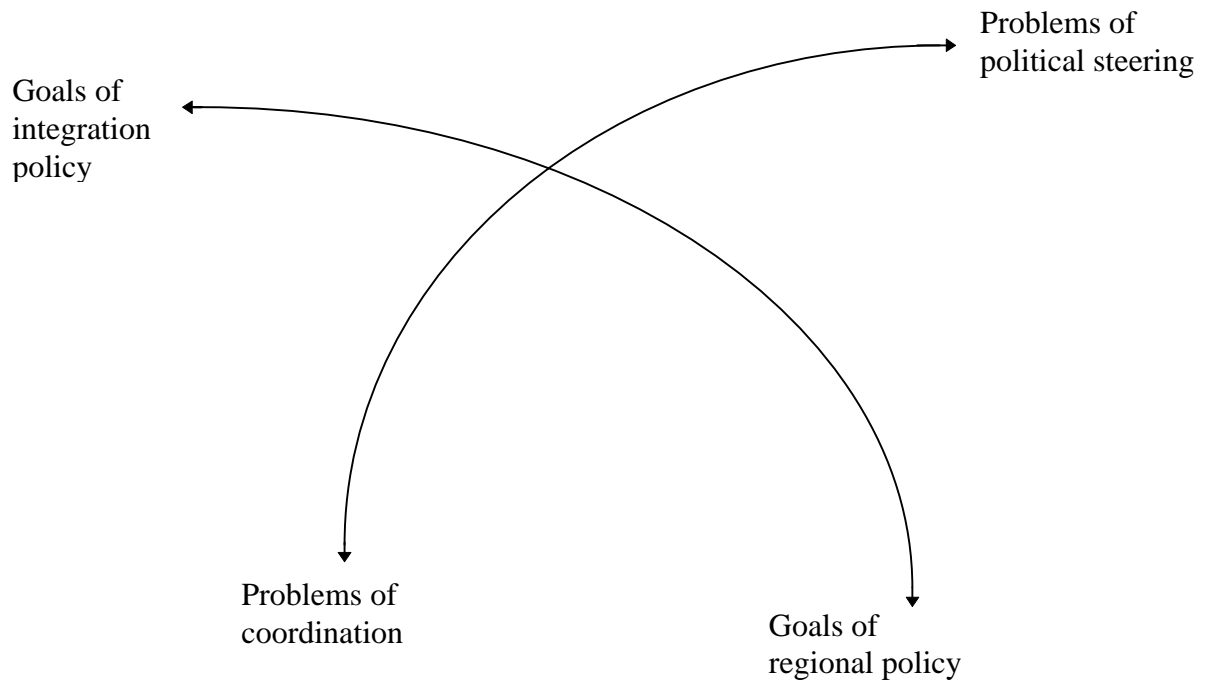
Contrary to the first assessment of the evaluation team the first task was not as critically as suspected. But the workshop also showed an unease of the actors concerned with the implementation to use criteria for measuring the success of their work. The reason for that will be discussed later on.

Conflicting goals from the federal point of view

As described in the beginning the federal EU- integration policy was conflicting from its beginning. On the one hand the goal of promoting the development of the peripheral Swiss border region dominated which is a typical goal of regional policy. On the other hand the active integration in the European community with the help of concrete projects was stated as central goal for transborder cooperation. The interviews in the regions as well as at the federal level also included such questions. All in all both goals has been supported equally with an emphasis on the view on the integration across the border. Especially the regions are afraid from the economical consequences of isolationism. The lack of an ideal state as an orientator for the success created problems for the evaluation.

The conflict between both goals is closely interconnected with the Swiss federalism. The relationship between the federal and the cantonal level can be described as an 'unstable equilibrium'. The necessary compromise will be integrated from the beginning in all programmes and reports. Under the primacy of subsidiarity it is even possible to leave fixed positions in factual issues. Therefore it is interesting for the evaluation whether the federal level will prefer an active political steering or a reactive administration of the INTERREG II- participation. Does the BIGA push some items or is it confined to the coordination of different interests?

With the two issues the Swiss participation in the INTERREG II- Programme is confronted with two 'curves of tension':



The both lines allow to analyse the organisation of the Swiss participation in INTERREG II. They also lead to fundamental questions about the possibilities of a political programm which is confronted with different and partly conflicting goals and is handicapped by restricted resources of political steering at the same time. Above all such questions should be part of the final evaluation.

Within this area of tension the BIGA tends to prefer the goals of integration policy but don't push these goals with measures of active steering but limits itself to coordination functions.

The role of criteria in intermediate evaluation

The interviews as well as the workshop demonstrated that there is an immense demand for criteria to comment on the process - but only theoretically. All actors involved wished to know how to improve their own work. But while discussing concrete proposals for criteria there is no common opinion. Such criteria could be: the number of the people involved in a project or the area concerned, the mix of public and private actors, the sources of financing and others.

Two reasons has been stated as the main critical points to use such criteria. First of all in the opinion of the regional actors there exist no criteria which are able to take into account the regional specific state and development. All criteria have to generalize the situation as pre-condition for preparing different regions.

- Some criteria are significant but they cannot be operationalized
- Other criteria could be operationalized but there is a need for a database which do not exist
- And some criteria could be handled but are too generalized

Therefore there are no criteria satisfying all actors. And the second reason: there is no urgent need to assess the implementation with generalized criteria; also there is no determination to do so.

A conventional evaluation in the sense of an assessment now reaches a critical step. It can happen that the evaluation remain on the smallest common denominator: alle actors involved become commended, the orderer is satisfied and the evaluation is closed.

The orientation towards processes

Especially in an intermediate evaluation there is another possibility: To leave the standard of criteria and to orientate towards processes. The aim is to improve the issues and mechanism of decision-making together with the actors concerned. One of the most important attributes of an intermediate evaluation is the possibility to influence the further implementation of the programme evaluated. Not the assessment but the processes of learning come to the fore.

The discussion about the orientation of the evaluation between the evaluation team and the BIGA as well as others actors involved can be comprehended as follows: The interviews and the common work in the workshop show the difficulty of assessing output, outcome or even impact. Additionally most of the projects are not yet finished and many projects stand at the beginning. Therefore two questions are in the center of attention:

- What are the undisputed goals of participation in INTERREG II between the federal and the regional/cantonal level? What are the interrelations between different goals and how is it possible to handle the contradictions?
- What is about the organisational improvement? What mechanism can be introduced or strengthened to reach the aspired effects? Which factors should be influenced?

The task of the evaluation team was to identify the input for individual debates and workshops necessary for the learning processes and to moderate these processes. The evaluation is not aimed at controlling but at motivating the actors to improve their activities.

From the intermediate evaluation to the final evaluation

There is one question left: Is it the right way or is it a kind of shifting the problems? Maybe the problems of assessment and controlling are postponed and emerge again in the final evaluation? There are two reasons against this judgement:

- At first, the problems of implementing the programme can be solved or at least mitigated during the rest of the programme's life. It is to be hoped that the actors try out new ideas and have got the motivation to improve the implementation.
- Secondly there exist a lot of hypothesis which can be used for structuring the final evaluation. Also it is possible to pinpoint which kind of database should be realized until the final evaluation. According to the Swiss casestudy the final evaluation should be worked out as soon as possible with regard to a possible participation in INTERREG III.

Now: could this kind of evaluation be a modell for others?

As is was described the kind of intermediate evaluation is the result of a specific policy framework in Swiss EU- integration policy. The conflicts within the nation and the strong federalistic structure of Switzerland lead to a very complexe set of pre-conditions for an evaluation. But the methodology used to evaluate the Swiss INTERREG II- participation also can be used in other cases with such a complexe framework. A few requirements are to be aware of:

Such a procedure makes high demands on the neutrality of the evaluator. He is forced to go into the process of implementation to a certain degree. The evaluation takes place in a transition space, therefore the evaluator has to define his role very carefully: Should he restrict himself on controlling the programme while analysing the reaching of the goals of the projects and bringing the results back into the process? How concrete the consultancy can be and should be? Or should he even accompagny single projects to demonstrate the main factors of influence? The role of the evaluator is the role of a attendant: it stands between the whole programme and the single project and he acts between controlling and moderating.

Another problem are the relations with established networks. The intensity of the evaluators work within the implementation of the programme runs the risk of getting influenced from the specific point of view dominating a regional network. The problem is especially given while evaluating political programmes like INTERREG II which give a lot of space to the regional actors to act in a creative way. In such cases a tendency towards informal networking without established mechanisms of control can be stated. The evaluator has to reflect his involvement.

As a conclusion it is to say that this kind of evaluation can be seen as a reaction to a lack of steering in politics. If the sample of goals a political programme has to fulfil is very heterogenous and has to integrate different interests, than controlling must be difficult. With a sample of diverging and partly conflicting goals every measure will reach at least one goal:

Every evaluation only can be as high-quality as the policy evaluated.

But such heterogenous sytems of goals are a frequent state in democratic systems. Therefore the presented methodology of evaluation can be an useful part of evaluation methodology in general. More experiences are needed to refine the methodology and enable the adaptation on different cases.

Outlook

A second project now is aimed at the final evaluation on the Swiss participation on the INTERREG II- Programme. It is done by the same evaluation team. Also this 'final evaluation' is not really a final evaluation in the sense of evaluating the outcome of the programme. The INTERREG II- programme ends in the year 2000. The 'final evaluation' rather is a kind of further intermediate evaluation on a different level. It is oriented not only towards the whole programme but also towards the single projects within the INTERREG- programme. The both evaluations are aimed at preparing the political decision in respect of a future Swiss participation on INTERREG III.