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The Role of Regional Governance in the EU Cohesion Policy for the Union's Legitimacy

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Abstract (English)

This thesis reflects on legitimate multi-level EU governance through the lens EU Cohesion Policy by comparing two member states, Slovenia and Austria, and their distinct governance processes in implementing the policy. The operationalization of legitimacy was based on the framework of the multi-level governance theory. Multi-level governance serves as the theoretical approach and is expanded upon with the concept of throughput' legitimacy, through which quality governance processes are recognized. The Cohesion Policy was intended to demonstrate how unitary or federal governance frameworks reconcile the developmental and administrative burdens associated with EU policy goals by responsively addressing territorial and regional challenges.

The results from the qualitative document analysis and computational topic modelling of regional policy showed that Austria's federal system of governance provides institutional channels for regional participation in the planning and implementation of Cohesion Policy, whereas Slovenia's unitary framework relies heavily on centralized coordination. Stronger regional participation resulting from a federalist structure can enhance the legitimacy of EU governance by improving the inclusiveness and responsiveness of cohesion policymaking. This research contributes to discussions on legitimate EU governance by directly addressing the limitations of supranational governance through an examination of policies that inherently intersect supranational, national, and regional decision-making.

Key terms:

EU Cohesion Policy, throughput legitimacy, multi-level governance, regional development

Abstract (Deutsch)

Diese Arbeit befasst sich mit legitimer Mehrebenen-Governance in der EU aus der Perspektive der EU-Kohäsionspolitik, indem sie zwei Mitgliedstaaten, Slowenien und Österreich, sowie deren unterschiedliche Governance-Prozesse bei der Umsetzung dieser Politik vergleicht. Die Operationalisierung des Legitimitätsbegriffs stützte sich auf den Rahmen der Mehrebenen-Governance-Theorie. Die Mehrebenen-Governance dient als theoretischer Ansatz und wird durch das Konzept der „Durchsatzlegitimität" erweitert, durch das qualitativ hochwertige Governance-Prozesse anerkannt werden. Die Kohäsionspolitik sollte aufzeigen, wie einheitliche oder föderale Governance-Rahmenbedingungen die mit den EU-Politikzielen verbundenen Entwicklungs- und Verwaltungslasten in Einklang bringen, indem sie auf territoriale und regionale Herausforderungen bedarfsgerecht eingehen.

Die Ergebnisse der qualitativen Dokumentenanalyse und der computergestützten Themenmodellierung der Regionalpolitik zeigten, dass Österreichs föderales Governance-System institutionelle Kanäle für die regionale Beteiligung an der Planung und Umsetzung der Kohäsionspolitik bereitstellt, während sich Sloweniens einheitlicher Rahmen stark auf eine zentralisierte Koordination stützt. Eine stärkere regionale Beteiligung, die sich aus einer föderalistischen Struktur ergibt, kann die Legitimität der EU-Governance stärken, indem sie die Inklusivität und Reaktionsfähigkeit der kohäsionspolitischen Entscheidungsfindung verbessert. Diese Forschung leistet einen Beitrag zu Diskussionen über legitime EU-Governance, indem sie die Grenzen supranationaler Governance direkt thematisiert und dabei Politiken untersucht, die von Natur aus supranationale, nationale und regionale Entscheidungsprozesse miteinander verknüpfen.

Schlüsselbegriffe:

EU-Kohäsionspolitik, Durchsetzungslegitimität, Mehrebenen-Governance, regionale Entwicklung

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Abbreviations

EU – European Union

MLG – Multi-Level Governance

MFF - Multiannual Financial Framework

LDA - Latent Dirichlet Allocation

TFEU - Treaty on the Functioning of the European Union

ERDF - European Regional Development Fund

ESF+ - European Social Fund Plus

CF – Cohesion Fund

RDA – Regional Development Agreements

B-VG - Bundes-Verfassungsgesetz (Austrian Federal Constitutional Law)

DRR - Dogovor za razvoj regij (Regional Development Agreement)

ZLS - Zakon o lokalni samoupravi (Local Self-Government Act)

ZSSR - Promotion of Balanced Regional Development Act

Pledge of Honesty

On my honour as a student of the Diplomatische Akademie Wien, I submit this work in good faith and pledge that I have neither given nor received unauthorized assistance on it.

Declaration of AI Assistance

Generative artificial intelligence (ChatGPT, DeepL, and Google Gemini) was used to assist with language editing and translation, code troubleshooting, and the refinement of bibliography and methodological descriptions. All substantive analysis, interpretation, and conclusions were conducted by the author.

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1. Introduction

In interstate governance structures characterized by dispersed authority questions of legitimacy and cohesion are not merely instrumental concerns but also constitutive ones. They do not simply support but rather embody the governance itself. This is especially integral to the European Union (EU), in which local, regional, and Union-wide levels of governance are interwoven. Given the heterogeneous nature of the Union, the internal legitimacy of its governance is frequently contested, especially regarding its capacity to absorb and endure recurring crises (Bakare & Sherazi, 2019, pp. 7–8). When confronted with significant international or internal crises, the Union must be able to rely on internal unity to act decisively, especially if these crises threaten to expose economic, political, and cultural fault lines.

The Cohesion Policy serves as an integrating force, strengthening EU unity and democratic governance by building institutional credibility across its member states. Through the funding that it provides for the Union's membership, it aims to ensure equitable integration and address developmental disparities (Darvas, 2019, p. 2). EU policymaking inherently combines multiple levels of decision-making institutions, including local and regional actors.

In this thesis, the function of Cohesion Policy is assessed through its role in the Union's throughput legitimacy within its multi-level governance framework. Governance in the area of cohesion and regional policy entails several separate layers of governance that share and/or divide jurisdiction capabilities. Consequently, legitimate governance must be capable of effectively and reliably implementing policies that guarantee genuine cooperation, accountability, and social cohesion. At the scale of the EU, given its various institutions and complex treaty frameworks, the Union's authority can easily become too foreign and abstract to its citizens. Because those citizens have greater access to lower levels of government, such as the regional and national levels, the Union's proximity, accessibility, and communication with local communities become essential for legitimate authority. This internal cohesion, grounded in democratic governance, becomes especially important at the moment when supranational entities, such as the EU, seek to extend their authority, project themselves more assertive externally, and introduce new scopes of Union decision-making.

The research is centred on a case-study comparison of two EU member states, Austria and Slovenia. These two states have distinct state governance systems: federal and unitary. The thesis uses Cohesion Policy as the EU's tool, encompassing several levels of policymaking in

EU governance, and examines how the two distinct systems institutionally operationalize it, especially in terms of how democratic legitimacy is assured.

1.1 Research Question

As the origins of Cohesion Policy are rooted in Jacques Delors' vision of the Single Market and the prediction that its economic efficiency will have disproportionate impacts on European regions, the policy generally serves as an economic redistribution policy. This conception of the policy operationalizes various economic rationales for the functioning of the economically integrated Union (Schwab, 2024, p. 2). In the Union's proposal for the next Multiannual Financial Framework Period (MFF), the European Commission also presents a plethora of the Union's strategic goals, which will guide the funding and distribution of resources across the Union. These newly defined goals show where cohesion funds will play an important role in pursuing not only economic, territorial, and social cohesion but also new strategic defence-related issues (European Commission, 2025, pp. 9–12). This demonstrates that Cohesion Policy plays an indisputable role in bridging the EU's strategic objectives and the realities of local or regional challenges and functions as a critical channel to legitimize the communication between Union-level authority and its citizens. This thesis disregards the economic dimension related to the Cohesion Policy and focuses on implementation of Cohesion Policy. It is interested in how different governance structures in that implementation create institutional conditions for throughput legitimacy. To this end, the central research question that the research will examine is:

What is the role of different systems of regional governance in shaping the institutional conditions for throughput legitimacy in the implementation of EU Cohesion Policy?

The question will assess two distinct regional governance structures in two EU member states, particularly as they pertain to the institutional planning and implementation of regional policy. Member state regional policies which are largely guided by the EU Cohesion Policy objectives in the current MFF period from 2021 to 2027. The regional policy will be examined to identify how each system differs in its constitutional framework, its regional implementation, and the identification of policy goals within the EU-designed objectives. These points of comparison will be assessed in the context of each state's historical development of regional policymaking and how this contributes to the regionalism they administer today. Additionally, the role of each regional governance is examined to assess its impact institutional conditions for throughput legitimacy. Legitimate governance is a key concept in this thesis's research.

Legitimacy will be assessed by focusing on the scope and facilitation of institutions and what are the conditions for local structures to participate and communicate regional interests with higher levels of authority. The purpose of this research question is to discuss how types of governance of regional issues interact and contribute to EU-level governance more generally, especially by identifying institutional processes that support legitimate policymaking.

1.2 Analytical Expectation

The analysis of this thesis is designed to distinguish between the contributions of different state-based governance systems and how they indirectly interact with the Union's legitimate governance. Cohesion Policy is currently designed as a funding scheme that provides access to appropriate resources for regional projects that contribute to regional development and improve local infrastructure and facilities. The federal or unitary governance structures of Austria and Slovenia create distinct national institutional conditions for implementing their regional policies and thereby for implementing Cohesion Policy.

This thesis expects that federal governance structures, such as those observed in Austria, although imperfect, provide stronger institutional opportunities for local participation in regional governance. Through this, they contribute to improved 'throughput' legitimacy in regional, national, and EU democratic decision-making. Federalist nature defines the jurisdictional boundaries of a policy, where levels below a regional territory defined by geography, culture, history, or community can be easily implemented through regional institutions that have access to local communities, collect better-quality information, and are directly affected by regional issues. The expectation of this research is to find whether federal systems of governance allow for the inclusion of regional institutions that can facilitate more democratic representation in governance and better use the funding opportunities offered by the Union's funding objectives. In a federal system, the national level of decision-making still effectively coordinates regional development and ensures that each federal-provincial structure maintains equitable cohesion across the state and remains the junction point between regional and European interests.

Conversely, unitary systems obtain full jurisdiction in regional governance. Centralized governance does not assume institutionally or legally assured regional participation in regional decision-making, which is why it is inherently limited. Furthermore, because regional governance is carried out by a central authority, the thesis will argue that unitary governance results in comparatively less sound regional policy and does not foster a structure that promotes improved access for local communities. The centralized authority is also less directly affected by ineffective cohesion, which is why regional development goals are desynchronized with the central power's goals.

Because of these differences, the research design expects that the federal and unitary structures create certain conditions for different levels of quality governance and, therefore, for throughput legitimacy. Since Cohesion Policy, in its design, does not provide for quality governance processes that would embed regional participation in institutional structures, the research expects that the nature of federal structures will yield relatively stronger conditions for throughput legitimacy than in unitary governance.

1.3 Relevance of the Research

This research argues that Cohesion Policy is not merely a distributive economic instrument designed to satisfy macro-economic indicators that fulfill developmental convergence criteria, but that it serves social and political functions within the Union. These functions are important for the Union, given its current restructuring of strategic goals.

As global developments create increased insecurity in the international community, the EU aims to take advantage of the ongoing negotiations for the next MFF period. This will allow it to introduce new priorities, such as boosting European competitiveness, building a European Defense Union, and streamlining EU external action (European Commission, 2025). These new budget outlines showcase that the Union aspires to reposition itself as an assertive global actor. However, the multi-level governance structure within the EU can prevent it from achieving such ambitious goals. For individual European citizens, the EU can seem like a remote and abstract entity. Because of this, Union integration can easily be characterized as a harmful threat rather than a mutually advantageous entity. Consequently, its sometimes-pervasive regulations can be understood as a foreign intrusion that benefits other member-states at the expense of your own. Additionally, the Union's remoteness can be weaponized for national political elites to justify unpopular political decisions (Bakare & Sherazi, 2019, p. 8). To counter these perceived notions, Cohesion Policy can be utilized to directly target local structures and help alleviate their challenges. When appropriately used, Cohesion Policy benefits by functioning as a uniting instrument in the EU, ensuring coherence and solidarity, and by directly addressing local communities.

To implement the new EU priorities, an assessment of legitimate processes shows how these influences can empower the Union to act as a bold and coherent entity, even externally. To this end, this thesis contributes to the discussion on the Union as a strengthened supranational actor that is evolving as a form of governance and institutional inter-state cooperation.

2. Literature Review

The selected literature that was reviewed for the purpose of this research can be categorized into three relevant sections: literature examining the multi-level governance theory and the concept of legitimate governance, the distinction between centralized and federal governance systems and relevant literature connected to cohesion and regional development. The categories reflect the main themes of the thesis that will be discussed in the following chapters, which will deal with the historical background, the methodology and the theoretical framework.

2.1 Multi-level Governance Theory (MLG)

The supranational nature of EU governance led to the development of the multilevel governance theory (also known as MLG), which aims to explain decentralized governance in which the state does not hold an absolute monopoly of political power. This power operates through various levels of policymaking: the local or subnational, the national, and the global or supranational, as Saito-Jensen (2015) shows. The literature on MLG theory addresses how these levels of governance interact and are organized, the basis for their authority, and the distribution of policymaking across them. Hooghe and Marks (2001, p. 3) differentiated between two typical forms of MLG. The type of 'nested' multilevel governance is clearly hierarchical and structured so that only specifically designated authorities are endowed with decision-making authority. The second type is referred to as 'polycentric' MLG, where those direct hierarchical relationships between decision-making bodies are less clear and can overlap (Saito-Jensen, 2015, p. 3). The definitional distinction of MLG is important for this research because it helps to identify the source of authority in EU decision-making and allows for the identification of the local-level involvement in the EU policy-making process. This is vital to this research on the formation of European identity and its correspondence with local participation in policy implementation.

The role of local-level governance is further discussed by Hooghe, Marks, and Schakel (2020, p. 94). They establish a functionalist understanding of MLG, which determines that the distribution of governance should be based on the scope of impact of costs and benefits that result from providing a public good. If providing a public good, such as building a new school in a peripheral region, impacts only the local community, then the decision-making regarding that public good should be made by that community. The unique benefit of that locality is that those affected have the best information at hand to regulate the impacts. Contrastingly, if the externalities of establishing a public good extend to a larger scale, then the decisions relating to that public good should be taken at a higher level. This functionalism justifies the various levels of government in the EU and guides the distribution of EU competences across them.

Indispensable to the discussion of MLG theory is Hooghe and Marks' book, *Multi-Level Governance and European Integration* (2001, pp. 10–12), which, although it predates the Lisbon Treaty, remains a fundamental account of the theory and explains the mechanisms of the Union that remain in place today. It complements the discussion of multi-level governance by adding the concept of principal-agent dynamics to the analysis. These dynamics underline how, as member states deepened their integration within the Union structure, they delegated authority to supranational institutions and in doing so reduced their ability to control decision-making. This dynamic shows that keeping certain policies, such as cohesion, close to European citizens is crucial, so that they reflect the interests of the actors they aim to help.

The MLG theory literature is complemented by the rationale of fiscal federalism (Hooghe, Marks, and Schakel, 2020). Fiscal federalism establishes a normative framework of guidelines for the distribution of competences amongst the levels of governance, which are dictated by considerations of economies of scale, inter-regional externalities, heterogeneity of preferences, and information asymmetry.

Within the discussion of MLG, the concept of legitimacy is also present, especially as it is used in this thesis within the framework of democratic gaps in MLG structures. The main conceptual framework of legitimate EU governance used in the thesis is Schmidt's (2013, p. 3) understanding of 'throughput' legitimacy. The author uses the concept of 'throughput' to add a third category of legitimacy in EU governance, alongside 'input' and 'output' legitimacy. This concept is indispensable for this research because it distinguishes between 'input', which describes legitimacy related to citizen participation, and 'output', legitimacy correlating to the resulting effectiveness of policy. Additionally, they add a third dimension - 'throughput' - which describes the dealing with the governance process itself. This is extremely relevant to this thesis because it establishes that complex EU processes that result in a democratic deficit stem from failures in internal administrative structures (ibid.). This conceptual approach to legitimate governance is contextualized with Bakare & Sherazi (2019, pp. 8–12). These authors cite Schmidt's understanding of 'throughput' legitimacy and expand on the concept by showing that EU legitimacy is not static but an evolving concept, tested in its ability to oppose the rise of populism and regional crises (ibid.).

Furthermore, Ulrich et al. (2025, pp. 2–7) expand on the discussion of 'throughput' legitimacy, testing its ability to generate emotional attachment to the EU and framing it as an actor that primarily interacts with other forms of legitimacy. This source supports the discussion by confirming that throughput legitimacy is inherently linked to the perceived trustworthiness of governing processes (ibid.). Nevertheless, the literature on EU 'throughput' legitimacy is insufficient in showing how local participation and subnational levels of policymaking can maintain that legitimacy.

This thesis contributes to the reviewed literature by addressing two aspects of EU governance and demonstrating their mutual link. Between MLG's conceptualization of supranational governance and throughput legitimacy processes, Cohesion Policy functions as the EU tool that necessitates cooperation across the various levels of MLG governance, thereby making 'throughput' legitimacy a necessary mechanism. It is precisely this dynamic that the thesis aims to investigate, and examining the role of legitimacy as a structuring force within these governance processes.

2.2 Federal and centralized governance

The second category of the reviewed literature is concerned with federalism and centralized governance and how these are approached as systems of governance. Within this category, we can identify important discussions, especially those related to federalist structures in Austria and to centralized governance as observed elsewhere.

Karlhofer (2015), for example, views Austrian federalism as a natural progression from the historical tradition of the crown lands that constituted the Habsburg Empire. It approaches the development of the federal system through historical outlines and how that historical experience influenced inevitability and path dependence that led to the codification of federal governance in the Austrian Federal Constitution (Karlhofer, 2015, p. xxiv). This approach is vital for this research, as it shows a clear purpose for federal structures and helps explain provincial or federal positions on authority and claims, thereby strengthening or weakening lower levels of governance. Nevertheless, Karlhofer's article does not offer insight into how the federal system within Austria is positioned comparatively with other federal structures. This is supported by Bußjager (2015) and his analysis of cooperative federalism, which he introduces as a counter-narrative to the idea that federalism in Austria is relatively weak, an argument based on the limited provincial representation in the Federal Council *(Bundesrat)*.

In direct contrast to Bußjäger's view on Austrian federalism is the contribution of Jan Erk (2004). This author frames Austria's federal structures as a failure of the provincial level to expand its autonomy and directly contrasts federalist governance with centralized state systems. Erk (2004, p. 9) views 'cooperative federalism' in Austria as a framework designed to enable improved participation by the Austrian provinces (*Länder)* in the federal process, however, the provinces remained subject to centralist dominance. Consequently, this view is valuable because it does not directly show how a federal system with a strong capital that fuels central power clashes with the 'neglected' peripheral regions. It shows how the constitutional design provides for the inclusion of *Länder* representation, but for that to be effectively implemented, an empowered provincial participation has to exist.

Whereas these authors certainly present a detailed institutional framework of federalism, the concept is mainly approached through the lens of cooperative federalism, which reconciles the federal-provincial rift. Instructive for this research are also authors who discuss federalism in Austria through its deviation from a centralized state system. Neisser (2015, p. 70) sees state organization as less cooperative and characterizes it as a centralistic federation, in which the administrative branch undermines the legislature, which should enable multilevel representation. The source also contributes to a broader understanding of administrative development in Austria, approached beyond the conventional state-province perspective. Equally relevant is Hooghe and Marks (2001, pp. xi–xiii), which introduces the concept of centralized states within the MLG discussion, while noting that centralized governance has historically established itself as the prevailing model of state building.

Finally, the literature on Austrian federalism is further enriched by Eppler and Staudigl (2015). These authors examine how the process of Europeanization interacted with the federal system and the division of competences across the different governance levels. This builds on a similar discussion in Bußjäger, but adds a structured analysis of the implications of Europeanization for Austrian governance. This contribution is invaluable to the analysis because it complements the previously discussed authors by directly showing how the European level of governance affects intergovernmental dynamics. It shows that EU integration necessitated modification in the division of competences, which did not fundamentally transform the internal balance (Eppler and Staudigl, 2015, p. 86). Rather, the institutional adaptation to integration followed a path-dependent trajectory, introducing existing discrepancies, such as strengthened executive federalism (Eppler and Staudigl, 2015, p. 102).

The literature on this category is analysed by examining the reciprocal dynamics of the federal and provincial distribution of competences and by adopting a broader perspective that delves into their influence with the introduction of the EU-level. The idea of federalism in Austria dominates the discussion, as it is distinct from the usual centralized state structures. This literature category is a key piece for this research analysis because it offers a significant discussion of federalism as a system of governance that provides levels of authority more representative of regional structures; however, it is directly positioned in relation to centralized governance, or even the EU hierarchy.

The literature will be consequential for comparing Austria's and Slovenia's policy coordination. The federal processes in the former will be directly contrasted with centralized management in the latter, however, the reviewed literature in the discussion of federalism and centralized governance does not directly discuss how these systems of governance correspond to the absorption of supranational governance. This presents a highly static view of state governance systems, which is why this thesis will address the gap in how Europeanization forces states to adopt the same supranational mandates and what those adaptations mean for legitimate EU governance.

2.3 Cohesion and Regional Development

This category of literature concerns the concepts of cohesion and regional development. It pertains to regionalism, the conceptual framework of cohesion, and an overview of various regional policies, including the EU Cohesion Policy.

The literature concerned with cohesion is frequently referred to interchangeably as EU regional policy or EU Cohesion Policy. While these three concepts are connected, they are also distinct and, as such, encompass a vast body of relevant literature.

Janning (2018) captures cohesion in the EU using the EU Cohesion Monitor, distinguishing between individual and structural cohesion. The structural part is defined by Union-wide relationships, whether between member states or between the member states and the Union. This definition includes factors related to member states' economic ties, EU funding, integration, security, etc. Individual cohesion, on the other hand, concerns interpersonal characteristics of cohesion that are exercised at the individual level. These are experience, engagement, attitudes, and approval (ibid.). This definition is useful for this research because it illustrates the multi-layered character of cohesion. On the one hand, cohesion relates to the extent of member-state and institutional engagement. On the other, it directly relates to the individual level, where these engagements are implemented and where they leave their impact.

Brezovšek et al. (2008, pp. 121–128) is a key piece of literature used to discuss regional governance and its function for the legitimate democratic distribution of power. This source is integral for the examination of local governance as a source of legitimacy. The source offers a comprehensive discussion of local decision-making in democratic states, its role in organizing civil societies, and how it should be situated within the dichotomy of centralized–federal power distribution, arguing that it should be understood beyond this dichotomy (ibid). The source is also distinctive in that it explicitly recognizes that local governance systems and institutions are often overly complicated and guided by contradictory principles. It discussed the rationale for the European Cohesion Policy in regional governance and how regionalism within cohesion policy contributes to European integration (ibid.). The source's limitations stem from its publication date, which leaves novelties introduced to cohesion policymaking in the multiannual financial periods following 2008 unaddressed. As its analysis remains relevant to the concerns of this research, the gaps are supplemented by more recent sources.

Similarly, Vlaj (2007) contributes significantly to the discussion on the implementation of regional governance in Slovenia and elaborates on the drawbacks that explain why the envisioned regions have not yet been introduced. This is especially important for the analysis of the Slovenian governmental system, as the source dates back to the turning point in 2006, when constitutional changes were introduced to the regional governance framework. The source also frames regionalization processes in Europe and presents the EU's regionalization framework.

An interesting contribution to the literature discussing regional development is Kukar (1996). This article primarily examines the processes that drove regional policy development in Slovenia as a republic within the Socialist Federal Republic of Yugoslavia (SFRY). The source analyses regional development performance by examining economic performance and economic policy approaches. The source is, to a certain extent, outdated and thus cannot provide insight into economic performance in the context of Slovenia's EU membership and Cohesion Policy. It is nevertheless still meaningful for the purposes of this research as it is insightful in its historical overview of Slovenian regional planning and provides a relevant discussion of the importance of responsible planning for equitable regional development which served as a key rationale for the Socialist Federal Republic of Yugoslavia (SFRY), the predecessor to independent Slovenia.

While these three sources, Brezovšek et al., Vlaj, and Kukar, provide essential insights, particularly into the Slovenian constitutional and institutional framework and regional governance, they are relatively outdated. To this end, the research benefits from the complementary discussions by Kirbiš Rojs (2023) and Končan (2023). Both authors are relevant to this research by contributing contemporary analyses of regional governance in Slovenia. The latter focuses on the developmental aspects and Cohesion Policy, while the former provides the legal analysis of the constitutional development of regions in Slovenia.

The discussions in the thesis on the design and development of Cohesion Policy are further supported by (Darvas et al., 2019), Marinas et al. (2023), and Nestoras & Finn (2025). These former two sources are similar in that they focus on the economic aspect of Cohesion Policy, while Nestoras & Finn identify the specific challenges of Cohesion Policy in relation to bureaucracy. (Darvas et al., 2019) approach the policy's economics by analysing the impacts of EU funds and discussing them from a policy-making perspective. Conversely, Marinas et al. (2023) tackle the analysis from an economic perspective but focus mostly on the development of the policy since the European Coal and Steel Community and show how the enlargement and structural challenges through which the Union developed affected the transformation of cohesion as a Union policy. This source is particularly valuable in showing how cohesion as a policy corresponds to the significant transformations of the EU's programming periods and the historical contexts and challenges that appeared with them (Marinas et al., 2023, p. 14).

Similar to Darvas et al., (2019), Molica and Marques Santos (2025) also research EU cohesion from a policy-making approach. They do not investigate cohesion from an economic perspective but rather explore the disconnect between academic research and the practical needs of policymakers. This aspect of Cohesion Policy positions its analysis directly opposite the macroeconomic aspects of cohesion and is rather interested in qualitative aspects of the policy, such as institutional quality, governance, and the process of Europeanization. This angle is therefore crucial for understanding how cohesion and governance in the EU relate to one another.

When viewed collectively, the overall reviewed literature reveals significant conceptual fragmentations that this thesis aims to address. The literature on cohesion and Slovenian regionalism, particularly, shows the institutional limitations to regionalization, however, it fails to show how states operatively reconcile the limitations of their policymaking practice with the decentralized, administratively based EU Cohesion Policy. The unique contribution of this thesis is to show that the operationalization of Cohesion Policy poses a challenge to its member states' implementation under their administrative conditions, thereby generating specific legitimacy considerations.

3. Theoretical Framework

This chapter will outline the theoretical approach guiding the research by reviewing the theoretical foundations and key concepts that will be used to interpret and discuss the empirical results. Analysing how regional governance affects EU legitimacy requires a framework that can address several issues. It should account for authority dispersed across supranational, national, and regional levels; it should specify what legitimacy means for a polity that lacks the electoral and identity foundations of a nation-state and connect both to the implementation of a concrete policy. This chapter will address these theoretical components in three steps. Firstly, it will draw on the theoretical concept of MLG to explain specific decision-making at a given level. Secondly, it will utilize Schmidt’s concept of throughput legitimacy to redirect the focus of supranational governance towards the quality of governance processes. Lastly, Cohesion Policy and the federal-unitary systems distinction will be utilized as the comparative variable through which legitimacy is observed.

3.1 Multi-Level Governance and Typology of States

MLG theory is the essential theoretical approach for research that aims to investigate the role of a given policy regulated by various levels of government, including supranational, national, regional, and local (Saito-Jensen, 2015, pp. 2–3). These levels of government operate with different decision-making powers that would normally be centralized within a state or a single central authority, and they have to cooperate to a certain degree of alignment so that they can identify collective goals (ibid.). The evolution of supranationalism in the EU and the resulting development of competences shared among multiple actors have led to a theoretical framework for explaining the dispersion of authority as well as the role of legitimacy within these governance hierarchies. MLG theory serves as the primary architecture for this study because it challenges the traditional state-centric model of absolute national sovereignty (Hooghe & Marks, 2001).

The idea of MLG fundamentally challenges state-centrism and provides the theoretical rationale for legitimate shared power within a supranational system. Centralized decision-making at the national level developed in Europe as the legitimate state-building system from the thirteenth to the twentieth century (Hooghe & Marks, 2001, p. 43). Within this understanding, policymaking remains primarily the domain of sovereign national governments. The state-centric model assumes that policymaking within a supranational EU results from the explicit consent of member states and reflects the lowest common denominator among national interests. Any limitation on state sovereignty is consequently understood as weakening the state (Hooghe & Marks, 2001, pp. 3–4).

MLG theory departs from the state-centric model in two important ways. Firstly, national governments no longer hold a monopoly over policy outputs within the EU framework, and the MLG recognizes a shift of sovereignty in policymaking that is nested into EU institutions. While member states remain key actors, collectively created supranational institutions possess a degree of autonomy and are not entirely constrained by individual national interests (ibid.). Secondly, MLG rejects the categorical separation between domestic and international political spheres. Rather than being exclusively nested within national political systems, subnational actors form complex relationships that extend directly to the European level. The expanded sphere of influence of domestic political actors can also, according to this model, be reciprocally shaped by international developments. Accordingly, national governments are transitional points where domestic and international spheres intersect and cultivate the conditions in which policy is created (ibid.).

The shift of authority to new levels of hierarchy is not something that states would necessarily do voluntarily. The MLG theory shows that the diffusion of sovereignty to a supranational level is weakening the centralized state. For the EU, this has led to growing criticism and distrust of the legitimacy of supranational institutions. This criticism is founded on allegations that European institutions are becoming undemocratic and are extending their authority to the point of superseding the sovereignty of member states and, in turn, undermining the legitimacy of national governments (Bakare & Sherazi, 2019, p. 8). However, supranational governance can also be in the interest of member states by expanding domestic policy capacities in areas such as environmental protection or trade, and also strengthening bargaining power in international negotiations, and relieving national governments of responsibility for politically controversial policy areas (Hooghe & Marks, 2001, p. 72).

Additionally, supranational institutions can provide stable long-term governance and policy continuity. This is explained by principal-agent dynamics, whereby principal states consent to govern certain policy areas collaboratively, yet cannot guarantee stable conditions for long-term management of those issue areas, nor secure mutual trust and commitment from other member states. To resolve these limitations, the principals create agents, such as the European Commission, and delegate authority to them to retain compliance or adapt governance arrangements to changing circumstances (Hooghe & Marks, 2001, p. 10).

While MLG theory frequently treats the dispersion of authority as a structural reality, domestic institutional mechanisms are not sufficiently theorized. This thesis operationalizes MLG theory comparatively by distinguishing between two domestic structural arrangements that disperse authority in different ways: federal and unitary (Hooghe et al., 2020, pp. 197–189). For the purposes of this research, the term regional level will be used interchangeably with provincial and will refer to geographically defined areas that are connected through historical, cultural, and economic similarities and that cover multiple local units, while the local level will refer to territorially smaller communities, such as municipalities, which are highly specific in terms of local interests.

Federal states operate with decentralizing central authority to subnational levels, either regional or local, within a state system (Hooghe et al., 2020, p. 197). Through this shift in authority, subnational levels have the competence to exercise specific fiscal, political, and administrative powers. The competences that are shared are separated in a manner where neither level, the provincial, can unilaterally change the system (ibid.). By contrast, unitary governance is completely centralized under the highest state authority. While this system of governance also has subnational systems of governance, such as municipalities, these subnational levels are highly limited by the central state power, which can change the extent of autonomy at the local level unilaterally (ibid.) In the analytical chapter of this thesis, the two systems of governance will be further distinguished by analyzing the systems and legal frameworks in Austria and Slovenia, the former being a federal state and the latter having a unitary form of governance. By using these contrasting systems of domestic governance, this theoretical framework treats state structure as a core variable that determines how EU-driven policies are mediated domestically and how this contributes to legitimate supranational governance.

3.2 Merging MLG and Throughput Legitimacy

Transferring state authority and thereby shifting sovereignty to higher levels of power can hinder legitimate governance. Consequently, to maintain democratic legitimacy in complex governance structures with dispersed levels of authority, achieving sustainable democratic cooperation is a key goal. Complex institutional structures that disperse decision-making and authority can lead to democratic deficiencies, including insufficient representation of domestic and local communities, which inevitably lose their political influence due to the wider electorate and can easily be overshadowed and neglected. This leads to issues of legitimacy within MLG because concerns stemming from local interests make up the foundation for legitimate governance that is informed and directly accountable to those who uphold it. Levels of governance effectiveness are partially shared with the local level, fostering important relationships with civil society and, in turn, generating broader mobilization of local communities at higher levels of governance (Saito-Jensen, 2015, p. 5). With the quality of information they possess, local governments are much more effectively able to capture the attention of national governing bodies because they can demonstrate their connections with civil society and thereby represent local interests more directly (ibid.). Successful supranational governance therefore depends not only on effective institutional coordination but also on meaningful involvement of local and regional actors.

However, the more that authority disperses from the nation-state towards supranational hierarchies, traditional forms of democratic legitimacy become difficult to sustain. The EU lacks the classical majoritarian institutional democratic guarantees, such as a strong collective identity and a shared political demos that can generate inherent democratic support for governance structures (Schmidt, 2013). Consequently, legitimacy within an MLG system cannot be understood solely through traditional democratic mechanisms but must also account for the relationship between local actors and more distant supranational institutions.

To better conceptualize legitimacy within MLG theory and for the purposes of this research, Schmidt's (2013) understanding of legitimacy is employed to link the theoretical conception of supranational governance and democratic responsiveness. Legitimacy in the EU is applied through its output, input, and throughput aspects. Input shows the quality of processes that constitute rule and decision-making, and output legitimacy refers to the problem-solving quality of the established rules and corresponding institutional mechanisms (Schmidt, 2013, p.

4). These functions of legitimacy do not fully represent the legitimacy challenges that emerge within MLG structures.

This limitation is particularly relevant for this research, as it deals with how the governing structure of the EU can, through governance processes, ensure sound decision-making that is responsive to the local-level communities that jointly constitute the Union. Input and output legitimacy focus primarily on participation and policy outcomes; however, they do not sufficiently capture the dynamics between regional administrations and supranational governing bodies. To bridge this conceptual gap, the concept of 'throughput' legitimacy is introduced, which focuses on the quality of governance processes themselves and on how actors engage with those processes. (Schmidt, 2013, pp. 5–7).

In this research, EU governance legitimacy is thus primarily discussed through the framework of throughput legitimacy. This aspect of governance focuses on the procedural quality of governance processes and is operationalized through three interrelated dimensions: accountability, transparency, and inclusiveness (ibid.).

Accountability relates to the ability of governing institutions to respond to the participatory and administrative demands of subnational actors. Applying this within the context of EU governance, supranational institutions must ensure responsiveness and thereby remain accountable to stakeholders throughout the policy-making process. Transparency complements this by allowing the subnational stakeholders to have sufficient ability to access information about the decision-making procedures, such as policy design, funding allocations, and programming decisions. It guarantees that both citizens and public authorities can understand how decisions are made and how resources are distributed. Finally, legitimate governance in the EU also refers to inclusivity and openness of governance structures to civil society, local communities, and public institutions. Legitimate governance within the EU therefore requires institutional accessibility and meaningful opportunities for participation by those affected by policy decisions. (ibid.).

With this, throughput legitimacy makes up for the part of European governance that directly links those who are governed with the most distant level of government. This research prioritizes throughput legitimacy to shift the analytical focus toward the quality of governance processes that formulate policies. Because of this, the lens of throughput legitimacy examines the opportunities for European citizens to align their own interests and concerns with those of the Union, which is elementary for regional policies.

This theoretical foundation is the basis for understanding legitimacy within systems in which the transition of sovereignty is shifted towards the supranational level of power. Throughput legitimacy is in this thesis not employed as a measured and observed outcome, but as a set of governance qualities, which carry institutional preconditions that can be investigated through a comparative analysis of diverse governance structures. Consequently, throughput legitimacy is the principal analytical framework through which the role of Cohesion Policy in fostering EU legitimacy will be evaluated.

Further, through this basic framework we can understand legitimacy in governance systems with shared sovereignty across different levels of governance. Accordingly, legitimacy becomes interwoven with the theoretical conceptualization of MLG and, as such, constitutes the essential element in the research of the role of Cohesion Policy in shaping institutions and their conditions for EU legitimacy.

3.2 Throughput Legitimacy in the Context of EU Cohesion Policy

Cohesion is the central concept relevant to this thesis and lies at the intersection of multi-level governance, federal and unitary state frameworks, regional development, and EU legitimacy. As such, carefully defining cohesion is vital to understanding how the mentioned elements coincide and interact.

Cohesion as a concept and Cohesion Policy should be distinguished from one another, even though they are closely related. Cohesion as a concept has less to do with economic instruments than the EU cohesion funds would suggest at first glance. A sociological approach can be used to define cohesion as the ability to cooperate amongst heterogeneous groups and the individuals who form them (Janning, 2016, pp. 2–4). Accordingly, interlinked relationships between individuals and social groups that can be mobilized to engage in collective action can only be executed within an environment of cooperation. In an individual state, cooperation is sustained by the prerogatives of statehood, such as a unified political system, a common language or languages, a common educational system, and a shared national identity guaranteed by shared historical and cultural narratives (ibid.). In a multi-state, heterogeneous system such as the EU, these privileges of statehood do not exist, as they are conferred through administrative actions undertaken by member states.

As such, fostering cohesion and collective action is an inevitable challenge of any multi-state system with a supranational level of governance, bringing us again to the question of legitimacy in EU governance. For example, the EU does not have the national identity or the resources to carry out a common political socialisation, which is why a sense of community is inherently greater within each state than it is on an EU level (ibid.). Cohesion carries the role of remedying the lacking common political identity and is, therefore, a crucial element for creating a sense of community in a diverse system, so that governance can manifest legitimately.

The function of cohesion within the EU is therefore dual in nature. Firstly, it directly addresses the citizens living in the Union and their attitudes towards the EU institutions. This individual cohesion observes the engagement, experiences, and views of the EU. It is particularly concerned with interpersonal relationships (Janning, 2018, pp. 1–2). Secondly, structural cohesion expands the sphere of interest to the national and supranational levels. This structural cohesion concerns large-scale relationships that arise between member states and EU institutions, such as trade flows, participation in security, and other forms of integration. (ibid.). This conceptual framework of cohesion plays an important role in this thesis because it shows that cooperation in the Union entails multiple layers and relationships. Furthermore, cohesion is not purely a synonym for regional policy but a mechanism that could strengthen or weaken the Union's resilience to internal or international pressures. Since the Union relies on the confidence of both citizens and member states to govern legitimately, cohesion should be designed to ensure that both the individual and structural levels enhance coherence.

With this conceptual understanding, the EU, through its evolution, gradually developed its Cohesion Policy that would carry out that function. Generally, the EU Cohesion Policy serves as an economic instrument for distributing funds to achieve specific policy objectives. However, Cohesion Policy entails other key policy elements related to democratic governance and legitimate policymaking it more than a purely redistributive mechanism.

With the Maastricht Treaty in 1992, the restructured EU reinforced its commitment to address regional disparities. The aims of promoting harmonious development and other social, economic, and territorial aspects of ensuring equitable regional development that eventually became the Cohesion Policy were incorporated into the EU treaty (Marinas et al., 2023, p. 9). Today, this foundational legal basis of EU Cohesion Policy is provided by Article 174 of the Treaty on the Functioning of the European Union (TFEU, 2016):

In order to promote its overall harmonious development, the Union shall develop and pursue its actions leading to the strengthening of its economic, social and territorial cohesion.

In particular, the Union shall aim at reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions.

Among the regions concerned, particular attention shall be paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps such as the northernmost regions with very low population density and island, cross-border and mountain regions.

(TFEU, 2016, Art. 174).

This shows that the TFEU directly correlates cohesion with its various social, cultural, and economic aspects and links them to regional disparities, especially in rural regions disproportionately harmed by the industrial transition triggered by integration into the Union. Furthermore, Article 174 shows that while Cohesion Policy is economic in its design, the rationale behind the policy contains broader normative objectives and commitments related to solidarity and balanced development across the Union.

The decision to define cohesion as more than a purely economic problem allows for the policy to transform during each planning period and for new objectives to be introduced. However, non-economic benefits of cohesion related to social and territorial aspects do not lead to tangible outcomes, which is why aspects of individual cohesion, such as the attitudes and engagement mentioned earlier, are difficult to capture. Because of this, research on the role of cohesion has largely focused on the policy's economic effects, neglecting the significance of qualitative impacts. Nevertheless, there is evidence showing that the management of cohesion funds has led to improvements in permanent administrative capacities and policy-making. Furthermore, researchers have found that the subsidiarity principle and partnership involved in cohesion funding resulted in shifting governance structures towards regional and local levels, therefore contributing to the processes of decentralisation (Molica & Marques, 2025, p. 520). These findings suggest that Cohesion Policy should not be treated as a mere redistributive funding instrument. The policy embodies partnership and a multi-level implementation structure that allows it to directly shape relationships between supranational, national, regional, and local actors.

Fundamentally, the policy was designed as a redistributive measure that used macroeconomic indicators to determine which regions to target. The disparities among regions are generally assessed through differences in income, employment and labour productivity, while successful development is measured through increased investment, productivity and economic growth (Marinas et al., 2023, p. 8–10). Furthermore, convergence is an essential element in Cohesion Policy. By funding projects that will increase productivity in the least developed regions, the policy provides financing that should lead to relatively faster economic growth, resulting in regional convergence (ibid.).

Cohesion funding is carried out through funds linked to the MFF budgeting periods and co-financed by the European Commission and member states (European Commission, n.d.). For the period of 2021–2027, programs in EU regions are financed by specific funds: the European Regional Development Fund (ERDF), the Cohesion Fund, the European Social Fund Plus (ESF+), and the Just Transition Fund (JTF) (ibid.). The programs financed by these funds have specific EU-set goals and should, during the project planning process, demonstrate a contribution to these objectives (Darvas et al., 2019, p. 2).

Since 2007, the policy has aimed to provide strategic investment opportunities rather than compensation to the regions. Funds are allocated to investment opportunities that will improve the region's competitiveness and accelerate economic development (Marinas et al., 2023, pp. 12–13). Following the Europe 2020 Strategy and the policy during the MFF 2021–2027 period, the policy expanded beyond regional-centric objectives and embedded new strategic goals. Due to the global developments that marked this MFF period, the Union aims to modernize to position itself as the leader in the digital and green transitions (ibid.). This shows that there is unclear consensus on what the policy should primarily pursue, Union cohesion or strategic power, and demonstrates that the role of EU governance legitimacy is a secondary concern in the policy design.

The funds provide resources for programs co-managed by the European Commission and the EU member states, with the states responsible for planning and managing the funds and the Commission serving as a supervisor, monitoring, and ensuring efficient use of the funds (Marinas et al., 2023, pp. 19–23). The regulation and management of programs were developed within a framework comprising EU regulations and Commission implementing decisions that set out common rules and requirements. The funding is planned within each MFF period, with strategic and thematic EU policy objectives, criteria for allocating funds to specific regions, and common rules for management and control systems (ibid.). Because all of these components change with each MFF period and the policy adapts to the specific contexts of each term, it becomes progressively more complex and bureaucratically challenging (ibid.).

The system of shared management between member states and the European Commission reflects the partnership principle embedded in Cohesion Policy and requires cooperation across multiple levels of governance. Principally, these arrangements should ensure that the policy strengthens local participation, improves institutional quality, and increases the involvement of subnational actors in European policymaking. However, these are not explicitly defined as primary goals, which demonstrates that legitimacy should be a significant component of Cohesion Policy design.

Governance benefits envisioned under Cohesion Policy coexist with significant administrative challenges that hinder legitimacy processes. Cohesion Policy is frequently considered a regional development policy and has mostly been assessed as a funding scheme that leads to macroeconomic effects. However, its influence on institutional quality, administrative capacity and governance arrangements may be equally important (Molica & Marques, 2025, p. 520). Cohesion Policy not only directly influences the quality of local and regional governance by shifting governance arrangements toward sub-national levels through its partnership principle, but also plays a role in decentralization processes (ibid.). These non-economic impacts of the policy are what help demonstrate that Cohesion Policy is not a purely economic tool, but it plays a more complex role in governance processes that enhance accessibility, transparency, and inclusivity at the local and regional levels of European policymaking. These characteristics directly correspond with throughput legitimacy identified earlier in this theoretical framework.

At the same time, the Cohesion Policy is frequently under scrutiny for the complex bureaucracy that is associated with its implementation. This leads to excessive complexity, resulting in fragmentation of funding instruments, uneven administrative capacity, and repeated crisis-driven reprogramming that distracts from its regional development focus (Nestoras & Finn, 2025, p. 5). Consequently, Cohesion Policy is becoming associated with an overly technocratic system that precludes the participation of rural local administrations. As a result, the policy design leads to a paradox, where it seeks to strengthen participation and inclusion through multi-level governance arrangements, but in turn burdens and excludes precisely those local actors it intends to empower.

Peripheral regions lack high levels of technical expertise, which means that transitional rural regions, disadvantaged areas, and supposedly targeted areas for cohesion funding aims struggle with the administrative burden of effectively participating in policy implementation. Furthermore, since well-performing areas have greater capacity to absorb bureaucratic burdens, less developed areas suffer from chronic under-absorption of funds due to limited administrative capacity (Nestoras & Finn, 2025, p. 12–13).

The disconnect between the governance objectives of Cohesion Policy and the bureaucratic challenge of its implementation shows the relevance of throughput legitimacy for policy assessment. While the policy aims to promote accountability, transparency, and inclusiveness through its partnership-based governance structure, its administrative complexity may simultaneously undermine these objectives. This is why Cohesion Policy serves as a test of MLG and of how it either facilitates or hinders legitimate governance at the regional and local levels. To that end, a comparative analysis of Austria and Slovenia is presented in the thesis's analytical chapters.

4. Research Methodology

The research methodology for this thesis employs qualitative and computational approaches to examine the research question, with a focus on a comparative case study. A qualitative analysis approach is used to investigate relevant legal and policy documentation in both states, while computational text analysis identifies thematic patterns in the overall regional policy documentation.

4.1 Research Design: Comparative Case Study

The central research design of this thesis is based on a comparative case study of two EU member states and examines how their respective governance systems operationalize Cohesion Policy as a means of assessing regional policy in the Union's throughput legitimacy.

The two states chosen for comparison are Austria and Slovenia. Despite their distinct constitutional structures, the two countries share meaningful points of convergence: their geographical proximity, economic interconnectedness (OECD, 2025), and a long overlapping historical experience that results in various cultural and historical similarities. Additionally, they are both central European democratic states, EU members that use the Euro, and highly integrated into the Single Market. Therefore, the countries are chosen as a Most Similar Systems Design research design. Given that the research is largely concerned with regional governance and how a distinct system develops and operationalizes Cohesion Policy with regional participation and how that interacts with legitimacy in EU supranational governance, the independent variable of this research is the distinct governance system. The observed variable is how each governance system institutionally enables regional participation and how this results in the construction of EU legitimacy. Cohesion Policy is selected in this research as the venue for EU governance that interacts not only with state-level governance but is also directly involved in local and regional governance.

The methodological scope of this study does not directly measure legitimacy, participation rates, stakeholder attitudes, or policy impact. The analysis rather focuses on formal governance structures and thereby uses policy documents to identify institutional conditions that may facilitate or limit throughput legitimacy.

Slovenia and Austria are compared primarily for their distinct governance systems. Austria is a decentralized federal state that has historically and institutionally developed strong provincial autonomy. Conversely, Slovenia is a unitary state. Its governance is centralized, and its regional policy does not inherently include regional participation in institutional structures. These distinguished systems are crucial for investigating the legitimacy of EU governance because they contextualize how member-state governance affects EU policy, particularly by showing how institutional frameworks enable regional participation to differ between the two systems.

Nevertheless, the two states diverge in significant aspects. Their differences are most apparent in their geographical size, population, wealth, and economic performance; the developmental disparities between their respective regions; and Slovenia's relatively recent statehood having gained independence from a socialist federation. While these differences may influence the divergence in regional policy approaches of the two states, this thesis is not strictly interested in how each system, federal or unitary, causes and improves EU legitimacy. It is rather an examination of how institutional structures in each system develop in the inclusion of regional voices and what kinds of differences we can observe.

4.2 Qualitative Document Analysis

The analysis of this research is partially based on a qualitative assessment. This part of the analysis establishes a baseline investigation of EU Cohesion Policy as it is implemented through three steps.

Firstly, the research analyses constitutional and institutional frameworks for each member state, particularly as they pertain to governance structures. These frameworks are examined to establish a comparison of macro-governance arrangements between Austria and Slovenia. The analysis focuses primarily on the Austrian Federal Constitutional Law (*Bundes-Verfassungsgesetz* [B-VG]), the Constitution of the Republic of Slovenia (*Ustava Republike Slovenije* [URS]), and the Local Self-Government Act (*Zakon o lokalni samoupravi* [ZLS]), together with other related legislation. Comparing these foundational legal frameworks provides insight into how the two states institutionally organize and operationalize regional governance and regional development policy (Federal Constitutional Law [B-VG], 2026; Constitution of the Republic of Slovenia [URS], 1991; Local Self-Government Act [ZLS], 1993).

Secondly, the qualitative analysis focuses on national, regional policies, and sub-national strategies. This step in document analysis is essential because it illuminates the research by examining approaches to regional policy as they are implemented in each state and their direct connection to the institutional framework in which they operate, especially regarding the responsibilities and competences of actors at various levels of governance. For this part of the analysis, the research analysed 12 Regional Development Agreements (RDAs) and 18 corresponding current status reports in Slovenia. The documentation for the Slovenian part of the analysis was selected based on publications from the government of Slovenia, more precisely, the Ministry for Cohesion and Regional Development. These documents directly refer to the time frame of the MFF 2021 – 2027 period.

Identifying relevant documentation for Austria was less straightforward. Since regional policy documentation is administered across both federal and provincial governments, the corpus necessarily encompasses both. The Austrian documentation comprises16 documents published by national or provincial authorities, selected to represent the current and essential framework of regional policy objectives. While most of the documents were authored by provincial authorities, the Austrian documentation includes one federal-level report: Investment in Employment and Growth Austria 2021–2027 ERDF & JTF, prepared by representatives of ÖROK, the provinces, and the Federal Ministry of Agriculture, Regions and Tourism. The corpus includes regional development programs for Burgenland, Upper Austria, Vorarlberg, and Tyrol; general guidelines for state subsidies for Burgenland, Lower Austria, Upper Austria, Salzburg, and Vorarlberg; various funding programs for Burgenland, Carinthia, and Vienna; extensive funding guidelines for Salzburg; and a State Development Strategy for Styria.

The selection of documents was based on alignment with the current EU budgeting period, 2021–2027. The chosen documentation includes strategic development programs that identify specific regional challenges, as well as national and regional rules governing the eligibility of costs co-financed under the current Cohesion Policy funding framework. These rules aid the research by clarifying the specific areas and challenges addressed in each region and demonstrating how EU cohesion funding is allocated. Additionally, the financing criteria outlined in these documents illustrate the involvement of multiple levels of institutional governance in the planning process. The documents were analysed to help identify the involvement of key actors in regional planning, as well as the specific issues identified and the adjustment of policy to regional-specific challenges.

Finally, the qualitative analysis focuses on the Partnership Agreements between member state and the European Commission. Both Partnership Agreements were published in 2022 and represent the supranational alignment of Cohesion Policy with regional goals in each member state. These Partnership Agreements are valuable to this thesis research because they represent the direct link between EU governance and national and regional goals. They trace EU-level cohesion priorities in the budget period and are negotiated and codified through the federal or unitary national systems. This part of the analysis is therefore helpful for understanding how the participation of regional actors interacts with EU-defined policy goals. The Agreements were analysed to help define which EU policy goals each state prioritizes, how it frames the relevance of each goal to its own objectives, what methods it uses to address cohesion-related challenges, and how it includes regional participation to achieve those goals.

4.3 Computational Text Analysis: Latent Dirichlet Allocation (LDA)

After the qualitative analysis of institutional structures and relevant policy documentation, this research also used Latent Dirichlet Allocation (LDA) topic modelling in R to conduct computational analysis of regional documents for both member states. LDA topic modelling is a computational method for uncovering central topics and their distributions within a data collection, in this case, documents (Blei et al., 2003). LDA is an unsupervised machine learning algorithm that assumes documents consist of several latent topics, each represented by a probability distribution over words. The model does not rely on predefined coding categories but identifies recurring patterns of word occurrence within a corpus of documents and groups them into statistically generated topics (ibid.).

In this thesis, the LDA topic modelling was used for two purposes. Firstly, the model identified dominant patterns and five latent topics across a corpus consisting of all regional policy documents. Secondly, the model generated a comparative assessment of thematic prevalence between Austria and Slovenia by estimating document-topic distributions. This revealed how the two states and their governance systems prioritize different dimensions of regional development and EU Cohesion Policy.

The document corpus consisted of 34 official policy documents from Austria and Slovenia. For the Austrian part of the corpus, the documentation included all 16 documents used in the Austrian qualitative regional policy documentation analysis. For the Slovenian part, the documentation consisted of 18 current status reports corresponding to the Regional Development Agreements. To ensure comparability, all documents were translated from German or Slovenian into English via the DeepL translator before analysis. The texts were then lemmatized using the *textstem* package in R, reducing words to their dictionary base forms and minimizing vocabulary fragmentation.

To improve thematic precision, documents were reshaped into sentence-level units with the use of the Quanteda package. These sentence-level units were downsized. The removed sentences contained fewer than 8 tokens, thereby eliminating headings, page numbers, and other non-substantive textual elements. Moreover, stop words in Standard English were removed, along with other domain-specific terms such as month names, currency references, and country identifiers. This was done to prevent distortion of topic distributions for words that do not contribute analytical value.

A Document-Feature Matrix (DFM) was created and processed to improve the LDA's performance, by removing terms that appeared fewer than 10 times in the overall documentation, as well as terms that occurred in more than 90% or fewer than 1% of documents. This filtering of vocabulary at this stage helped ensure that the LDA model would focus on meaningful terms.

The LDA model was fitted using Gibbs Sampling with the *topicmodels* package in R. The number of topics was placed at five (K = 5). The number was selected for its interpretability and theoretical relevance to research on regional governance and Cohesion Policy. After generating the topics, the results were labelled as Green Transition, Funding Governance, Project Implementation, Regional Economic Development, and Municipal Sustainability. Model estimation was conducted with 2,000 iterations, a burn-in period of 1,000 iterations, thinning every 100 iterations, and a fixed random seed (1234) to ensure reproducibility.

The LDA model was further analysed to generate two key figures. Topic-word distributions (Beta values) were generated and helped identify the most representative terms within each topic. Subsequently, document-topic distributions (Gamma values) were aggregated by each country and their individual share of the corpus. This allowed for a quantitative comparison of topic prevalence between Austria and Slovenia. The identification of differences in thematic prevalence showed how the two governance systems frame and implement regional development policies.

The LDA topic modelling was an essential part of the analysis. It helped uncover the topics frequently part of regional policy documentation. This helped see how regional policy frames and includes EU Cohesion Policy, which aspects it focuses on, and how this contextualizes the interaction between regional policies and EU legitimacy in policy documentation. LDA modelling was also invaluable for comparing the two states and for identifying which topics each prioritizes.

5. Historical Background

This section will present the historical background of the two countries, how their regional structures developed, and how the two states interacted with regional governance historically. This section will be important for a comprehensive understanding of the analysis chapters of this thesis, as they offer a practical understanding of governance in both countries and how they approach regional governance based on their historical experiences.

The historical background entails three important considerations that elaborate on how historical experiences influenced the regional governance structures today. Firstly, the two countries have distinct constitutional systems of governance that they developed during their historical development as they organized into modern European states. Secondly, the two countries share an intertwined history. The two states shared a long period of coexistence in geographical proximity and were governed by a single state structure – the Habsburg monarchy. This proximity inevitably leads to historical and cultural similarities as well as divisions, rooted in the cultural and national inequalities in which the two groups were positioned. Lastly, the key difference between the two countries lies in their more recent history. Notably, Slovenia's status as a republic within the SFRY until June 1991 and Austria's assumed neutral position during the Cold War still influence the political structures of the two states today.

5.1 Austria

5.1.1 Historical Development of Regions in Austria

The federalist nature of Austrian governance developed during the Habsburg Empire. An inclination towards decentralized governance in the Empire was not a prerogative of the imperial domestic policy, but rather a coping mechanism to reconcile the Empire's multiethnic composition. This is particularly evident during the 1867 Compromise (*'Ausgleich'*) when the Empire became a Dual monarchy of Austro-Hungary, and new national aspirations among its peoples led to the rise of nationalist tendencies (Karlhofer, 2015, p. xx).

As the Empire disintegrated in 1918 and its former minorities became sovereign states, a newly established system of governance was formed in Austria, which sought to replace the political vacuum that had been left by the old imperial authority. How to fill this vacuum was not initially conceived in federal terms. In October 1818 the Provisional National Assembly proposed a centralized, unitary state that would unite with the German Reich. The post-war Treaty of Saint Germain, however, foreclosed this possibility, as victorious powers, in redrawing the map of Central Europe, would not permit such arrangements. The unification with Germany was additionally prohibited by Article 88, which demanded that Austria remain independent (Karlhofer, 2015, p. xxi.). During this formative period in 1919, the regional provinces held conferences of states of government (*Länderkonferenzen*). These organizational structures were key for the facilitation of administrative and political institutions and eventually influenced the decision for the federal state organization of Austria (Bußjäger, 2015, p. 11).

After unification with Germany became impossible, the decision had to be made whether Austria should adopt a centralized or federal form. The tension was primarily defined by two opposing forces: Social Democrats, drawing support mainly from Vienna, who advanced the argument for centralization; and the Christian Social Party, supported primarily by the provinces, who championed a federal structure (ibid.). In establishing the eventual federal structure, the provinces, or the so-called *Länder*, played a contributing role. As the new Austria had to form an internal system of governance, most of the provinces gathered their support around the provincial charters, previously introduced by the imperial *Landesordungen* in 1861 (Erk, 2004, p. 4). Regionalism was particularly strong in the Western Catholic-conservative *Länder,* in contrast to the centralization pushed by socialists based in Vienna (ibid.). The divide between centralization, with a stronghold in Vienna, and demands for autonomy fuelling regionalism in the provinces is an expected imbalance in a federal system. In a strained historical environment, such as that brewing in the late 1930s, the clear clash of interests between the two views played a role in the unfortunate chain of events that followed. The socialist and Christian-conservative conflict gradually escalated into a civil war in 1934, when an authoritarian conservative regime led by Chancellor Engelbert was established, which led to the 1938 *Anschluss* (Erk, 2004, p. 6).

After World War II, the *Länder* were re-established and became integral to the restoration of Austria. The *Länderkonferenzen* also played an important role in the continuation of the federal structure and in the political reconstruction of Austria after the Second World War. The provisional government established after Austria's liberation, led by Chancellor Karl Renner, was not recognized by all the occupying forces, namely the United States of America, Great Britain, and France. The provisional government was recognized only by the Soviets and exercised its authority under a unitary, centralized structure (Bußjäger, 2015, p. 12). As the Renner government needed backing from all occupying forces in order to be legitimate, it was conditioned by the Land conferences and the *Länder* occupied by the Western allies to recognize the autonomy of provinces first. The conferences concluded in September 1945 that recognition would occur only once Austria was re-established in its federal form (ibid.).

The regional authorities in both post-war periods asserted themselves as constitutive elements of the Austrian state and the authorities that play a key role in constructing the Austrian governance system. The autonomous will of the *Länder* in establishing federalism is somewhat contested, as Karlhofer (2015, p. xxii) remarks that the provinces' approval was orchestrated by the Chancellor and notes that the 1918 Constitution granted only elementary autonomy, rooted in the 1861 territorial law codes. Nevertheless, the provincial conferences in this period showcase that regional authorities had established themselves as a formative element of regional governance in Austria.

An additional push towards federalism was the regional claim to the crown lands (*Krönlander*) of Vorarlberg, Tyrol, Salzburg, and Carinthia, and to their Habsburg heritage, by their regional authorities (Karlhofer, 2015, p. xxii). The reduced Austria after the Second World War was in a state of great territorial losses, and the idea of a Habsburg tradition of constitutive provinces made a federalist state structure a historical necessity. The federalism introduced with the Austrian Constitutional law later supports the conclusion that federations are essentially a historical construct (Karlhofer, 2015, p. xxiv).

5.1.2 Development of Federalism under the B-VG

The Austrian Federal Constitutional Law (Bundes-Verfassung, B-VG 1920) is recognized as the oldest republican constitution in Europe still in force today, with the exception of the period between 1934 and 1945 (Austrian Academy of Sciences, 2023). The B-VG was drafted by the constitutional law expert Hans Kelsen under the commission of the State chancellor Karl Renner and was produced during a period of pressure stemming from the demands of the Peace

Treaty of Saint Germain as well as separatist tendencies in the provinces (Schausberger, n.d.). This period was also marked by adjustments to individual provincial constitutions to make them compatible with the national B-VG. These adjustments also reflect the inconsistent adjustments across the various *Länder*, starting with Styria in 1918 and continuing until 1930, with the final adjustment in Upper Austria (Karlhofer, 2015, p. xxix).

The development of the federal-provincial level relationship was interrupted by the Second World War, which created irregular circumstances and led to the reconstruction of the Republic in 1945 (ibid.). As the country itself had to undergo a process of rebuilding after the war, the rise of federalist tendencies marked a key turning point in 1964 (ibid.). This is when the *Länder* created a joint initiative to coordinate a common demand for strengthened autonomy by strengthening their competence in exchange for aiding the federal state in financially insecure conditions (ibid.). Through these collaborative demands, *Länder* became more self-confident in their demands for federalism, giving wind to the strengthening of the federalist tendencies. Through these changes, the late 70s saw the development of 'relative autonomy', with *Länder* becoming substantially more proactive and even adapting their constitutions (Karlhofer, 2015, p. xxv). The regional structures in Austria led the way, offering greater encouragement for autonomy and self-governance. While these efforts did not lead to significant shifts that would greatly benefit provincial governance, they show that the federal constitutional law introduced in 1920 was not a final equilibrium in the distribution of power between the federal and provincial levels. Rather, the federal state structure is continually shaped and has to reconcile tendencies stemming from regional traditions to demand more autonomy.

Within this federalized structure, political parties play a key role in uniting political goals across various levels of governance. These political parties started to function as integrative agents and were a crucial force for cohesion and unification (Karlhofer, 2015, p. xxvi). This function of political parties led to a dominance of specific parties, such as, ÖVP and SPÖ, across the political system. This meant that regional parties were unable to garner substantial support and that the dominant parties acted as intermediaries between the state and regional levels (ibid.). Consequently, during the Land elections, regional interests became sidelined in favour of national issues, and regional voting outcomes showed levels of support for national policies (ibid.). Remarkably, the national policies overshadowing regional issues shifted with increased European integration. Since Austria became an EU member in the mid-1990s, regional issues have started to take centre stage during *Länder* elections (ibid.). The integration period in 1994 also marked the only complete revision of the B-VG since 1945 (Bußjäger, 2015, p. 12). Accession to the EU demanded a revision of the constitution because it also affected fundamental constitutional principles, including the federal principles (Hilpold, 2023, pp. 4–5). The 'total revision' triggered article 44 of B-VG, which demands a referendum for such revisions. The vote was held in June 1994 and resulted in a two-thirds approval (ibid.). As a result, the Accession Treaty was signed on the 24th of June in 1994 (Federal Ministry for European and International Affairs [Austria], n.d.).

Regional concerns play a role within the centralist-federalist dichotomy. As Austria became more integrated in the Union, regional political figures became more incentivized to distinguish themselves from federal-level invasive policymakers. By contrast, as regional issues demanded greater attention, the state-centre level leaned more towards strengthening centralist power (Karlhofer, 2015, p. xxviii).

Integration in the EU necessitated not only major constitutional revisions but also the introduction of a third, supranational level of governance, which created new obligations for the Austrian state. Joining the EU, therefore, substantially changed cooperation at the federal and provincial levels, especially by strengthening cooperation mechanisms among the *Länder* as well as between the *Länder* and the federal state (Bußjäger, 2015, p. 24).

According to Article 23d of the B-VG, the Federal Government has the obligation to inform the *Länder* "of all projects within the framework of the European Union that affect the *Länder*'s independent sphere of competence or could otherwise be of interest to them, and give them the opportunity to comment." Furthermore, if the *Länder* unanimously agree on a common position, the Federal Government is bound by that position (Art. 23d B-VG). It follows that, while the *Länder* do not possess a veto over the implementation of EU legislation, this mechanism incentivizes their unanimous cooperation and alignment of interests.

Nevertheless, in practice, the Federal Government and the *Länder* have generally been united in implementing European law, and conflicts between the two levels have been rare. Since 1995, the Federal Government has rarely neglected *Länder* positions, and disputes have concerned minor issues (Bußjäger, 2015, p. 25). The provincial governments are also directly present institutionally at the EU level, as all regions, with the exception of Vorarlberg, have *Länder* Liaison Offices in Brussels, supporting regional interests and coordinating positions among the *Länder* (Bußjäger, 2015, p. 26).

Whereas the *Länder* have enjoyed these additional safeguards that somewhat reconcile the adjustments brought about by European integration, it should be noted that, in practice, these procedures have strengthened executive federalism. Participation in the EU legislature did not empower provincial parliaments, but it enabled a more prominent role for state governors (*Landeshauptleute*), who can coordinate EU policy by having the necessary capacity to manage demanding technical and administrative requirements (Eppler and Staudigl, 2015, p. 98).

5.2 Slovenia

5.2.1 Historical development of regions in Slovenia until 1991

The historical trajectory of regional structures and regional policy in Slovenia has a very different path from that of Austria. Slovenia's own autonomy and independence were the result of a long historical process, during which several obstacles had to be overcome, which is why regional governance, compared to Austria's traditional claims to federalism, is a much younger process that is still partially incomplete today.

The Slovenian people have, from the 8th Century onwards, lived as a subjugated people under a foreign authority that gradually, until 1438, became the Habsburg Dynasty (Balantič, 2007). As subjects of the monarchy, the Slovenian people lacked encouragement to develop their national and cultural identity, which is why it had to be forged through a long history of national struggle. A significant role in the organisation of an active political and cultural life in Slovenian-speaking lands was played by the historical regions in which Slovenes lived and acted. Carniola, Istria, Gorizia, Styria, and Carinthia are the historic regions that carried the political and cultural activities of Slovenes. This was the main development until the 19th Century, when the Slovene political figures realized that the regions that represent the Slovene population should unite within a single political program called United Slovenia (Z*edinjena Slovenija*) that can decisively push for political recognition and autonomy within the Habsburg empire (Mlinar, 2023, p. 13).

This background is essential to understanding regionalism in Slovenia today because it shows that Slovenes have a long history of subjugation and struggle for identity and autonomy. This resulted in an inherent striving for recognition, which constitutes a long part of their history and therefore forms their national identity. The long-lasting subjugation under superior rule led to the necessity for unification of diverse historical regions under a single political programme that could facilitate and organize clear demands for national autonomy. In this sense, the Slovenian-speaking space, since the 19th Century, has necessarily had to centralize its coordination to pursue its national goals. Nevertheless, the presence of regional traditions that predated this period should not be overlooked and remains evident today, as they served as the main drivers of political life within the Habsburg monarchy.

The local self-government was introduced in the mid-19th Century, which is also true for local self-governments in Austria, when the emperor in 1849 signed the Austrian Provisional Municipalities Act. Based on this act, the first municipal councils were elected in Carniola in 1850 (Brezovšek et al., 2008, p. 124). These self-governments or municipalities, as basic units of local governance, are models for local governance in independent Slovenia.

After breaking with the Austro-Hungarian Empire in 1918 (Ivašković, 2024, p. 215), Slovenes briefly created their own state with the rest of the territory of Southern Slavs that was previously part of the Habsburg Empire; however, in December 1918, they unified with the Kingdom of Serbia, embracing the concept of Southern Slavs uniting in what would eventually transform into Yugoslavia (ibid.).

After World War II, the socialist Yugoslavia was established as a federal state (Kukar, 1996, p. 41). In this new socialist state, Slovenia emerged as a republic within a federal system united by socialist ideology and centred in Belgrade. As a northern republic in the federal Balkan state, Slovenia had the most developed industrial base, a relatively good infrastructure that enabled transport and an energy supply, and a comparatively well-educated labour force (Kukar, 1996, p. 43). The socialism introduced in Yugoslavia was based on the Marxist-Leninist doctrine that, initially, viewed regional planning and development differently from the framework in Austria. Regional planning was less about striking a balance between historical claims to regional self-governance and an empowered centralized state, as can be seen in Austria, and more about approaching the economic function of capital and investment and addressing how Marxist doctrine can prevent the accumulation of regional disparities (Kukar, 1996, p. 51). The conviction of Yugoslav economists of the time shows that cohesion and equitable development are integral parts of legitimate political authority. They found that an unrestricted market necessarily leads to differences in performance of various regions, which is politically unacceptable. Differences in economic performance have reduced the development potential of less developed regions, which is why certain safety guards, including various political, social, and economic measures, should be utilized to improve national cohesion (ibid.).

Yugoslavia abolished the Habsburg municipal system in 1955 and replaced it with communes (Brezovšek et al., 2008, pp. 124–125). These new entities were conceived as socio-political communities that predominantly exercised activities on behalf of the federal state. Research shows that after 1974, more than 80% of these communal bodies' activities were work on behalf of the state (ibid.).

How to achieve this national cohesion through regional planning was far from consensual among Yugoslavia's decision-makers and diverged significantly across the republics, especially reflecting on the differences in economic performance, administrative structures, and historical backgrounds that distinguished each constituent unit. Slovenia and Croatia were leading the critical perspective on Belgrade's approach to development, largely focused on investment in less-performing regions. These two northern republics inherited a more efficient administration from their Habsburg-era management and contributed the largest share of funds to the investment budget, with Slovenia contributing up to 10% of its GDP. However, these investments did not produce results that would justify continued support of investment (Pirjevec, 1995).

The disunity that began to grow within the republics over government management in Yugoslavia began to brew in the 60s and stemmed from initial divisions over economic disparities and fiscal discord. It is through these growing divisions that Slovenia, as a Republic, began to pursue independent policies when the constitutional revisions in the late 60s granted the republics greater autonomy (Bešlin, 2015).

Consequently, in the 1970s, Slovenia began developing its own regional policy. In 1971, it introduced its own law to mitigate coordinated regional development and reduce differences among its regions (Kukar, 1996, p. 54). While Slovenia was performing relatively well, certain regions experienced a decline in the general level of development and were now experiencing an exodus, which the republic's policy aimed to prevent by focusing on infrastructure, investment in social services, and manufacturing (Kukar, 1996, p. 61). This law was complemented 20 years later by a new legislative solution in 1990 that aimed to address similar issues and directly targeted 'demographically endangered areas' (Kukar, 1996, p. 62).

The capacity of the republic or the federal Yugoslav state to continue with new approaches to regional development was interrupted by a severe transformation in the change of power. Up to this point, regional development had become increasingly important to the state structures governing the territory that would eventually become independent Slovenia. The historical evolution of regionalism went from the Habsburg heritage of historical regions with distinct cultural identities to the socialist management that was highly aware of the vulnerability that imbalanced cohesion in a state system represents. In this sense, the improperly addressed diversity within the Yugoslav state serves as a powerful illustration of how responsible regional governance can make or break a federal state system.

5.2.2 Regions in Independent Slovenia

After a landslide majority of Slovenes in a plebiscite on the 23rd of December 1990 supported an independent state, Slovenia finally proclaimed its independence on the 25th of June in 1991 (Brezovšek et al., 2008, p. 22). After a brief 10-day war with the Yugoslav People's Army, which tried to retain its authority, an agreement was negotiated under the auspices of the European Community (ibid.). Slovenia achieved its independence with relatively little disruption, emerging as a sovereign European country. Soon after, the international community recognized Slovenia as an independent country – in January 1992, it was recognized by the European Community, followed by recognition from the United States of America in April and admission to the United Nations in May of the same year (ibid.).

The transition from a socialist republic within a federal state to an independent country was not entirely without its own issues. Slovenia, immediately after leaving the SFRY, went from one of the federation's best-performing republics to a less developed European country that had to close the gap (Kukar, 1996, p. 45). With the adjustment to the new environment and the elimination of ideological limitations on its economic capabilities, the country faced various issues, such as enhancing its institutional capabilities, from regional institutions to full state functions, and transitioning from a social economy and state ownership to a private-property-based market economy (ibid.). Additionally, integration into the EU immediately became a national priority, a process that was finalized in 2004, when it became a full member of the Union (Lovec, 2016, p. 118).

Local government, as a policy area, was one of the areas that the new state strove to implement effectively, thereby safeguarding the rights of local authorities and establishing a level of government as close to the citizens as possible (Brezovšek et al., 2008, p. 125). Local governance has been effectively implemented since 1995, when the state defined territories and reintroduced the municipal system, which comprises municipalities with independent organs that replaced the communal system (ibid.).

The process of regionalization and full local governance in Slovenia remains unfinished and awaits substantial legislative reform. The complete finalization of Slovenia's regionalization is a politically difficult and long-lasting process that would require the allocation of competences between centralized and regional powers (Brezovšek et al., 2008, p. 126). While some attempts to introduce regional governance in the country occurred between 2006 and 2008 (ibid.), these ultimately proved unsuccessful, a point that will be further discussed in the analysis of the constitutional framework of Slovenian regional governance.

6. Analysis

In this section, the core analysis of the thesis is presented. Based on the discussed theoretical framework, the MLG theory will be employed to utilize the multiple levels of governance in Cohesion Policy as a test case for EU legitimacy. The analysis will apply the discussed key concepts and will be based on the existing scientific literature presented in the literature review. The aim of this chapter is to use the case comparison between Austria and Slovenia and their contrasting governance systems to analyse what kind of institutional environments these systems create for cohesion to operate in and how do they correspond to the extent of legitimate governance in Cohesion Policy.

The analysis will be conducted by first presenting the two countries and their respective systems. First each countries' constitutional framework will be discussed, which will be followed by their national strategies for regional development. Lastly, the analysis will delve into computational analysis of regional policy documents of the two countries. Based on their national frameworks, these documents show how each country plans and implements Cohesion Policy. The regional policy analysis is done by discussing their partnership agreements developed with the EU for the period of 2021-2027 and other relevant documentation that is used for regional policymaking. In the final section of the analysis, the regional policy documentation is analysed with computational text analysis, where underlaying topics found in the document corpus are identified and discussed.

The analysis will use each countries profile to compare how they correspond to the multi-level governance framework and what kind of conditions for throughput legitimacy mechanisms have developed. The analysis will be followed by a discussion about what these results tell us about the design of Cohesion Policy, especially in the role it plays for the Union’s future legitimacy.

6.1 Republic of Austria

6.1.1 Federal Law and Institutions

The B-VG in Chapter I sets out the general provisions of the Republic of Austria. Article 1 establishes it as a democratic republic, and Article 2 defines the federal principle by designating Austria as a federal state. The federal organization in that article also states that the autonomous provinces (*Bundesländer*) are Burgenland, Carinthia, Lower Austria, Salzburg, Styria, Tyrol, Upper Austria, Vienna, and Vorarlberg (ibid.). Articles 10, 11, 12, and 15 of the B-VG lay down the scope and division of competences at the federal and provincial levels. These areas of competence can create either legislative or executive obligations, with areas such as foreign affairs, defence, and the monetary system being in both executive and legislative capacity to the Federation, certain administrative matters such as citizenship being in legislation a federal competence but executively provincial, and issues such as social welfare being a *Länder* competence in detailed legislation and execution. Additionally, all residual areas not assigned to the Federation belong to the *Länder* (Art. 15 B-VG). Additional important provisions related to administration are Articles 102 and 103 B-VG. Article 102 states that the provinces execute federal laws under federal supervision, while Article 103 regulates provincial administration. Constitutional allocation of legislative competences to each governance level is done on an exclusive basis; therefore, legislation on defined subject matters is administered either by the federal or the provincial level (Bußjäger, 2015, p. 15).

Regional development is not explicitly stated in the Federal Constitution as a competence pertaining to the federal level either executively or legislatively. It is, therefore, in both capacities a competence of the *Länder*, falling under the provision of Article 15 B-VG, making it a residual competence. It is important to note, however, that the federal level is still able to indirectly influence regional development through other competences that are directly linked to it, such as those dealing with transport, infrastructure, and, to some extent, the environment. These competences are stated in Article 10 B-VG. The aspect of regional development is also influenced by financing, which is regulated by Article 13 B-VG, which establishes principles for public finances and governs the financial constitution. According to these provisions, regional governance and development are therefore policy areas that are primarily in the competence of provincial authorities.

A crucial aspect of regional development that is influenced by federal-level decision-making is financing, which is regulated by the Financial Constitutional Law (Article 13). Article 13 B-

VG establishes general principles for public budgeting. It prescribes that the federal government, states, and municipalities strive towards sound budgets and economic equilibrium and, in that pursuit, coordinate fiscal management. The fiscal framework, therefore, prescribes rules governing the field of taxation to separate federal constitutional law and is functionally important for providing a framework for cohesion fund absorption, which is co-financed by EU, national, and regional financing. According to the fiscal federalism structure in Austria, the fiscal administration is not administered by the *Länder* level (Federal Ministry of Finance of Austria, 2018). According to this, the B-VG prescribes that the Federal and the *Länder* levels can act on their budgets autonomously; however, the competencies of each of these governmental levels in the field of taxation are prescribed by a special federal constitutional law (Federal Ministry of Finance of Austria, 2018).

An important aspect of federal-provincial cooperation is the principle of mutual consideration (*Berücksichtigungsprinzip*), which is not included in the B-VG but is a developed practice of the Constitutional Court (Bußjäger, 2015, p. 18). According to this principle, both the federation and the provinces, when exercising their legislative authority, are required not to undermine each other's interests, which has important considerations the accountability aspect of throughput legitimacy.

The B-VG constitution also provides the legal framework for establishing various institutions responsible for regional development. These institutions are sourced from multiple levels of government. As regional development is largely implemented at the regional level, Articles 95 to 136 B-VG provide the constitutional basis for regional structures and define key actors in the regions. The legislative power of the regional state governments is exercised by state parliaments, also known as *Landtage* (Article 95 B-VG). The Landtage are also responsible for electing the members of the Federal Council (Bußjäger, 2015, p. 17).

Articles 102 and 103 B-VG continue to define the role of the Governor of the provinces, who is entrusted with the province's main executive power.

In Article 102, the role is defined:

> *Within the territory of the Länder, the execution of federal law is carried out by the Governor of the Land and the Land authorities subordinate to him (indirect federal administration), insofar as no separate federal authorities exist (direct federal administration).*

(B-VG, Art. 102).

Further, Article 103 B-VG clarifies the Governor's role in indirect federal administration, where the Governor's power is limited by the instructions of the federal government and federal ministers. These articles are important for elaborating on how federal principles are carried out by provincial authorities, namely the Governor, who acts as a link between the federal and regional levels.

Articles 115–120 B-VG provide relevant provisions regarding the organization and powers of municipalities, which represent the local level. Article 115 establishes that municipalities are understood as local municipalities. They are corporate bodies under public law and administrative districts with the right to self-government, while also constituting independent economic entities. They are limited by general federal and state laws and do not have the right to manage assets, their budgets, or operate economic enterprises, and independently levy taxes (Articles 116 and 116a B-VG). They form associations and conclude agreements to operate in their respective spheres of interest, for which the municipalities also must provide for their bodies (Articles 116b and 117 B-VG). Municipalities should not be overlooked when discussing the constitutional system. Essentially, these organizations are autonomous in matters of exclusive local interest that fall within the appropriate scope of their management, such as local public security police and the administration of municipal traffic (Bußjäger, 2015, p. 13).

The provisions providing for relevant institutions at the federal level are found in the third main section of the B-VG. Articles 60–94 B-VG define the Federal Government and relevant ministries. Even though the provincial level carries the development and implementation of cohesion policy, the federal level negotiates cohesion programmes on behalf of the entire state, which is overseen at the federal level. The executive powers lie with the Federal Government.

In Article 69:

The Federal Chancellor, the Vice-Chancellor, and the other Federal Ministers are entrusted with the supreme administrative affairs of the Federal Government, insofar as these are not delegated to the Federal President. Together, they constitute the Federal Government, chaired by the Federal Chancellor.

(B-VG, Art. 69).

These actors are entrusted with managing administrative affairs that directly shape and govern the implementation of Cohesion Policy, which is carried out at lower levels of government.

As already mentioned, the *Länder* elect the representatives of the Federal Council. The essential task of the Federal Council is a suspensive veto on federal laws, which can be overturned by the National Council, or an absolute veto when concerning the modification of constitutionally determined *Länder* competences (B-VG, Art. 69). The Federal Council members are not bound by directives from the provincial assemblies and, in practice, often consider themselves federal deputies rather than representatives of the interests of the *Länder* (Bußjäger, 2015, p. 13). The second chamber is frequently characterized as institutionally and politically weak, as its function is intended to improve constituent representation; however, it fails to significantly influence the legislative process (Neisser, 2015, p. 72). To this extent, the criticism that the strong constitutional provisions granting provincial representation are effectively insignificant in terms of substantial impact carries some weight, especially given that the provinces are also tasked with the execution of federal laws.

The Conference of the Land of Governors is an informal and voluntary institution with unanimous decision-making that, in practice, facilitates horizontal cooperation among provincial states (Bußjäger, 2015, p. 19). The Conference is the functional federal–level institution that functions as the representative for *Länder* interests. It adopts resolutions and passes recommendations to the federal government concerning *Länder* issues and is indirectly recognized by federal law (ibid.).

However, even though the division of competences and the strong presence of *Länder* institutions offer significantly greater autonomy at the lower level, the authority of the Federal Government should not be questioned. While the constitutional provision regarding residual areas of governance belonging to the provinces exists, the division of competences between the two levels is extensively defined, leaving few residual areas for governance. Secondly, as the indirect administration by the state governor plays an important role in implementing federal laws, the more important areas of administration, such as finances, public security, and courts, remain within the competence of the federal administration (Bußjäger, 2015, p. 13).

The constitutional provisions discussed demonstrate that Austria's federal system imposes limitations on regional participation and access to the governance process, indicating that EU governance legitimacy is not guaranteed by federal systems of national governance in absolute terms. Even though the institutional development of provincial bodies did not lead to a major strengthening of their role in federal policymaking, Austrian federalism lays the groundwork for the autonomous participation of regional voices in the federal governance system. The federal and provincial levels of government have distinct legislative and executive bodies, while the provinces provide indirect administration of federal law and thereby participate in a significant portion of federal administration (Karlhofer, 2015, p. xxv). In Austria, regional voices in the institutional structure are limited in exercising their authority by the strengthening of the executive power of the provincial Governors and by the lack of empowerment of the *Landtage* and other representative institutions, such as the Federal Council and the Conference of the Land of Governors. Regardless of the imperfections of the Austrian system, the constitutional basis that grants regional governance, the executive role of provincial Governors, and autonomous decision-making in residual competences remains, which provides more formal opportunities for participation.

6.1.2 Provincial and Federal Regional Development Programmes

Austria's regional policy framework is characterized by cooperation between the Federal Government and the nine provinces, with coordination between the two levels of government facilitated by the Austrian Conference on Spatial Planning (*Österreichische Raumordnungskonferenz*, ÖROK) (ÖROK, 2022a). Regional policy in Austria is implemented as a nationwide programme that can coordinate the aims set out by the European Commission, but the implementation is entirely decentralized; therefore, the policy is significantly guided by the provinces (ÖROK, 2022a, pp. 14–16). The federal coordination of the policy is carried out by the Federal Ministry of Agriculture, Regions and Tourism, which is responsible for coordinating spatial and regional policy at the federal level (ibid.). The provincial level and decentralized system allow for each *Länder* to develop specific regional strategies such as *Steiermark 2030* for Styria or *#upperVISION2030* in Upper Austria (Land Oberösterreich, 2021; Amt der Steiermärkischen Landesregierung, Abteilung 17 Landes- und Regionalentwicklung, 2022).

The two-level system for regional policy has functionality with respect to the communication that the specific levels engage in. The national program is the point of intersection for implementing EU funds; however, the provinces not only guide that implementation but also rely on experienced intermediate bodies, such as ZwiSten, to manage and approve projects (ÖROK, 2022a, pp. 14–16). According to the Nomenclature of Territorial Units for Statistics (NUTS) regional classification, provinces are classified as NUTS 2. Additionally, Burgenland is specifically classified as a transition region for the MFF 2021–2027 period, while all other provinces are classified as more developed regions (ÖROK, 2022a, p. 5). Due to Burgenland's particular category, the province faces specific challenges as a region on the 'prosperity edge' of Europe. It uses Additionality Programmes as national funding that supplements EU programs to address regional needs not covered by EU funds (Regionalmanagement Burgenland GmbH, 2024).

The provincial administration of regional policy implementation is generally carried out by economic, business, and tourism-oriented departments, particularly in Burgenland, Styria, Upper Austria, Vorarlberg, Salzburg, and Carinthia (ÖROK, 2022a, p. 106). For many provinces, there are also administrative institutions that carry out bottom-up regional development and communicate local specificities. In Tyrol, there is a heavy emphasis on Community-Led Local Development, and governance also includes the Department for Provincial Development, which handles project applications and coordination (ROK, 2022a, pp. 65–66). For Vorarlberg, governance includes regional planning communities in various valley regions, where special attention is also given to valley-specific development goals, while in Salzburg, eight Local Action Groups implement development concepts that are tailored to local conditions and are integrated in regional associations of the State of Salzburg (Regionalentwicklung Vorarlberg eGen, 2023, p. 63; Land Salzburg, Landes-Europabüro Salzburg/Verbindungsbüro zur EU Brüssel, 2025, p. 111).

These regional policy implementations, as outlined in Austrian policy documents, demonstrate the benefits of federal systems of governance. As each province is responsible for its own regional strategy, it can adapt its policy priorities to the specific challenges. This is particularly significant for less developed regions, such as Burgenland, where regional authorities, due to their proximity, are better positioned to identify and respond to development challenges than centralized governance structure, which risks imposing uniform solutions on structurally distinct contexts. These differences between the two systems, therefore, demonstrate the ability of federalism to establish institutional conditions of accountability and transparency identified with throughput legitimacy.

6.1.3 Partnership Agreement with Austria 2021-2027

The Partnership Agreement with Austria for the period 2021 – 2027 is the document that directly links EU governance and Cohesion Policy with national regional policymaking. The Partnership Agreement, as approved by the European Commission on May 2nd, 2022, was formulated by the ÖROK under the leadership of its Subcommittee on Regional Economy (ÖROK, 2022b). The document provides an overview of the EU fund programs covered that are intended to drive regional investment in Austria. It sets out the priorities of regional development in Austria and the strategic orientation for program planning to ensure efficient use of resources from the ERFD, the ESF+, the JTF, and the Maritime and Fisheries Fund (EMFAF) (ibid.).

The investment projections under this agreement amount to €1.3 billion (European Commission, 2022a). The text of the agreement directly defines five political objectives that are pursued for funding programmes in the current MFF. These goals are aligned with the European objectives. Austria, in its Partnership Agreement, establishes national targets that pursue the determined political objectives. The first two are a more competitive, smarter Europe and a greener, low-carbon Europe. It also includes the fourth and fifth, a more social Europe implementing the European Pillar of Social Rights and a Europe closer to citizens by fostering sustainable and integrated development of urban, rural, and coastal areas. It also includes funding for JTF-specific goals for a just transition. Austrian Agreement excludes the third political objective of a connected Europe that enhances mobility (ÖROK, 2022b). The ERDF is used for funding the first two and fifth objectives, ESF+ funding programmes falling under the fourth, and JTF funding the JTF-specific goals. The description of national targets and the justification for funding mainly focus on ERDF-funded objectives, competitiveness, and the green transition.

For example, in the use of the ERDF, the selected objectives mainly align with targets related to technological growth, innovation, research, and regional smart specialization strategies (ÖROK, 2022b, pp. 5–6). Complementary to this, the fund is intended to support the digitalization and competitiveness of small and medium enterprises (SMEs) in knowledge-intensive sectors. While these defined objectives and their pursuit of improving competitiveness through technological development do not directly reference cohesion or regional development as such, they can benefit regional and cohesion imperatives. SMEs are aided to in integrating digital technologies into their business, and risks of developing digital products and services become mitigated through effective funding and established safeguards (ibid.).

The second objective focused on promoting a green transition in low-carbon production, clean energy, the circular economy, and climate change adaptation and risk prevention (ÖROK, 2022b, pp. 6–7). This objective is directly integrated with the technological growth discussed previously. The development of the green transition is inherently linked to consumption and production, both of which can be affected by improvements in the transition to innovative technologies and systemic solutions. Consequently, for both objectives, a combined 85% of all ERDF funding allocated to Austria is intended (ibid.).

Further, regarding the JTF and ESF+ funds, the targeted objectives become more expansive and increasingly intersecting. The objectives targeted for ESF+ funding are determined to ensure a more inclusive and socially just Europe, in line with the European Pillar of Social Rights (ÖROK, 2022b, pp. 8–11). This encompasses issues spanning from inequalities in the labour market due to sex, age, disability, or poverty to reducing drop-out levels in education and combating material deprivation. Furthermore, while these issues reflect structural challenges that require federal-level solutions, these objectives are linked to regional governance by framing JTF funding targets as resources that could enable regions to address the social, employment, economic, and environmental impacts of the transition towards a climate-neutral economy (ibid.).

The framing of funding objectives shows that EU partnership agreements with Austria aim to use cohesion funding for broader structural goals, such as technological competitiveness, green transitions, and improving social equality. While these goals are effective for regional development, the targets, as defined in the agreement, do not explain how these objectives enable regional implementation or management. This shows that, in the design of the national policy, the stated goals are ambitious; however, they do not address regional governance-specific issues.

The federal structure of Austria's regional policy is specifically addressed in the agreement, which successfully incorporates its specifics into fund planning and absorption. According to the agreement, the Federal Government, through the Federal Ministry of Agriculture, Regions and Tourism, is responsible for coordinating spatial planning and regional policy, as well as for coordinating regional programmes within the framework of EU funding (ÖROK, 2022b, pp. 16–18). Nevertheless, the necessity to coordinate cohesion funding is necessary since the funding programmes are attributed to different ministries. The ERDF is under the management of the Federal Ministry of Agriculture, Regions and Tourism, while the ESF+ falls within the scope of the Federal Ministry of Labour, and its own separate fund remains with the Federal Ministry of Social Affairs, Health, Care and Consumer Protection (ibid.).

For representation and involvement in the lower governance structures, the ÖROK’s Regional Economy Subcommittee (UA RegWi) serves as the body that coordinates among the Federal Government, Federal States, the Association of Cities and the Association of Municipalities, as well as economic and social partners (ibid.). The body involves all stakeholders of the funds covered by the Agreement in addressing the issues related to coherence, program implementation, and macro-regional strategies (ibid.).

Nonetheless, ÖROK's coordinating role is primarily informative. Introducing measures into regional policy is a competence of the *Länder,* thereby safeguarding the federal principle in the governance of regions. For areas that involve the core of market and social policy, the respective ministries are responsible for implementation (ibid.). Additionally, synergies exist between the targeted objectives and other institutions, such as the Austrian Research Promotion Agency (FFG) as the contact point for research and innovation programmes, Austria Wirtschaftsservice GmbH (AWS) for implementation of European financial instruments, and others (ÖROK, 2022b, p. 19).

Finally, the Agreement recognizes that the implementation of administrative capabilities is hampered by overburdened bureaucratic procedures and red tape. For this reason, the Agreement includes strengthening administrative capacity for the deployment of funds (ÖROK, 2022b, pp. 33–34). In this pursuit, the Agreement notes the regulatory novelties intended to reduce administrative burdens by reducing procedural costs, appointing a communication coordinator, and streamlining management by standardizing all processes and more (ibid.).

6.2 Republic of Slovenia

6.2.1 Constitutional and Legal Framework

URS was adopted on the 23rd of December in 1991 (Brezovšek et al., 2008, pp. 50–52). The text of the constitution was adopted six months after Slovenia's declaration of independence, and its formulation is directly related to the transition Slovenia was undergoing from a Yugoslav Republic to an independent state. Because the independence of the state precedes the adoption of the Constitution, the latter states in the preamble that it is based on the Basic Constitutional Charter on the Sovereignty and Independence of the Republic of Slovenia, which is the fundamental document that was adopted with the Constitutional Act for the Implementation of the Basic Constitutional Charter on the Sovereignty and Independence of the Republic of Slovenia and the Declaration of Independence, which were adopted on the 25th of June 1991 (ibid.).

As Slovenia is a unitary state, without a provincial level of governance and a shared distribution of authority, the principles of the state and its administration apply to central institutions as well as to local communities or municipalities. The general provisions of the constitution already include Article 9, which explicitly determines that "local self-government in Slovenia is guaranteed" (URS, 1991, Art. 9). This local self-government is later further covered in Chapter V, Articles 138–144, in the Constitution. In Article 138, local self-government is exercised by municipalities (*občine*) and local communities, with Article 139 defining municipalities as settlements joined by common interests and needs. Article 140 defines the limited scope of municipalities, with autonomy over local affairs; Article 141 further defines distinctive urban municipalities; and Article 142 declares municipalities' financing through their own sources (URS, 1991, Arts. 138–142).

The constitutional provisions related to local self-government are implemented by the ZLS (1993). The ZLS further determines the basic units of local self-government, their powers, organization, and financing. It establishes municipalities as independent local communities responsible for local public affairs. According to Chapter IV of the Act (ZLS, 1993), the three main bodies of the municipality are the Municipal Council *(občinski svet*) as the legislative body, the mayor (*župan*) as the executive head, and the Supervisory Committee (*nadzorni odbor*) as the financial oversight.

The status of the municipalities according to the Constitution and the ZLS is vastly different to the *Länder,* as they are not governmental structures with a distinct sovereignty, but are local self-government units that are, crucially, under state sovereignty. Nevertheless, regarding the responsibilities of these municipalities, a similarity can be found in the ZLS (1993), which distinguishes between core functions (*izvirne naloge*) and delegated functions (*prenesene naloge*). According to Article 21 of ZLS, core functions are matters of local government such as municipal property, local development, and local public services, whereas delegated functions are similar to Austria's indirect federal administrations, tasks transferred from the state where municipalities act on behalf of the central state (ZLS, 1993, Art. 24).

The process of regionalization in Slovenia remains unfinished to this day. When the Constitution was adopted in 1991, Article 143 introduced wider self-governing local communities that would be created by the independent joining of municipalities:

Municipalities may independently decide to join into wider self-governing local communities, as well as regions, in order to regulate and manage local affairs of wider importance. In agreement with such communities, the state may transfer specific matters within *the state competence into their original competence and determine the participation of such communities in proposing and performing particular matters within the state competence.*

(URS, 1991, Art. 143).

Originally, this article presumed that municipalities would voluntarily create a regional level of governance, on which the centralized state could transfer competencies. This article established a constitutional framework for the future development of what could become a federal system of governance, in which the centralized state would collaboratively determine which matters it should transfer to these regions so that they could regulate local affairs. This article shows a positive understanding of the centralism–federalism conflict, given that it assumes the voluntary establishment of regions, in which the state would enter into agreements and willingly transfer competences to a new federal level.

In practice, the wording of the original article did not create conditions that would encourage municipalities to independently join wider communities. Furthermore, the article does not predict a realistic construction of regions, since municipalities established connections only with neighbouring municipalities and only addressed matters of common concern (Brezovšek et al., 2008, p. 131). On the other hand, federal regions necessarily need to cover the entire country; they need to have the same legal status and carry the same responsibilities in order to prevent statewide administrative chaos. Further, the implementation of state-level tasks that would be transferred to the regions would effectively mean administrative decentralization and changes in the jurisdiction of municipalities, as established by the constitution and law (ibid.). To execute that reorganization effectively, it must be implemented through a top-down approach so that competencies are divided and managed in an orderly manner across the state, with defined scope and limitations of authority. The singular approach to regionalism in Slovenia, as envisioned in 1991, shows that, compared to Austria, the historical claim and regional identity that demanded self-governance by the *Länder* are not as entrenched in Slovenia, a fact directly related to the Slovenian historical experience. Replicating the provincial model based on Habsburg heritage would be inappropriate in Slovenia until 1991, with the Austro-Hungarian Empire included, it experienced three entirely different approaches to regionalism and multi-level governance, in which different governance structures had varying levels of importance in state administration (Brezovšek et al., 2008, p. 132).

Since Article 143 did not provide the conditions for the implementation of regional structures, legislative procedures for constitutional change began in 1991 (Brezovšek et al., 2008, pp. 131–132). Finally, a proposal to amend three constitutional articles was successfully adopted in 2006. The changed Articles 121, 140, and 143 introduced the constitutional framework for the eventual introduction of regional governance in Slovenia. Articles 121 and 140 were amended by changing the text, determining that administrative tasks are performed directly by ministries, and now allowing for a wider public authorization of administrative tasks. They further now allow the state to independently transfer state jurisdiction to municipalities, provided that the necessary resources for their performance are guaranteed (ibid.).

The amendment in 2006 entirely changed Article 143 as the envisioned process for introducing regional governance. The consolidated version of the Constitution of article 143 now states:

A region is a self-governing local community that manages local affairs of wider importance, and certain affairs of regional importance provided by law. Regions are established by a law which also determines their territory, seat, and name. Such law is adopted by the National Assembly by a two-thirds majority vote of deputies present. The participation of the municipalities must be ensured in the procedure for adopting the law. By law, the state transfers the performance of specific duties within the state competence to the regions and must provide to them the necessary financial resources to enable such.

(URS, 1991/2021, Art. 143)

The newly introduced text of Article 143 resolves the ambiguity regarding the constitutional intent behind regionalism. It explicitly defines the region and its responsibilities and dictates the procedure for introducing the regional structure through constitutional law, which requires two-thirds majority approval in the National Assembly and allows for participation by the municipalities. This new version replaces the required voluntary 'will' of municipalities to form wider communities. It also changes how the transfer of competences from the state to the regional level will take place, where the original article presupposed an agreement between the communities and the state, while the new text establishes an authority within the state to transfer its competences to the regional level, provided that appropriate resources are available.

While the amended constitution predicts a legislative procedure whereby Slovenia would transition from a unitary to a federal state, the process of regionalization to date remains unchanged. Reasons for the delay stem from a lack of political consensus on how the regions would be geographically defined and how the division of competences would materialize, which is also why none of the proposed plans received endorsement from experts (Brezovšek et al., 2008, p. 132). Despite the lack of political will for the introduction of regional structures, the need for regions in Slovenia still exists. The regional development divides have only deepened since 1991, with clear above-average growth and rapid development in the capital, the coast, and certain regional centres, while elsewhere significant regional disparities remain (ibid.). Further, while the last decade witnessed certain improvements in socio-economic sustainable development across Slovenia, the eastern-western developmental divide remains significant. The eastern region has since been integrated into the Union and is still experiencing fewer opportunities to promote sustainable development, which is considered a strategic goal of Slovenia (Kirbiš Rojs, 2023, p. 50). This divide is not reflected only in industrial differences but also in the EU classification, the Nomenclature of territorial units for statistics (NUTS), which defines two Cohesion Regions in Slovenia as Eastern Slovenia and Western Slovenia, both of which have been classified as NUTS 2 regions since the 1st of January 2008. Since 2016, Western Slovenia has been classified as one of Europe's developed regions, while remaining among the less developed regions (Government of the Republic of Slovenia, 2023).

The unitary character of the organization of the Slovenian state means that the institutions responsible for regional governance are the central state legislative and executive institutions, excluding the municipalities, which, as discussed, constitute the lowest form of governance, concerned only with local matters and under the sovereignty of the centralized state. Chapter IV of the Constitution of Slovenia outlines the key institutions that collectively form a system of separate powers across the legislative, executive, and judicial branches (Cerar, 2021). As such, the policy defining institutions are the National Assembly (*Državni zbor*) as the primary holder of legislative power and is the representative body of the Slovenian citizens, the Government (*Vlada*) as the executive branch manages the administration, and the National Council (*Državni svet*) acts as the representative of special interest groups in the legislative process (ibid.).

The National Council is a singular institution in the legislative process of the state organization and has a specific role in representing local interests within state institutions and in the incomplete bicameral parliamentary system (ibid.). Articles 96–101 of the Constitution define the institution's composition, powers, decision-making and internal rules (URS, 1991, Art. 96–101). The National Council was granted the advisory role in the legislative process, and as such, its 40 members represent specific interest groups, including employer associations, trade unions, farmers, and professional organizations like universities and cultural groups, and 22 of the membership represent local interests (National Council of the Republic of Slovenia, 2021). Within its composition, we can distinguish two fundamental parts: the representatives of functional interests (such as labour and social interests) and the representatives of territorial (local) interests (Brezovšek et al., 2008, p. 78).

The powers defined in Article 97 of the URS (1991) are limited powers to influence legislation. It can propose laws, give opinions on legislative proposals, request parliamentary investigations, and adopt a suspensive veto, which forces the parliament to reconsider a law; however, it cannot permanently block them. The National Council is considered the 'second chamber' of the Slovenian parliament and emphasizes its relatively weak status, referred to as incomplete bicameralism, which results from the fact that it does not have any direct supervisory role over the government or administration, nor does it have direct decision-making with the National Assembly within the legislature (Cerar, 2021). The role of the National Council within the system of key institutions reflects the extent of its involvement in state decision-making. The second chamber is the part of the legislature that directly includes participation from the local communities, where they can safeguard their interests and push for legislation that enables regional concerns, which should create strong conditions for inclusiveness and accountability. This grants the National Council a unique and fundamental function, especially given the lack of political will to implement regionalization as envisioned in the Constitution. However, the limited powers of the National Council indicate that the state organization recognizes the essential role of local interests in state governance but fails to materially endow local representatives with the genuine power to be effectively involved.

Even though there have been several attempts in the past to establish regions, the incomplete fulfillment of Article 143 is primarily due to a lack of political consensus at the national level and due to the fragmentation of municipalities, which impacts their relation to the central state authority (Končan, 2023, p. 212). Furthermore, even the institutions introduced to secure local participation in governance institutions, such as the National Council, are weakened by the limited powers conferred to them.

6.2.2 Regional Development Policy

This section analyses the key policy strategies and documentation for regional development in Slovenia. The key institution overseeing implementation and responsible for regional development is the government of Slovenia, through the Ministry of Cohesion and Regional

Development. During the MFF 2021-2027, the Ministry developed the RDAs as the main regional policy documents. This instrument aligns with the EU Cohesion Policy guidelines, as it is designed around the MFF timeframe and targets policy objectives that can be co-financed through EU cohesion funds.

Corresponding to the current MFF 2021–2027 of the EU, the Ministry developed RDAs as a key regional policy instrument based on the Act on the Promotion of Balanced Regional Development (*Zakon o spodbujanju skladnega regionalnega razvoja, ZSRR*). ZSSR regulates regional development and sets the key framework for how Slovenia uses national funds and EU Cohesion Policy funds, and, as such, aims to meet the targets of EU Cohesion Policy, such as reducing regional disparities and promoting balanced development. The legal text establishes the institutions at the national level through the governmental ministries and at the regional level, such as the Regional Development Council (Promotion of Balanced Regional Development Act [ZSRR-2], 2011). The RDA is a key instrument through which the Government of Slovenia implements the Regional Development Programme (RDP) and identifies key regional projects and sectors as well as sources of financing. For the programming period, RDP aligns development objectives with each region and assesses implementation sources, with the agreement concluded for a period of four years (Ministry for Cohesion and Regional Development, 2025). The projects included in each concluded RDA are planned under the umbrella of specific strategic goals identified as priority investment areas and co-financed by the European Cohesion Policy.

The RDAs were conducted with the Regional Development Council for 12 identified development regions in Slovenia. It should be noted that, for the RDA and RDP, the term "regions" does not equate to the administrative level of governance with its distinct autonomy, as discussed previously, such as a province, nor does it entail democratically elected representatives. Instead, regional policy institutions have been established in each of the twelve developmental regions, which carry out their mission and tasks in accordance with the Act on the Promotion of Balanced Regional Development (Ministry for Cohesion and Regional Development, 2023).

The main decision-making body in each development region is the Regional Development Council, which includes business associations, non-governmental organizations, and representatives of municipalities. The Regional Development Council approves the most important documents, including RDAs. The development regions also have a specialized institution responsible for carrying out general development tasks in the region, which is the regional development agencies, and provide professional and technical support to the operations of the Regional Development Council and the Regional Council (ibid.).

The RDAs are concluded in accordance with three policy goals, each with specific policy objectives. The first policy objective, titled Smart Europe, is framed as strengthening sustainable growth and the competitiveness of small and medium-sized enterprises, including through productive investments. The second objective pursues the policy goal of a greener, low-carbon Europe, specifically by promoting access to and sustainable management of water resources, improving the protection and conservation of nature, and enhancing green infrastructure. Lastly, the final policy objective pursues specific objectives under the umbrella term A More Connected Europe, which aim to develop and strengthen sustainable national and local mobility (Ministry for Cohesion and Regional Development, 2025).

The twelve development regions and the state each signed Agreements for the development of their respective regions (*Dogovor za razvoj regije, DRR*). The agreements were signed between the 7th of December 2023 and the 12th of February 2024, for each region: Osrednjeslovenska, Gorenjska, Goriška, Obalno-kraška, Jugovzhodna, Posavska, Podravska, Savinjska, Primorsko – notranjska, Koroška, Zasavska and Pomurska. The agreements were signed between the Ministry for Cohesion and Regional Development and the President of the Development Council. Of the 12 developmental regions, 10 of the Council Presidents were, at the time of signing the agreements, mayors of municipalities in their regions. Each agreement has a nearly identical structure. The DRR details the process for concluding the agreement, the objectives, and the identification of regional projects that will be co-financed by the Government and by resources sourced from the programs implementing EU cohesion policy between 2021 and 2027. Each agreement is explicitly entered into with the intention of achieving the goals set by the RDA.

To oversee the development of the defined goals in each DRR, the Ministry also conducts status reports. These reports provide an overview of the progress toward the defined goals. The data and status are reported by individual municipalities; however, the report itself is prepared by the Ministry, demonstrating that while data collection and information are generated at the local level of governance, the administrative execution of regional development is coordinated through the centralized state. These reports vary in length and frequency. The earliest reports were issued in September 2025 for the regions of Gorenjska and Jugovzhodna. Reports

Gorenjska has carried the most frequent reports in September 2025 and in February and April 2026. The least frequently and belatedly reported are the Obalno-Kraška and Zasavska regions, with Obalno-Kraška submitting one report in January 2026 and Zasavska submitting none so far. Other regions with only one report are Goriška, Jugovzhodna, Podravska, and Savinjska regions. Goriška is the only one with three reports, while the rest have two.

These reports show how the government of Slovenia identifies strategic programmes and objectives for the development of each region. They identify the strategic projects in the region, the projects' aims and scope, the resources, and how each project contributes to regional development. The analysis of these documents shows that the identification of all aspects in regional policy primarily comes from the centralized state, which balances transparency, accountability and inclusiveness unilaterally. Even though the reports complement the RDAs co-signed by regional representatives, the progression of reporting and policy improvements is entirely determined by the central government, which does not lead to strong conclusions regarding institutional guarantees of throughput legitimacy.

6.2.3 Partnership Agreement with Slovenia 2021–2027

The Partnership Agreement between Slovenia and the European Commission is more expansive not only in the allocation of funds but also in the targeted objectives it sets. The agreement provides Slovenia with €3.26 billion in funding (European Commission, 2022b). The Agreement includes funding of programs for all five of the political objectives: a more competitive and smarter Europe, a greener and low-carbon Europe, a connected Europe enhancing mobility, a social Europe implementing the European Pillar of Social Rights, and a Europe closer to citizens by fostering sustainable and integrated development of urban, rural and coastal areas. Funding is also envisioned for the JTF-specific objective. The rationale for the five specific policy objectives is included in the agreement, as well as the envisioned coordination and complementarity of the policies, and explicit indications of the regional challenges that the funding projects identify and aim to resolve. (Government Office of the Republic of Slovenia for Development and European Cohesion Policy [Office for Development and European Cohesion Policy], 2022).

Similar to the Austrian agreement and the Partnership Agreement between the European Commission and Slovenia, the country generally recognizes significant challenges to the policy objectives related to competitiveness in technological development and the green transition. It also identifies these challenges within the issues related to other policy objectives, particularly fostering a more connected Europe through enhancing mobility. This objective is funded with ERDF and CF funds (Office for Development and European Cohesion Policy, 2022, pp. 14–16). It aims to support the development of a trans-European transportation network and national, regional, and local mobility, with sustainable transportation identified as a priority, while ensuring smooth traffic flow and addressing common regional transport problems. These challenges are highlighted because Slovenia is characterized by numerous small towns that serve as local centers, which is why mobility concerns are also issues of effective regional governance. In this pursuit, municipalities serve as the actors who can implement measures to improve access conditions in public transportation (ibid.).

The scope of programs identified within the objective implementing measures for a social Europe first identifies the obstacles posed by worsening poverty and demographic challenges. The description of the situation shows that social insecurity is exacerbated by an aging population, the risk of precarity in employment among young people, and gaps in education and skill acquisition between richer and poorer social groups (Office for Development and European Cohesion Policy, 2022, pp. 16–22). Furthermore, funding under the social Europe objective, delivered through ERDF and ESF+, covers other important areas related to social security that correspond to specific issues observed across Slovenia. The Agreement mentions issues such as the resilience of the healthcare system, which requires improvements to eliminate shortages of critical healthcare equipment and healthcare staff. Further, the agreement addresses the challenges of tourism and the role of culture within the broader European political objective. Here it relates that the tourism sector should also become more resilient and sustainable by introducing green and digital transitions within business operations, and further, it should develop with a strong sense of authentic, local, and cultural character that can balance cultural and natural heritage as well as accommodate the needs of local populations (ibid.).

Finally, within the fifth political objective, emphasis is placed on the last objective, which aims to promote balanced regional, local, and urban development.

The document clarifies each of the financial instruments used, namely the cohesion funds such as ERDF and CF, and how the funds will be coordinated to avoid overlap and maximize impact. Special attention is also given to establishing a framework for technical assistance and administrative capacity building to ensure the effective implementation of the programs.

Slovenia sets out in the agreement implementation methods that are intended to reduce the administrative burden and move toward result-oriented management as well as focusing on training and education and other types of assistance that will ensure complementarity between different sources of funding such as the Recovery and Resilience Plan (RRP) and the Just Transition Fund (Office for Development and European Cohesion Policy, 2022, pp. 61–63). For specific objectives, such as the JTF, the RDAs are intended to serve as regional-level coordinators, working closely with the Regional Development Council (Office for Development and European Cohesion Policy, 2022, p. 46). Additionally, the Agreement recognizes Community-Led Local Development, a 'bottom-up' approach in which local action groups will help address local needs and challenges (Office for Development and European Cohesion Policy, 2022, p. 71). However, the significance of local involvement is not expressly mentioned.

Furthermore, the agreement is guided by a more in-depth examination of governance quality, informed by the specific document "Strengthening Good Governance and Administrative Capacity for Cohesion Policy 2021–2027" (Office for Development and European Cohesion Policy, 2022, pp. 68–70). Slovenia is developing strategic actions in human and organizational management to strengthen good governance and build administrative capacity for EU cohesion policy (ibid.).

The agreement also notes that the preliminary financial allocation by policy objectives is defined by taking into account the levels of categories of the two Slovenian Cohesion Regions, where Western Slovenia Cohesion Region is established as a more developed region under Article 3(4a) of Regulation 372/2018 and Eastern Slovenia Cohesion Region as a less developed region under Article 3(4c) of Regulation 372/2018 (Office for Development and European Cohesion Policy, 2022, p. 66). The opposite levels of development between the two regions present a challenge for designing the investment strategy to increase investment and productivity growth as a state-led strategic target, with investments in RDI, SMEs, skills, and digitalization on the one hand, and the specific necessities of the two regions, with distinct challenges. The Western Region could focus on research, innovation, and competitiveness, while the Eastern Region should prioritize funding to reduce the development gap and address the higher risks of social exclusion. For this reason, Slovenia endeavors to manage individual policy objectives by exploiting synergies through interventions that align as closely as possible, so that good experiences can be integrated across different actions (ibid.).

6.3 Computational Text Analysis

This section analyzes the relevant regional policy documents of both member states using LDA topic modeling. The LDA statistical framework was adapted to generate five underlying topics in a corpus of 34 documents from Slovenia and Austria. The topics were generated by identifying 10 words most likely to be associated with each topic.

	1. Green Transition	2. Funding Governance	3. Project Implementation	4. Regional Economic Development	5. Municipal Sustainability
[1]	measure	fund	project	development	plan
[2]	support	european	implementation	region	green
[3]	objective	salzburg	total	regional	public
[4]	innovation	grant	finance	strategy	leader
[5]	energy	program	application	service	municipality
[6]	specific	provide	water	business	infrastructure
[7]	program	regulation	complete	social	mobility
[8]	investment	federal	period	activity	cycle
[9]	climate	article	expect	develop	improve
[10]	process	agency	supply	tourism	local

Table 1: Regional policy documents topics generated in R using LDA modelling

In Table 1, we present the results from LDA topic modeling based on the corpus of regional policy documentation. The individual topics were named based on a contextual interpretation of the words associated with each topic.

In topic one, we can observe that in their documentation, both states emphasize the importance of a green transition not only as justification for a "measure" but also as an "objective". This can be connected to the clear definition of the political objective set out by the European Commission in the Partnership agreements, discussed in Chapters 6.1.3 and 6.2.3, which focuses on a greener, low-carbon Europe. The identified connection to the Green Transition is most evident results of in topic 1, as reflected in words such as "energy", "innovation", "climate", and "process".

Topic two results showcase that governance of funding is identified with the connection between the results "fund", "grant", "program", which highlight the framework of funding, while also other results that imply a connection to governance capacities, such as "european", “regulation”, “article”, “federal”, and “agency”. This topic concerns terms inherently linked to governance frameworks, especially given the importance of European funding through cohesion, which is implemented through regulations. Interestingly, “federal” appears as a result in this category, implying a functional role for federal structures in administering funding.

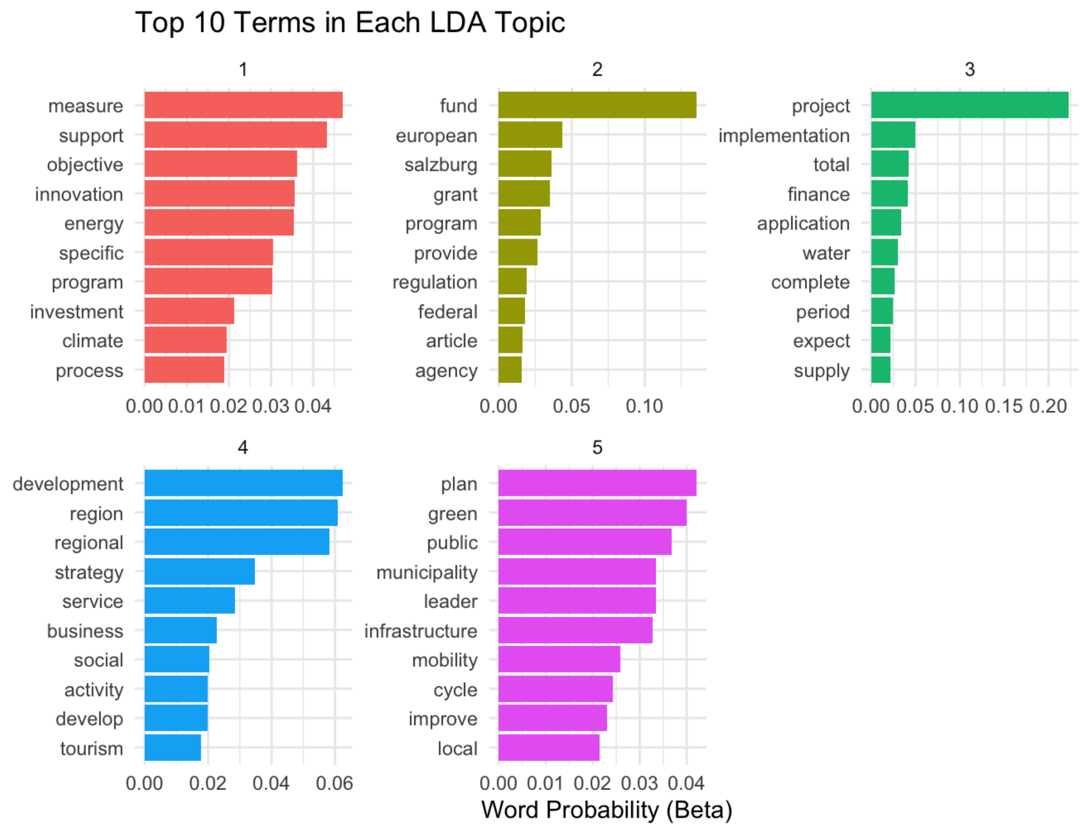
Results formulated in topic three illustrate a focus on project execution and implementation, as observed in the results “project”, “implementation”, “finance”, “application”, “complete”, and “period”. These results indicate operational and technical aspects of regional policy documentation. This shows that regional policy design largely consists of administrative and bureaucratic requirements, which are inherently linked to one of the challenges that cohesion in the EU grapples with. The results from the third topic provide strong support for the criticism that the policy, in its current design, seems too technocratic and largely focused on spending compliance and processes rather than performance and long-term impact (Nestoras & Finn, 2025, p. 9).

A strong focus on terms related to regional policy, especially those referring to economic development, is evident in the terms of topic four, such as “development” and “develop”, “region” and “regional”, “business”, “tourism”, and “strategy”. These terms are the general understanding of cohesion and regional policy, connecting development with regionalism, with the business and tourism sector being an important aspect of that development.

Separately, in topic five, the identified theme of the generated terms is Municipal Sustainability. The results connect terms associated with locality and local issues, such as “municipality”, “public”, “leader”, and “local,” with terms such as “mobility”, “infrastructure”, and “green” that directly reflect challenges frequently highlighted as local issues. This topic shows that locality and regional-specific issues are an essential part of regional policy development. Furthermore, these terms could also be reflecting the idea of sustainability in local development, particularly by connecting the terms “green”, “mobility” and “infrastructure”.

Figure 1

Word probabilities across LDA topics



Note. The figure shows the probability distribution of key terms generated by LDA topic modelling in R.

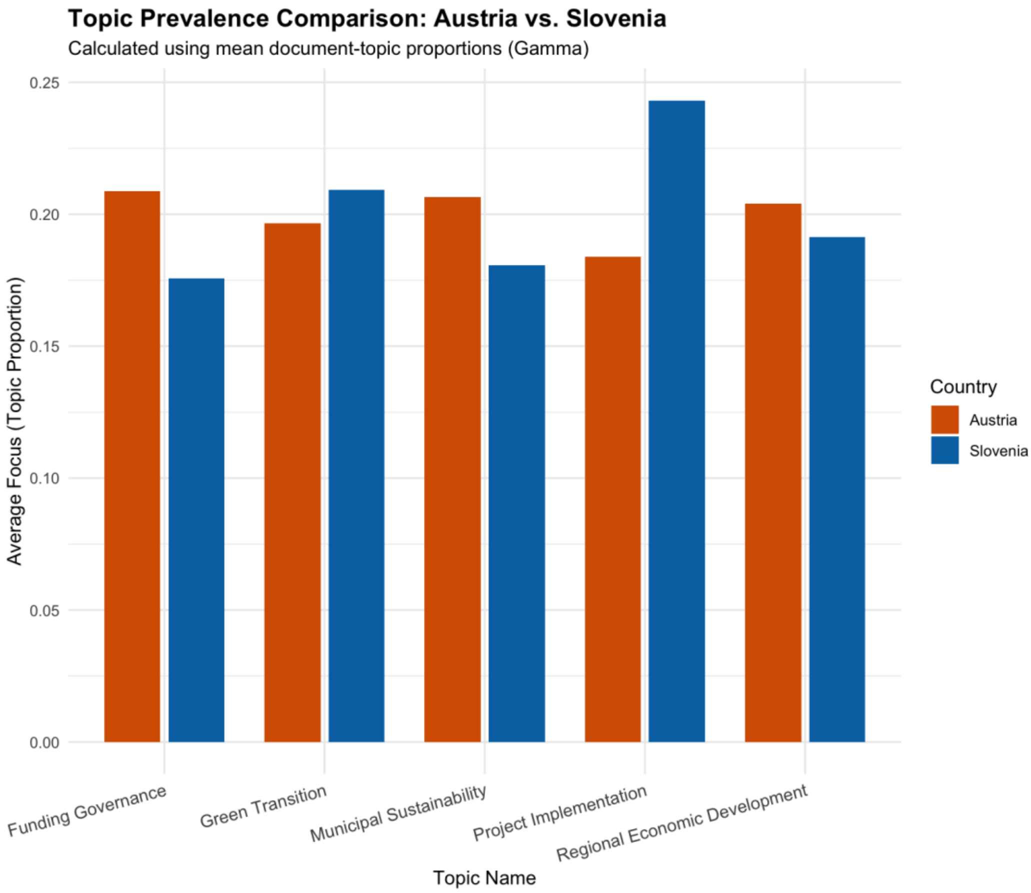
As seen in Figure 1, word probability is more evenly distributed for topics one, four, and five. These three topics reflect the subject matter of policy and the types of objectives that regional policy is concerned with. Topic four is the third of the three policy subject matter topics, the one with the relatively smallest even probability distribution. It is also the subject matter of regional economic development, in which cohesion is generally understood and framed as an EU policy. While topic one is directly linked to the policy objective for a greener Europe defined in the Partnership Agreements, topic five, with a similar probability distribution, directly addresses issues at the local level of governance, namely the municipality. This shows that while EU-defined objectives for Cohesion Policy represent an important thematic concern in regional policy design, issues that directly concern local levels also play a key role in shaping the framework for cohesion programming at the regional scale. This is directly related to the idea of multi-level governance, in which the European, regional, and local levels play complementary roles and contribute equally to policy design.

Topics two and three are more operational and focus on the design and administrative areas of regional policy. These two topics are less evenly distributed, and for both, a single term is more likely. For topic two, the most probable term is "fund", which relates to the significant role played by the cohesion funds in the Cohesion Policy, as well as funding the Union's instrumentalization of cohesion. The term following is "European", which again shows that the state's regional policy documents frequently refer to Europe in their funding governance. This is to be expected, as regional policies are planned around the European Cohesion Policy, which co-finances development projects. In terms of European legitimacy, the results also show a prominent reference to the European level of policy when conducting its own policy design.

For topic three, the most likely term is "project," which is expected, since project planning and execution are how EU co-finances regional policies and are also how regional policy in both states is planned. Therefore, the selected documentation is centred on the planning and execution of projects that will achieve broader policy goals.

Figure 2

Topic prevalence comparison: Austria and Slovenia



Note: The figure shows topic prevalence comparison in regional policy documents in Austria and Slovenia generated by LDA modelling in R.

In Figure 2, we can observe the comparison of how common each topic is in Slovenian and Austrian regional policy documents. Topics of Green Transition and Regional Economic Development have a largely similar average focus in both countries, with a prevalence of around 20% for each. Small deviations occur, with Slovenia having a higher prevalence in Green Transition and Austria in Regional Economic Development, although the differences are small in both cases

Results in Figure 2 also show that for topics of Funding Governance and Municipal Sustainability, Austria exhibits a larger prevalence. In both topics, Austria has a prevalence of around 20%–21%, while Slovenian prevalence is around 17%. These two topics result in Austria's greater focus on two very different subject matters: one pertains directly to the technical approach to governance as related to funding, while the second deals with specific issues that regional policy addresses.

The largest disparity in topic prevalence among the policy documents was observed in the Project Implementation topic. For this topic, Slovenia has the largest share of incidence among all topics, at nearly 25%. For Austria, this topic is less prevalent, at around 17%–18%. This result shows that terms related to project implementation take up a significant share of regional policy documents and are not only more prevalent than in Austria's documentation but also the most prevalent topic in Slovenian regional policy documents overall.

7. Discussion

The analysis in Chapter 6 of this thesis showed various considerations that will be discussed in this chapter. Since the analysis was broadly constructed around three levels of governance, the discussion of results will follow the same structure.

7.1 State System and Institutional Comparison

Austria and Slovenia differ fundamentally in their institutional systems and structures, which reflect their institutional differences in the division of competences for regional governance. As discussed in Chapter 6.1, Austria's federal structure creates certain complexities regarding the distribution of competences in relation to regional governance, which also means that several actors play an important role in policy development. The B-VG constitutional provisions show that regional development is considered a residual competence. Thus, the *Länder* level assumes primary responsibility and accountability for regional policy. This is directly contrasted with the Slovenian system, which is unitary in nature and thus does not transfer policy-making competence to regional governments. Regional policy design and implementation are entirely the responsibility of the centralized state, namely, the Ministry for Cohesion and Regional Development.

This calls into question certain considerations regarding the idea of legitimate governance in regionalism. State regional policy is, as already noted, fitted within the cohesion objectives identified by the EU at the start of each MFF period. Consequently, Union direction in regional policy plays a major role in the policy design of each member state, which is why an appropriate channel for regional participation in policy design is crucial to maintaining a responsible and inclusive Cohesion Policy. This shows that for a unitary member-state like Slovenia, its governance structure does not create conditions for systematic inclusion of regional and local participation in policymaking. This is further problematized for Slovenia, since its constitutional framework stipulates the introduction of a regional system and sets out the legal conditions necessary to implement it. Given this, Austria's federal structure allows for better conditions that would legitimize participation in the EU Cohesion Policy among its member states. The added value of legitimization in a federal structure is also recognized by the Slovenian unfinished regionalism process. The Slovenian constitutional amendment to Article 143, which provides for the regionalization of Slovenian governance and the legislature's inability to carry it out, raises concerns about whether centralized authority precludes regionalization, even when it should be provided for.

Nevertheless, although the Austrian federalist structures do not guarantee absolute legitimacy in terms of throughput, they are comparatively better at delivering it for European governance. As the theoretical framework established the essential components as accountability, transparency, and inclusiveness, both member states deliver on these to some degree; however, only in provincial systems where the dispersion of authority to regional levels is constitutionally defined can legitimation be sustainably ensured. In Austria, regional policy is primarily guided by the *Länder* governments, which is why they are better equipped to be accountable to their constituents, can define goals more narrowly and therefore with greater transparency, and, due to their proximity, can deliver on inclusiveness. Additionally, accountability and transparency aspects of throughput legitimacy have also developed further from the B-VG system, especially with the federal-provincial cooperation embedded in the practice of the Constitutional Court.

Furthermore, the legitimacy of each member's state is not incorporated into the Cohesion Policy design; it depends on each member state's governance structures and institutions. In Slovenia, the implementation of the Cohesion Policy through regional policy depends on the Slovenian unitary governance structure. For Austria, regional policy is mostly a regional competence; however, federal-level influence can affect it through other competences, especially fiscal administration, which directly impacts the federal co-financing architecture. Furthermore, the administrative execution in Austria is embodied in the function of the provincial Governors. The Governor's role is crucial for MLG within federal structures like Austria, as they essentially serve as a link between the federal and *Länder* levels in policy coordination. Furthermore, because the executive power of the Federal Government especially in indirect and fiscal administration, can substantially limit the provincial Governors, the main executive power within provincial structures does not adequately provide the participatory and accountable channels necessary for legitimate governance. Moreover, the directly representative provincial bodies, such as the Landtage and, in turn, the Federal Council, do not have vested policymaking authority or executive power, which would fulfill the legitimate governance in Cohesion Policy.

In contrast, the Slovenian system, while it has established structures to carry out regional policy and Cohesion Policy implementation, has a unitary structure that inherently bypasses the throughput legitimacy mechanisms by precluding the systematic inclusion of regional voices in regional development. Consequently, regional representation in regional policy is carried out at the discretion of centralized state institutions.

An interesting point of comparison for the two states is also the secondary role of the Federal Council in Austria and the National Council in Slovenia. In Austria, the Federal Council members are *Länder* representatives, while in Slovenia, the National Council is composed of members representing specific interest groups, 22 of whom are local representatives. Both institutions share the task of exercising the suspensive veto, and both are frequently recognized as politically weak institutions. This illustrates that democratic regional representation institutionally exhibited through the Council bodies are preventing real access to influence regional policy. This leads to important findings for the considerations of throughput legitimacy in Slovenia, where the National Council should act as the institution providing inclusiveness and legislative accountability for local participation, but in practice cannot do so, due to its limited legislative powers.

The design of Cohesion Policy in the EU lacks a systematic policy-making channel, in which legitimate governance is embedded in how policy is implemented in each member state. Currently, these legitimacy mechanisms are carried out at the whim of each state and its own governance structures. As seen in Slovenia and Austria, these structures can differ considerably in how they maintain legitimate governance and to what extent they formally incorporate regional actors into decision-making structures, with federal structures systematically providing better conditions.

7.2 Policy Document Analysis Discussion

7.2.1 The Partnership Agreements

The policy documentation discussion will be conducted by separating the Partnership Agreements Documents from the Regional Policy Documentation.

The Partnership Agreements with both states are in their basic framework, following their similar structure. The agreements were formulated in cooperation with the European Commission. Both agreements present the five political objectives and the additional objectives that are pursued in the current MFF period. The individual agreements show which objectives are included in the national regional policy and which aspects of those objectives are identified as crucial in each country. While Slovenia addresses all the political objectives defined by the EU Commission, Austria excludes the political objective of improving mobility and facilitating interconnectedness in Europe.

In the Slovenian Partnership agreement, the member state clearly focuses on green and development goals, which can be contextualized by the fact that Slovenia is divided into two Cohesion Regions, with the Western region considered developed and the Eastern region less developed. Compared to Austria, where only one of the nine regions is considered less developed, it is clear why Slovenia focuses more on the political objectives associated with mobility and sustainable development.

Contrastingly, the Austrian funding scheme, as presented in its Partnership Agreement, focuses more on strategic competitiveness, digitalization, and technological development. This focus can be recognized not only in the ERDF funding directed towards the first political objective, but also in the framing of investment for the second political objective, where the goals of the green transition seem to be pursued mainly in tandem with technological advancement. This contrast shows that Austria, through its relatively more developed circumstances, can divert more cohesion funding towards strategic political goals. Furthermore, both of these goals in Austria receive a considerable 85% of all ERDF funding.

While the Slovenian Partnership Agreement places considerable emphasis on the political goal of strategic technological development, it encompasses a myriad of challenges and areas for investment. The Agreement focuses not only on issues tailored to broader strategic challenges affecting most EU states, but also on issues specific to Slovenia, such as regional transport problems and chronic shortages in the healthcare system. These issues might be more visible in the Slovenian Agreement not only due to the considerably larger amounts of resources planned in the Agreement compared to Austria, but also due to the fact that Slovenia is divided into two Cohesion Regions, where one of them deals with developmental issues, which means that the country has a relatively larger amount of development-related challenges than Austria. The opposite levels of development and associated issues are also recognized by the Agreement itself, which is what may also speak in favour for the necessity of the Cohesion Policy to entail legitimacy considerations, so that various institutional structures can address them.

Both Agreements also consider the levels of bureaucratization in Cohesion Policy and the resulting administrative burdens. Additionally, both states propose their own specific solutions. For Slovenia, the solution lies in results-oriented management and a focus on training and education. In Austria, the solutions are found in cost-reducing procedures, appointing a communication coordinator, and streamlining management through standardization. The issue of bureaucracy associated with Cohesion Policy is thus recognized as a factor that exacerbates sound policy implementation, with the agreements recognized by the European Commission as well as the member states themselves. Further, even though Austria and Slovenia both propose their own solutions, there is no disagreement on how this issue should be properly addressed. Both states are seeking solutions by adjusting planned policy implementation procedures and introducing measures to improve personnel qualifications, either through training or through thorough coordination. The missing link, however, is a uniform solution supported by the European Commission, which could improve the policy across the board. Without EU-wide guidance in resolving this, legitimacy problems in carrying out effective multi-level representation are more likely to manifest.

Whereas both Agreements address the chronic issue of bureaucratization, they differ in the extent to which they engage with the various actors involved in policy planning procedures. The Austrian agreement reflects the federal nature of its internal governance system. The provincial and federal levels of government for policy design in the agreement are coordinated through ÖROK, which represents both levels, as well as local representatives such as the Association of Cities and the Association of Municipalities, and the economic and social partners within the UA RegWi. Moreover, the *Länder*, as the competent authorities for regional policy, still safeguard certain measures, while the responsible federal ministries for social and market-competition aspects retain their executive functions. This shows that the system in Austria directly provides conditions for federal accountability and inclusiveness mechanisms.

Conversely, the Slovenian Agreement also identifies its own regional actors in policy coordination; however, the extent of involvement of the mentioned structures, such as the Regional Development Councils and community-led local development, is not specified. Accordingly, some discrepancy between the extent to which regional and local structures are involved in the Partnership Agreement and the defined policy development can be deduced. The expressed recognition of provincial competence in Austria's Cohesion Policy can be tied to its federal governance structure, which once more shows that the accessibility of policymaking in EU member states results from their inherent systemic structures. Showing that legitimate policymaking is not embedded in the EU Cohesion Policy design but is a result of its specific members' governance conditions and commitments to genuine regional development.

7.2.2 Regional Policy Documents

As frequently discussed in analyses of the two states' regional systems, national policymaking in regionalism is inherently tied to each country's system. The systematic framework dictates the competent authorities for policymaking and execution. Furthermore, the two states also differ in size, historic development, and economic and developmental conditions. All of these factors contribute to the priorities and challenges that regional policy documentation must address.

The main goal of the qualitative regional policy assessment was to determine how these key documents appropriately identify regional challenges and what tools they have developed to address them in accordance with the specific conditions of the regional outlook. This identification helped contextualize the policymaking processes in relation to the countries' institutional preconditions, enabling deductions about legitimate processes.

Regional policymaking approaches differ significantly in how they fulfill the EU objectives of the MFF period and in how they adequately involve regional representatives. The systemic approach to regional development in Slovenia is aligned with its unitary structure. Regional policy is entirely in the jurisdiction of the Ministry of Cohesion and Regional Development, which is responsible for the development and conclusion of the RDAs as well as Slovenia's Regional Development Strategy 2026 – 2050. According to the legal framework of ZSRR, centralized competence determines all multi-level structures. It determines how European Cohesion Policy funding is utilized and leads to the local participation embodied in the established Regional Development Councils. These Councils are established in the 12 identified development regions of Slovenia and carry out specific development tasks and can provide technical or professional support; nonetheless, they are not endowed with significant decision-making powers. Furthermore, the status-report documentation used for the computational analysis in this thesis, which promptly identifies progress on the developmental goals and necessary improvements, is also produced by the Ministry of Cohesion and Regional Development, meaning it largely showcases the goals highlighted by the central authority.

In Austria, the policy is decentralized and guided by provincial governments; however, some levels of federal coordination do exist and are carried out by ÖROK, the body that manages federal-level input on fiscal limitations and spatial planning, including the specific regional strategies. The regional strategies and relevant documents concerning regional policy vary in format across provinces. An interesting point, however, is that the responsible *Länder* authorities that carry out planning and administration mostly fall under economic or business-oriented departments. Illustrating once more that the Cohesion Policy framework is on all levels of governance, European or, in this case, provincial, framed as primarily an economic policy.

Given the broader range of policy documents analyzed within the Austrian framework, we observe that each province has adapted its policymaking to the specific challenges of its region. Burgenland, as the only specified transitioning region, has an Additionality Programming scheme in place that provides additional national funding for areas not covered by EU funding. Tyrol highlights community-led local development, while Vorarlberg pays special attention to its valley-specific development goals. These examples illustrate how the federal structure and provincial organization of regional development may facilitate greater adaptation to regional circumstances and the development of region-specific solutions.

Finally, the computational analysis of the regional policy documentation for both states produced interesting observations. The LDA-generated topics correspond to the key themes identified in the qualitative analysis of this research. The Cohesion Policy, when applied at the national level, is an administratively complex endeavor closely linked to sophisticated funding procedures and is realized through project implementation. Both of these aspects were identified in the generated topics 2 and 3.

Furthermore, topic 4 illustrates that cohesion and regional development are categorically identified with economic development and performance. This is connected to the conceptual design of cohesion as a funding scheme that should perform according to certain macroeconomic objectives and is illustrated by the first political objective described by the European Commission that pursues funding in the pursuit of achieving strategic competitiveness by promoting an innovative and smart economic transformation (Office for Development and European Cohesion Policy, 2022, p. 5). Topic 4 is therefore the outcome of how cohesion in the EU is designed, funded, and implemented. It shows that European policy, which directly interacts with locals and can address the concerns of European citizens, does so by pursuing larger-scale economic or other wider-scale strategic goals, such as the Green Transition, identified as topic 1. This leads to the conclusion that the Cohesion Policy design is very narrow and has untapped potential for non-economic purposes. Given the capacities that the policy opens in MLG interaction, especially given its conceptually functionalist logic, there is room to address social issues and improve the quality of regional governance and administrative processes. These venues for addressing cohesion would not only fulfill their purpose as identified in the treaty framework but also expand institutional processes connected to legitimacy within the Union's supranational governance structure.

Furthermore, the fact that there are relevant recognitions in the regional policy documents for the involvement of local participation is evident in generated topic 5, which makes direct references to local structures, as well as to issues frequently associated with development.

The results of the comparison of topic prevalence between the two states show that the larger discrepancies are mostly in the topics of governance and implementation. The largest difference is seen in topic 3, Project Implementation, which Slovenia incorporated more into its policy documentation. While we cannot causally suggest that this focus in Slovenian documentation leads to conclusions about the inherent nature of the unitary system of governance, we can contextualize it.

Given the recognized bureaucratization issues in Cohesion Policy and Slovenia’s own recognition of these, the results may suggest a connection between the clear prominence of administrative and implementation-related challenges and a stronger burdening element in the unitary system of governance. This could be due to a lack of appropriate specialization among personnel in regional project implementation and the need for bureaucratic procedures that accompany centralized policy standardization.

Further, the absence of a dedicated regional administrative arrangement may put greater emphasis on centralized coordination and standardization procedures. This could, thereby, increase the visibility of implementation-related concerns in policy documentation. Nevertheless, this interpretation remains undetermined.

Furthermore, a larger focus, but by a smaller margin, on topics related to funding governance is observed in Austria. Since the state's federal system limits provincial authority in regional policy by the Federal Government's competence in fiscal governance, it is understandable that regional policy documents may focus more on each province's specific funding capacity. We can also observe a small lead in the focus on Municipal Sustainability in Austria. This pattern is consistent with federal governance and the conditions it provides for participation and dialogue with local actors, as well as with their specific challenges.

The results of the LDA topic modelling mainly speak to what the main aspects of regional policy are, especially as identified by the regional policy documentation of two member states. On the other hand, it also indicates what regional documentation shows regarding legitimacy in Unions' governance. The topics show that Union-set goals are prevalent in the documentation, especially regarding economic goals and the green transition. However, they also demonstrate that locality is relevant and interlinked with developmental issues that cohesion is intended to tackle. This supports the view that participation or inclusion in policymaking is identified as a prevalent aspect of regional governance. Furthermore, the results show that regional adaptation of the EU Cohesion Policy entails significant challenges in administrative requirements and funding governance. These issues are embedded in the current design of the Cohesion Policy and vary in prevalence across states, suggesting that national governance systems affect policy adaptation and the challenges it faces.

While the findings do not suggest that either governance structure directly increases legitimacy or that regional actors perceive their representation as adequate, they do show that Austria's federal structure is more closely aligned with the institutional dimensions of throughput legitimacy identified in the theoretical framework. Both qualitative and computational policy analysis show that federalism creates stronger conditions for throughput legitimacy, especially in terms of institutional inclusiveness and regional participation.

8. Conclusion

The purpose of this thesis was to contextualize institutional structures of regional governance in its interaction with the EU Cohesion Policy within the throughput legitimacy conceptual framework by answering the research question: *What is the role of different systems of regional governance in shaping the institutional conditions for throughput legitimacy in the implementation of EU Cohesion Policy?* The research answered the central research question by conducting a comparative analysis of Austria and Slovenia and their respective federal and unitary governance systems. The research question was answered by demonstrating that Cohesion Policy in itself does not provide for the arrangements leading to enhanced throughput legitimacy, but that the federal and unitary systems provide the institutional conditions and establish the extent of legitimate governance. According to the results, Austrian federalism provides stronger institutional conditions for throughput legitimacy by more systematically incorporating regional actors in governance.

The quantitative comparative analysis of the constitutional and institutional state systems showed that assessing EU throughput legitimacy based on member-state governance systems does not yield definitive conclusions about how federal systems guarantee a legitimate governance process, whereas unitary systems hinder it. The analysis provided an understanding of the kinds of institutional structures that create an environment in which quality governance associated with legitimacy can be strengthened.

Regardless of their governance arrangements, both states have individually developed practices that to some degree provide for regional inclusion in regional policy. For Slovenia, the Ministry for Cohesion and Regional Development concluded RDAs as the key regional policy documentation, mainly co-signed by municipal representatives. Nevertheless, this access is not institutionally protected and can, through legislative processes, be changed or even limited. To that end, the federal system in Austria shows that throughput legitimacy processes foster better guarantees for the provincial dispersion of authority and local inclusion. Even though regional participation is not empowered within the provincial parliaments or the Conference of the Land of Governors, regional policy is still inherently a provincial competence, which is why *Länder* priorities guide its implementation. This, comparatively, leads to the conclusion that even imperfect federal institutions in Austria improve conditions for regional participation. Further, this participation, in turn, provides for strengthened conditions of accountability, transparency, and inclusiveness.

Secondly, qualitative regional document analysis confirmed the systemic issues related to unitary systems in the legitimization of EU governance. The regional policy analysis for Austria showed that, due to the legal and institutional frameworks in both states, the delivered regional policy documentation addresses specificities that enable direct responses to regional issues, such as the developmental challenge in Burgenland. In Slovenia, while regional documentation responsibly tracks the delivery of regional goals through status reports, systemic assessments of regional challenges are not adequately addressed in the documentation. This is further confirmed by the analysis of Partnership Agreements, which show that both Austria and Slovenia broadly align with EU Cohesion Policy objectives, but their priorities reflect their institutional differences. While Austria's federal approach enables an institutionalized involvement of regional and local actors in policy coordination, Slovenia's ability to incorporate regional participation is less clearly defined. This leads to the assessment that accessibility and inclusiveness of Cohesion Policy implementation are not only shaped by EU guidelines but are significantly adapted by domestic governance and can limit conditions for throughput legitimate governance.

These assessments were further supported by the results of computational analysis, which indicated topic prevalence as it showed a greater focus of Slovenian documentation on terms related to project implementation. This does not directly suggest a connection between unitary governance and legitimacy issues connected to project implementation. However, given the context of bureaucratization associated with Cohesion implementation, and Slovenia's own recognition of administrative capacity issues, these results may suggest a stronger burdening element of Cohesion Policy and centralized governance.

Finally, the results also revealed limitations in the legitimacy of the Cohesion Policy design itself. The research highlighted issues with framing cohesion as a purely economic and redistributive policy, despite its definition in Article 174 of the TFEU, which assigns its other functions. Furthermore, the policy deals with serious issues related to bureaucratization and technocratic management, which were observed in Partnership Agreements as well as in topic generation in LDA modelling. These challenges within the policy framework represent serious issues with legitimate governance across accountability, transparency, and inclusiveness. These issues identified in research on the design and development of the Cohesion Policy indicate that they do not stem from the policy's irrelevance but rather from a lack of appropriate framing. Identifying Cohesion Policy as a primarily economic endeavour, measured by effectiveness in terms of macroeconomic results, does not adequately or accurately represent its function. This opens opportunities for further research and examination of Cohesion Policy framing issues, which also raise questions about legitimacy. Further areas of exploration could also be connected to specific non-economic benefits of cohesion for member states and to individual attitudes and engagement with the policy, associated with the individual level of cohesion, as they pertain to legitimacy.

The unique contribution of this thesis is that it conceptually expanded beyond the generally accepted framework of Cohesion Policy as an economic distributive tool and showed legitimate governance considerations linked to the policy. The utilization of the TFEU definition of cohesion, expanded its function and looked towards territorial cohesion and solidarity. Furthermore, the theoretical framework of MLG used in this thesis approached cohesion through a model of legitimacy that is integral to the limitations of supranational dispersion of authority. MLG characteristics of the policy helped us contextualize how differences in state governance systems shape throughput legitimacy.

These considerations are vital for the future of the European Union. As it approaches a new MFF period and defines ambitious strategic goals, governance considerations may come into play. For this reason, the Union might recognize that its Cohesion Policy design could lead to empowerment in supranational governance, especially in new policy areas where questions of sovereignty reside.

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