Evaluating New Regional Policies

Reviewing the Theory and Practice

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Regional development theories and policies have now moved into new arenas. Today, the competitive advantages of regions put a premium on social capital, hence, the significant role played by localized learning and the construction of knowledge networks and institutional capacity. These are necessary and complementary assets to factors traditionally thought to influence regional development. The evaluation of these new regional policies is an important challenge, but classical evaluation models do not adapt well to the specific characteristics of these policies. As a consequence, it is necessary to seek new evaluation approaches to assess the regional impact of these new policies, understand how they work and why, generate knowledge and, also, mobilize regional communities to act, empowering local agents and enhancing learning capacity.

KEYWORDS: regional policies; development policies; methodologies; qualitative evaluation; structural funds

Introduction

Theories and policies for regional development have undergone sharp transformations over the last few years. At present, concepts like 'endogenous development' have been relegated to the sidelines by new theoretical approaches that are more complex and sophisticated: the language they use is of learning regions, areas that are able to stand up for themselves and adapt to the new competitive conditions imposed by globalization (Storper, 1997; Cooke and Morgan, 1998; Morgan and Nauwelaers, 1999; Cooke et al., 2000; Landabaso, 2000). From this perspective, in the 1990s new regional policies emerge which devote much of their attention to networks of inter-company co-operation (clusters) and regional innovation systems. In fact, a new agenda of regional development has begun to spread throughout many European countries and regions.¹

It is within this new context that the key question is posed: how can these new regional policies be evaluated and their real effects and impact be known? The objective of this article is to offer some recommendations and proposals that could prove useful for tackling the evaluation of present regional policies. Here,

evaluation and the models and methodologies associated with it appear as a specific field of knowledge. Until very recently, the evaluation of regional policies was based on a classical model. This approach begins with a linear theory of causal explanation and employs experimental research as the main methodological strategy. In regional evaluation studies, this approach has steered towards the use of quantitative techniques via the application of statistical and econometric analysis, cost-benefit analysis and/or cost-effectiveness models such as value for money studies. Nevertheless, in recent years, new evaluation models have been introduced as alternatives to the classical models. As a result of work carried out by the European Commission, evaluators now have a wide variety of approaches available to them in which the use of a classical evaluation model is one option among other possibilities and where the aim is to carry out evaluations of higher quality and social utility.

In the first section, this article presents the principal characteristics that make the evaluation of these new policies problematic, putting forward a number of programmatic elements that, theoretically, could help to improve evaluation practice. Classical evaluation models do not adapt to the specific peculiarities of modern regional policies and, besides, their capacity to produce and facilitate the accumulation of knowledge and learning is limited. On the contrary, pluralistic evaluation seems to be more useful for sorting out the challenges posed by these new development policies. In the second section, there is a research review of present evaluation studies of new regional policies financed under the EU Structural Funds. The objective is to ascertain how these challenges have been met during the work carried out so far and whether any of our proposed programmatic elements have been introduced yet into regional policy evaluation. In the third and final section, some useful recommendations and operational proposals are offered to help improve evaluation theory and practice.

Main Challenges Posed by the Evaluation of New Regional Policies: A Review of the Theory

New regional policies have specific characteristics that make their evaluation very problematic: the presence of intangible objectives; the complexity of cause-effect relationships; their systemic nature; their embeddedness; their dynamism and flexibility; and, finally, the devolution of powers to the region. These peculiarities, explained in more detail below, constitute important methodological and political challenges that evaluation must confront and overcome. In order to do this, new forms of thinking concerning the design and content of regional policy evaluation must be developed. An approach must be sought that is able to adjust the focus of the evaluation in line with the specifics of these new regional policies.

Intangible Objectives

New regional policies centre increasingly around the creation of knowledge, learning and capacity building, both at a personal and at a collective level (Landabaso, 2000). Their objective is to introduce changes in the innovative behaviour

of companies and regions, taken as a whole. The changes are introduced through the driving force of processes of learning and of the creation and accumulation of knowledge made possible by action taken on social capital. The aim is to transform regions into learning regions. That is why it is not easy to observe the effects of these new regional policies, as they tend to be multi-faceted and wide-reaching and of an intangible nature. How can those effects be measured and how can one know if they are being produced as had been expected?

First of all, the effects of these policies may be revealed, then, not only via economic impact on well-defined concepts such as competitiveness (sales of products, exports and so on), but also through non-economic effects on the behaviour of companies, institutions and regional organizations. The changes produced by these new regional policies can take different forms: processes of organizational, individual and collective learning, influences on conventions, norms and standards and the construction of institutional capacity. It is not easy to assess their intangible impact on the region, in particular regarding these social, institutional and cultural benefits (Stame, 1999).

Secondly, it is also not easy to transform these intangible objectives into operative ones: how may they be observed and measured? It is difficult to specify in precise terms and using quantitative indicators the meaning of individual and collective learning and the building of institutional capacity. And, finally, it is necessary to recognize all these effects cannot easily be reduced to a single criteria of evaluation, represented by a cost-effectiveness ratio, as required by value-for-money studies and other models that have been traditionally applied in the evaluation of regional policies.

Our proposal is that, whichever evaluation approach is adopted, the use of qualitative indicators to capture and observe these effects is indispensable. It is also necessary to obtain direct information about the effects on learning and institutional reflexivity from the beneficiaries and intermediate organizations who become involved, by means of personal interviews, panels and group sessions, paying special attention to the observation of organizational and cultural changes.

The Complexity of Cause-Effect Relationships

New regional policies are aimed at innovation, in companies, in clusters, in institutions, and in organizations. But innovation is now seen as a process of socially interactive learning in which a great number of agents and organizations take part and where continuous feedback loops are produced (Morgan, 1997: 493). As Autio remarks:

... the knowledge creation, diffusion, and accumulation processes taking place in innovation systems are often highly complex, diffuse and unpredictable, and it is often a practical impossibility to measure them accurately and objectively. (Autio, 1998: 132)

So, it is not possible to identify a linear cause-effect model of relation between inputs and activities, on the one hand, and the results and effects of new regional policies, on the other, as needed and demanded by classical evaluation models, whether they be experimental designs, econometric models and/or

value-for-money studies. Rather than a linear relationship, we find complexity and circularity. This means that it is vital to shed some working hypotheses that are well established in the evaluating community and have tended to dominate evaluation practice.

Nevertheless, there is a need to understand the logic behind the functioning of these policies, the Theory of Action, and to improve our knowledge of the working mechanisms. Evaluation ought to provide information leading to a better knowledge of the economic and social problems for which solutions are being sought. How and why are these effects occurring? In fact, it is recommendable to introduce new forms of evaluation that make it possible to understand policies without being obliged to construct linear cause-effect models of relations. A holistic perspective might be more appropriate for evaluating these new regional policies, and the use of case studies could be an evaluating tool capable of resolving the complex structure of relationships. Other approaches such as realistic evaluation (Pawson and Tilley, 1997), and theory-based evaluation (Weiss, 1995) can also be useful for comprehending how and why these policies function.

Systemic Nature

New regional policies attempt to work simultaneously on the different components of the regional system of innovation and/or the local clusters, favouring the creation of links for horizontal co-operation directed at improving the competitiveness of the whole region. Interactions are produced within a full range of contexts, 'between firms and the basic scientific infrastructure, between the different functions within the firm, between producers and users at an inter-firm level and the wider institutional milieu' (Morgan, 1997: 493). Hence the emphasis given to the creation of networks and other intermediate institutions able to act positively on the meshing of the whole system.

Thus, new regional policies do not only affect companies and do not just have an impact on the macro-economic indicators of the regions. On the contrary, they act simultaneously on multiple fronts (social, economic, educational, institutional) and, at the same time, seek to affect different economic and social agents. That is why it is difficult to capture their effects and why it is necessary to work at identifying different levels of effects: on individual companies, on clusters and organizations supporting innovation and on the regional synergies between them.

One option available to evaluation is to observe the progress registered in each level of this system. This option, however, involves overlooking, or even losing, part of the essence of these policies, where the intention is to work, simultaneously, on all the elements of the system as a whole, producing synergies that are fundamental for the regional development strategy adopted. It is necessary to recognize that this is not an easy task. Interrelations produced between different levels of impact often cannot be established in a clear way, nor is it simple to specify, in precise terms, their nature. Nevertheless, not only do evaluators have to take into account the individual changes produced, but they must also try to introduce interactions and synergies as an important element in their

assessment and understanding of the policy under evaluation. To observe these effects it will be helpful to use case studies as an evaluation method, because of its capacity for pinpointing information and contributing to the comprehension of phenomena that develop in complex contexts.

Embeddedness

New regional policies are firmly rooted in their social and cultural context: identifying the socio-economic conditions, the needs of companies and productive clusters and the political and institutional context within which regional policies take shape – with the aim of achieving a single design. Each regional policy is therefore unique as it is a specific response to particular problems.² Moreover, these policies include institutional building as a key factor for ongoing adaptation, competitiveness and development. The distribution of roles between different organizations and the channels and mechanisms of interaction, for example, are again specific responses to their context and cultural environment (Autio, 1998: 136). In addition, these policies incorporate the institutionalization of the innovation process and of the co-operation between the different agents as key factors for regional competitiveness.

However, evaluations based on classical models are characterized by the fact that they overlook the economic and social context in which the policy unfolds, i.e. the macro-economic framework and specific circumstances. The economic impact, the central axis of the evaluation, is estimated, whilst the local framework in which each policy under evaluation is developed is not taken into account. But evaluation ought to be more contextualized. The approach should be to integrate exogenous factors of a social, cultural and political nature within the evaluation, instead of attempting to control their effects, to take them out of the evaluation and/or deal with them as ‘confounding factors’. How do contextual factors exert an influence on the effectiveness and the functioning of these policies?

Dynamism and Flexibility

The development process is dynamic and continuous interactions take place along with flows of knowledge, resources and human capital, which evolve over time. In response to this, the objective of new regional policies is to launch a process of building up collective learning in an interactive fashion. As a consequence, the evaluation must also be capable of evolving, i.e. there has to be flexibility in adapting to changes in the policy under evaluation, in the changing external conditions in which it develops and also in relation to users’ needs. Evaluation must be dynamic, active, reactive and adaptative and the evaluation itself must be understood as a developmental process.

Moreover, given the innovative nature of these new regional policies, we are not aware of important elements regarding the implementation process itself, i.e. the way in which these results are produced. It will, therefore, be vital to evaluate the real process. ‘The challenge lies in evaluating the processes themselves’ (Autio, 1998: 136). The design of the evaluation must be capable of breaking down the traditional division between summative and formative evaluation and stimulate approaches whereby both types of evaluation form part of the same exercise.

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Table 1. Facing the Challenges: a Comprehensive Framework

<i>Characteristics</i>	<i>Challenges</i>	<i>Evaluating proposals</i>
Intangible objectives	There are numerous difficulties in quantifying effects and identifying measuring indicators	Qualitative information is the most useful tool for the observation of intangible effects
The complexity of cause–effect relationship	There is no linear causal relationship between resources, activities, results, effects and regional impact	An approach is required that can help to clarify the mechanisms that explain changes
Systemic nature	Complex interactions are produced in multiple areas and at different levels of effects: companies, institutions, regional community	Case study as a method of observation and analysis
Embeddedness	The cultural and political context and the socio-economic conditions are an intrinsic part of the policy	Social, cultural and political elements must be wholly integrated in the evaluation. Evaluation is a socio-political process
Dynamism and flexibility	The implementation process is as important as the changes produced. The integration of possible changes in conditions (context) and in the needs of users	A summative and formative exercise. Evaluation design must be an active-reactive-adaptative process
The region as ‘animateur’	Helping regional governments to design better policies and recognizing the existence of a pluralist society	The participation of the stakeholders must guide the evaluating design. Evaluation must be a collective learning process

The Region as ‘Animateur’

New regional policies imply, on the one hand, a devolution of powers and responsibilities to the region and, on the other, the introduction of new forms of designing regional policies based on bottom-up approaches to regional planning. Firstly, the consolidation of the region as the active subject of regional policy means that a new solicitant and user of evaluation results appears in the evaluation sphere. This new client has given rise to the development of numerous evaluations, especially in connection with Structural Funds interventions. Secondly, opening up the policy design to the participation of regional actors, to companies, to intermediary organizations, to associations, to institutions etc., implies a radical change in how regional policy is made, introducing dialogue and communication directed towards consensus around the development strategy

adopted. These new policies are not necessarily policies for companies, for technological centres and/or for clusters. The intention is to design policies with the active involvement of all these regional agents.

At this more political level, the design of the evaluation, therefore, must be guided by the participation of all the actors involved and must be opened up to all the stakeholders (Kuhlmann, 1998; Stame, 1999). Evaluation must be transformed into an open process of collective learning, making a contribution by helping regional governments, governments with little experience in policy design, to set increasingly better policies in motion. Moreover, the evaluation should serve as a useful tool for mobilizing communities for action. This implies the recognition that policies are developed within a pluralist society and introduces participatory evaluation as an approach capable of generating new knowledge.

See Table 1 for a summary of the above section.

The Evaluation of New Regional Policies: Current Practices in the EU Structural Funds

In an attempt to find out how these challenges have been met in the work done and ascertain how regional policy is being evaluated in practice, we have reviewed six evaluations (see Table 2), all of which have been recently requested by the European Commission in relation to Structural Funds. These evaluations are:

- the evaluation of European Community measures of support for Business and Innovation Centres (BICs) (P&G Sociedad de Estudios, 1998);
- the evaluation of the pre-pilot actions of Article 10: the Regional Technological Plans (RTPs) (Boekholt et al., 1998);
- the intermediate evaluation of the pilot projects Regional Innovation Strategies (RIS) (ECOTEC, 1999);
- the thematic evaluation of the impact of the Structural Funds (1994–1999) on Research, Technological Development and Innovation (RTDI) in Objective 2 (ADE et al., 1999);
- the thematic evaluation of the impact of the Structural Funds (1994–1999) on Research, Technological Development and Innovation (RTDI) in Objectives 1 and 6 (Higgins et al., 1999);
- the thematic evaluation of the impact of the Structural Funds on small- and medium-sized enterprises (SMEs) (Ernst & Young, 1999).

They are all good clear exponents of the most up-to-date practices in the evaluation of EU Structural Funds and provide us with an accurate picture of the current situation.

The Design of the Evaluation Studies

All the evaluations examined follow a traditional approach based on objectives. Thus, the first problem they face is the need to convert objectives that are too wide, vague and diffuse into useful criteria for evaluation and, as a second step, transform them into more operational performance indicators. The degree of

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Table 2. A Brief Overview of the Six Evaluations Reviewed

<i>Case studies</i>	<i>Description</i>	<i>Methodology</i>	<i>Key evaluation questions</i>
Evaluation of European Community Business and Innovation Centres (BICs)	BICs are an element of the Community regional policy. The BICs are organizations that focus on stimulating local economies and helping to create and develop new and existing SMEs	Global analysis based on statistical techniques and questionnaires 32 case studies based on in-depth interviews 2 benchmarking studies	<ul style="list-style-type: none"> – To what extent do they complement and complete the information existing at the Commission by making an external balance? – How effective and efficient is the programme and what necessary adjustments could improve the network?
Evaluation of Regional Technology Plans (RTPs)	Pilot action to initiate the development of a regional strategy for research, technology and development policy	In-depth interviews Economic impact based on a telephone survey of 150 firms (using a control group)	<ul style="list-style-type: none"> – What is the economic and institutional impact, i.e. the contribution to regional development efforts? – How do the innovative and demonstrative character of the RTP projects contribute to a novel way of policy formulation? – What lessons are learnt and what recommendations for future actions are made?
Evaluation of Regional Innovation Strategies (RIS)	The RIS pilot projects aim to undertake assessments of regional innovation systems. Their main focus is on innovation support relevant to SMEs	Self-completion questionnaire Case studies: face to face interviews	<ul style="list-style-type: none"> – To what extent are they effective at consensus building; assessing supply and demand for innovation support; preparing strategic frameworks? – Are they well managed and efficient? – What lessons emerge?
Thematic evaluation of the impact of the Structural Funds (1994–1999) on Research, Technology Development	Regional effects of the Structural Funds RTDI actions from an economic development perspective	Comparative analysis on the basis of desk research Case studies based on in-depth review	<ul style="list-style-type: none"> – How effective were the Structural Funds in promoting RTDI capabilities? – To what extent and through which mechanisms have the Structural Funds contributed to reinforcing links to local business and industry?

Table 2. Continued

<i>Case studies</i>	<i>Description</i>	<i>Methodology</i>	<i>Key evaluation questions</i>
and Innovation (RTDI) in Objective 2		An impact survey on companies	– To what extent have they contributed to overcoming skill shortages and improving qualifications in the field of RTDI?
Thematic evaluation of the impact of the Structural Funds (1994–1999) on Research, Technology Development and Innovation (RTDI) in Objectives 1 and 6	Regional effects of the Structural Funds RTDI actions from an economic development perspective	Building a thematic framework and regional innovation profiles, using standard templates for all the regions Case studies by projects and by countries A study of SME impacts based on interviews with a cross section of selected companies	– To what extent has the new RTDI capacity provided enhanced competitiveness and economic performance? – What has been the impact on national and regional RTDI policies and funding, especially on regional distribution of RTDI capacity? – Has there been synergy and co-operation or rather duplication with other relevant Community policies?
Thematic evaluation of Structural Fund Impacts on SMEs	A systematic analysis of the contribution and impact of Structural Funds support to SMEs in the EU Member States and regions	Top-down dimension: analysis of programme documents (desk research) Bottom-up research: fieldwork in a sample of regions and SME projects Impact on SMEs based on a telephone survey to a sample of over 1,000 companies (with a control group)	– To what extent are Structural Fund objectives pertinent in relation to the evolving SME needs and results? – How economically have the various SME measure inputs converted into outputs and results? – How far have Structural Fund impacts contributed to achieving specific and general objectives in relation to SME? – To what extent can the positive changes be expected to have lasting benefits after the Structural Fund interventions have finished? – To what extent can experience be generalized?

success achieved in both these tasks cannot be considered to be very satisfactory. In general, the evaluations attempt to answer far too many evaluative questions, and the criteria for measuring the impact of new regional policies are not clearly defined: When does the policy under evaluation achieve good or bad results? When is it considered a success or a failure? In some studies, the answers to these questions are scattered throughout the different phases of the evaluation instead of them being posed as a specific preliminary task.

The studies reviewed basically follow two procedures for selecting and establishing evaluation criteria. The first approach tends to be to follow to the letter the evaluation criteria exactly as they were stated by the client – the European Commission – in the terms of reference of the evaluation study. In other evaluations, however, a process of reviewing the evaluation criteria has been set up, leading ultimately to an agreement between the client – the European Commission – and the evaluation team, as a preliminary phase before embarking on the evaluation itself.

Regarding transforming these criteria into key performance indicators, evaluation teams have a tendency to observe and estimate the economic effects of regional policy in a quantitative way. This is undoubtedly the aim of the evaluation exercise in the case of the BICs and the thematic evaluation of the SMEs: to offer a measurement of the economic impact on companies, jobs, costs, etc. This would also have been the preferred evaluation model for the rest of the evaluation teams. Evaluation teams find it so difficult to estimate the quantitative effects of these regional policies for the following reasons. Firstly, they mention the difficulties regarding the lack of data from monitoring and/or earlier evaluations. Secondly, in some evaluations it is considered to be too early to be able to estimate the economic effects on the companies that are the beneficiaries and on the regions involved. The RIS and RTP evaluations mention problems of this nature, but they can also be found in the thematic evaluations since, despite the long period evaluated (1994–1999), a significant proportion of the projects included in the structural actions ran for a short time. Thirdly, some of the evaluation teams mention problems of causality (RTP, RTDI Objective 2) and the methodological complexities involved in these estimations: additionality, indirect effects, displacement effects, etc.

As a consequence, all the evaluations reviewed incorporate observation of the non-economic effects of these new regional policies: their effects on networks, social capital, the construction of institutional capacity and so on. Thus, all these evaluations introduce the use of qualitative information in an attempt to appreciate their intangible effects and adopt a mixed-method approach using both quantitative and qualitative information. Methodologically, this leads to the introduction of case studies and in-depth interviews as a means of gathering and analysing information. These techniques exist side by side with other more standard ones such as closed, structured questionnaires and analysis of documents and previous reports.

However, there are also important differences with regard to the weight given to qualitative information in each evaluation. As we have already pointed out, two of the evaluations reviewed (BIC and SMEs) make the estimation of the

economic effects the central axis of the evaluation study, while others (RTP, RIS, RTDI Objective 2) mainly use qualitative information.

Another novelty introduced is the use of approaches that are less summative and more formative, where estimation of impact passes to a secondary position and the focus is concentrated on the evaluation of implementation processes rather than results. Examples of this new focus appear in the RTP evaluation and, to a lesser extent, in the evaluation of RTDI Objective 2. This is also the approach adopted in the RIS evaluation, although in this case this was due to the fact that it is an intermediate evaluation. As a result, the *ex post* nature of these evaluation exercises loses importance, at the same time as it strengthens assessment of the implementation processes: strategy, integration of agents and institutions, direct participation of companies and so on.

Finally, we have not found, in either case, that the evaluators thought it necessary and opportune to open up the evaluation to the whole range of actors involved, e.g. regional administrations, companies, centres of services and/or laboratories, regional research centres. These agents involved in new regional policies are only used as a source of information and in order to observe the effects of the programmes. They are never incorporated in an active way into the evaluation itself, the process of determining its objectives and evaluative criteria, the selection of methods and the techniques and/or tasks of evaluation. Thus the incorporation of the different stakeholders, leading to the design of participatory evaluations, is an approach that has not been taken into consideration.

Why and How the Policies Work

The RTP evaluation and the thematic evaluation of the SMEs attempt to clarify how and why these policies work, and to discover the implicit theory of change. With this aim in mind, the RTP evaluation endeavours to introduce the logical framework technique, whilst the thematic evaluation of the SMEs works towards the development of the economic theory on which structural interventions are based. Both techniques are aimed at understanding the way these new regional policies function and the mechanisms involved. Nevertheless, the use of these techniques in the above evaluations is only descriptive and not analytical. This means that they are not used as new evaluation tools and do not become instruments of the evaluation itself, forming part of its design.

In this context, the most frequently mentioned difficulty is precisely the complexity of the functioning mechanisms of these new regional policies. Due to its circular nature, there are multiple inter-relations between the different actions, and many regional agents and institutions involved. In addition, these new policies are very specific since they are closely related to the socio-economic environment in which they are developed. It is difficult in practice to make all these relationships and external influences explicit. To give a concrete example, the RTP evaluation mentions the enormous problems involved in establishing the causality between activities carried out and their effects, given the presence of feedback effects.

The strategy used by the other evaluations reviewed has been to introduce the identification of best practices as a way of generating new knowledge that can

help to understand how and why these policies work. Identification of best practices becomes an evaluation element that allows information to be gathered about the factors that lead to successful policies.

Approach and Methods Used

As we have mentioned before, all the evaluations under review include both quantitative and qualitative information within the same exercise and combined different evaluation methods. In general, there is a clear predominance of qualitative over quantitative methods, and also of case studies, in a double sense, both as a means of information gathering through fieldwork and as a method for analysing and interpreting primary information.

However, there are two evaluations that have concentrated on measuring the regional impact using quantitative indicators (companies created, companies assisted, jobs created, jobs safeguarded). These are the evaluation of BICs and the thematic evaluation of the impact on SMEs. Both of them employ predominantly statistical techniques to handle and analyse the data observed. They are looking for quantified effects and impacts, significant correlations between variables analysed, patterns of regional development and/or similar tendencies in behaviour among the beneficiaries. The objective of both evaluations is to quantify the creation of employment.

The other evaluations use case studies and qualitative information, according to evaluation teams, in order to:

- illustrate effects on beneficiaries;
- show the impact on the regional economy;
- reveal patterns of behaviour and functioning;
- identify the best practices and draw lessons and recommendations.

It can thus be seen that a significant change has taken place in the practice of evaluating regional policy, with a shift towards approaches closer to a pluralistic paradigm. But, here, an important paradox arises. The qualitative approaches adopted did not stem from a previous selection process in which the advantages and drawbacks of different evaluation models had been analysed, nor from a decision based on the degree to which the approach adopted fitted the needs and characteristics of the policies. On the contrary, the qualitative approach was used, to quote the evaluation teams, as 'the only available option', because of the difficulties involved in using any other evaluation model (such as quasi-experimental design and/or statistical or econometric analyses) to estimate or measure the quantitative effects on beneficiaries and the region. The difficulties in applying these classical models are in line with those which habitually crop up in the literature on evaluation of Structural Funds (Bachtler and Taylor, 1999), that is, the lack of previous data on monitoring, the absence of previous evaluations, and so on.

Consequently, evaluators have been forced to adopt qualitative evaluations, despite the fact that they are seen as a second option which in no way constitutes the best evaluation model to be used. Thus, for example, in the thematic evaluation of RTDI Objective 2 the evaluators held that 'as the effects on the regional

economy cannot be measured, case studies are used to illustrate the type of impact the RTD and Innovation support may have on the regional economy'. But, at the same time, they recommend that in future evaluations, once current deficiencies are overcome, value for money studies ought to be adopted, aimed at estimating the net cost per job created. Suggestions in the same directions can also be found in the RTP and RIS evaluations.

In short, these statements unquestionably point to the persistence of two underlying assumptions behind all these evaluation designs. First, the idea that one methodological evaluation model, superior to all others, exists, and can therefore be found. Second, this model of excellence turns out to be, precisely, the classical evaluation model and as such is always preferable, whatever the case being studied, to the remaining available options.

Observation of Changes Produced

In the six evaluations reviewed, the task of observing the effects and/or processes tends to combine two dimensions: a preliminary global approach to the policy under evaluation (macro), followed by a second of a much more specific nature (micro). The first phase generally involves information gathering and the analysis and comparison of data from all the regions supported by policies, as well as from all the different projects and structural actions using longitudinal analysis and/or before-and-after comparisons. In the second phase, however, evaluations usually introduce case studies to gather and analyse information from a limited number of experiences relating to previously selected regions and/or projects. These case studies are considered a representative sample of the general problematic, and/or they are selected to meet a certain specific aim within the evaluation. In addition, an impact analysis of beneficiaries based on direct surveys carried out within a sample of assisted companies is included. These samples tend to be limited in number as far as members and extension (analysis content) are concerned. This has been the way in which, in practice, the systemic character of these regional policies has been approached. Furthermore, the work of identifying changes is concentrated on the beneficiary companies and/or people. However, in evaluations where case studies occupy a more significant position, effects on intermediate organisms (technological centres, business organizations) and on the regional institutions themselves have also been identified.

With respect to the observation tools used, the quantitative indicators chosen to estimate the effects were not clearly defined before the evaluation, and nor were the qualitative indicators for those studies in which this type of information is key. Only the BICs evaluation makes clear that the main key performance indicators will be the number of companies created and assisted, and in the thematic evaluation of the SMEs reference is made to the estimation of the gross number of jobs created and maintained by Structural actions. This lack of a comprehensive set of indicators is conditioned (this is, at least, how it is justified) by the lack of information. And, as in the case of the approach adopted, the teams consider that the use of quantitative indicators is absolutely necessary for regional policy evaluation practice, even though it is impossible to make suitable use of this instrument at the moment. Indeed, two of the evaluations adopting the most

qualitative approach (the RTP and the thematic evaluation of RTDI Objective 2) strongly recommend the use of quantitative indicators within the framework of the evaluation of new regional policies. They urge the Commission and managers to include the gathering of quantitative data as part of its monitoring and management information systems, in order to make up for these information deficiencies with an eye to future evaluation exercises.³

Information gathering is fundamentally based on fieldwork that allows primary data on observable changes to be obtained. With this aim in mind, the methods used are, once more, a combination of quantitative techniques, such as closed, structured questionnaires, and qualitative techniques, such as in-depth interviews based on an open orientative guide. The above-mentioned lack of previous information on either processes or effects means that the collection of primary information becomes one of the central evaluation tasks. In all cases, evaluations also include secondary information, which generally consists of a detailed examination of all previous internal planning documents, earlier evaluations, studies on the regional situation at the outset and the regional statistical database.

Estimation of the Effects

Only the BIC and the thematic SME evaluations are capable of offering quantitative estimations of the economic effects produced. The first, in a simple and rather limited way, gives certain information on the gross impact, without estimating additionality, and calculates the leverage ratio. The second, the thematic evaluation of the SMEs, adopts the value-for-money model and concentrates the bulk of its work on estimating the gross number of jobs created by Structural actions to support SMEs, plus an estimate of additionality and other adjustments to include displacement and indirect effects. Thus, this second evaluation manages to arrive at an approximate estimate of the net effects of job creation and the cost-per-job-created ratio, complemented by a sensitivity test for estimated effects in relation to three possible scenarios.

In the other four studies, the different evaluation teams consider the difficulties of measuring the economic effects to be unsurmountable and so they try to observe and analyse, on the one hand, changes produced in the processes, and on the other, impacts of a more intangible nature. Some of the non-economic effects identified are:

- an increase in innovation culture;
- the mobilization of local actors;
- the creation of co-operation networks;
- public-private partnership;
- the introduction of participatory approaches to policy design;
- the reinforcement of systemic links;
- changes in the regional political agenda; and
- steps taken towards institutional learning.

Furthermore, in the end, it is precisely this non-economic impact of new regional policies that appears as the most significant impact highlighted in all the evaluations reviewed. So that, even in evaluations with a more quantitative

approach, it is recognized that new regional policies should not be judged by their economic results, since 'non-economic impacts are more important than purely economic ones', in the words of the SME evaluators. Similarly, the BIC evaluation points out that these centres must be understood as 'intelligent infrastructures'. Consequently, even evaluations that focus their efforts on the quantified measurement of economic effects arrive at the conclusion that the most significant effects of these policies are produced in the social, institutional and cultural spheres.

So, the use of qualitative information and techniques has allowed evaluators to begin to appreciate the changes taking place among regional agents of innovation systems and productive clusters, in their patterns of behaviour, and in their interactions with other regional actors. Similarly, the evaluation teams have begun to ascertain when the results of these changes are leading towards the building of networks and consensus, the acquisition of new knowledge and skills, the reinforcement of mutual trust, the beginning of learning processes and institutional reflexivity. Here, case studies have proved a very useful tool for identifying good practice in innovation and action policies supporting the SMEs. This information makes a direct contribution towards enhancing evaluators' and managers' knowledge of the policy evaluated and helps them to reach specific findings and recommendations directed towards improving public interventions, on both conceptual and operative levels.

Finally, we cannot finish this review of evaluation studies without briefly referring to the approaches taken to the important, and always difficult, problem of the additionality, i.e. what part of the effects observed is produced by the policy under evaluation? Four of the evaluations analysed use comparison groups as a means of dealing with the net impact that can be directly attributed to these regional policies. However, the reduced size of the samples used means that frequently it is more a question of illustrating the net effects rather than reaching a global quantitative estimate. Furthermore, with the exception of the thematic evaluation of the SMEs, the individuals chosen in each group (both the experimental and control group) are not selected at random, nor are strict controls carried out to guarantee that the control group has a set of characteristics that are identical to those of the group of beneficiaries. These shortcomings are recognized by the evaluation teams; they therefore make clear that their objective is not to measure the impact on the assisted region or companies, but rather to illustrate and/or give examples of the effects produced.

Towards a Synthesis

This review has served to corroborate that the practice of regional policy evaluation has been gradually incorporating some of the elements presented above. Firstly, it has been possible to confirm the important impact that new regional policies are registering outside the economic sphere, in the form of social, institutional and cultural effects that have been observed thanks to the use of qualitative techniques and data. The introduction of this approach has allowed evaluators to begin to appreciate the changes taking place among regional agents of innovation systems and productive clusters, changes that are leading towards

the building of networks and consensus, the acquisition of new knowledge and skills, the reinforcement of mutual trust, the beginning of learning processes and institutional reflexivity.

Secondly, the problems that crop up when establishing linear cause-effect relations have been verified, due to the identification of numerous, complex and even circular relations. The difficulties in meeting this challenge occasionally lead to evaluations abandoning the job of attempting to understand the functioning mechanisms of these policies. They did not focus the evaluation on the question of how and why these policies work, because they are not able to reproduce the cause and effects links. Some of the evaluations identify the best practices as a way of understanding the policies and use case studies to gather information concerning these complex processes. However, the importance of the need to develop and construct an overall theory of action should be recognized (Finne et al., 1995: 23) since evaluation must explore and understand the interaction between policies and the net effects of the intervention (Georghiou, 1998: 48).

Thirdly, we have been able to discover how evaluations try to resolve the systemic nature of these policies. We have seen that the analysis and observation of data can be tackled from a top-down and bottom-up approach. This focus leads to the core of evaluation effort being concentrated upon the two extremes of the chain of effects, that is, upon the region as a whole, on the one hand, and upon companies and people as the prime beneficiaries, on the other hand. Consequently, observation of changes produced at the intermediate levels gets relegated to a secondary position: we do not know anything about what happens inside this space: in the clusters, in the networks, in local and regional institutions and their inter-connections. Here, efforts have to be made to go beyond counting the number of firms and people served in various ways, attempting at the same time to identify and assess the added value that springs from multiple firm partnership and institutional building. These are added benefits that affect the competitiveness of an industry and of the whole region.

Fourthly, we have pointed out that these new regional policies are embedded. Here, evaluations use case studies for making more contextual evaluations, where exogenous factors and the local conditions in which policies unfold are elements that are integrated into the evaluation.

Fifthly, one innovation that has gradually been introduced is the inclusion of process assessment, along with an estimate of effects and impact, thus producing a combination of formative and summative evaluation exercises. As Rosenfeld mentioned, 'Since efforts to promote collaboration among businesses is a new and largely uncharted territory, documenting the process becomes an important part of the evaluation' (Rosenfeld, 1996: 258).

Finally, it has to be pointed out that there is no evidence that participatory evaluation has been introduced. The idea of opening evaluation to all the people involved in the policy has not been taken in account. Policies continue to be evaluated from one angle, from the viewpoint of the managers who define and implement these policies. So it seems contradictory that policies that seek to introduce new ways of making regional policy, opening the planning process up, do not try to do the same in their evaluation exercises. However, if we look

outside the European Structural Funds, in other evaluations of similar policies, evaluation designs in which stakeholders become a fundamental ingredient in the evaluation process can be found.⁴ These approaches involve the direct and active participation of businesses, local and regional staff and service providers who can express their own expectations about evaluation results and make the evaluation process their own. In these experiences, evaluation is used to create knowledge useful for stakeholders to achieve their short and long-term goals. 'The process is aimed at creating a situation where new understanding is built on the "best" from all participants' (Finne et al., 1995: 15).

But perhaps the most paradoxical aspect of our review is the fact that we have been able to confirm that, although evaluation practice has shifted towards more pluralistic evaluation, within European evaluation culture the classical model still dominates as the superior methodological evaluation design. This means, therefore, that the mentality of many evaluators and evaluation users is cluttered by the leftovers of a closed perspective where quantitative methods, techniques and data enjoy greater validity and credibility than qualitative analyses. In fact, we have frequently pointed out the type of recommendations that evaluation teams make with an eye to future evaluations and the fact that they adopt qualitative evaluation models purely because of the impossibility of using other approaches, such as value-for-money studies. In this way, the search for quantifiable results and the measuring of observable effects continue to be the evaluating paradigm that guides teams working on new regional policy evaluation.

This continues to be the case despite the efforts that have been made, via the MEANS programme, to put new evaluation models and methods into circulation.⁵ It should be noted here that the Commission finds itself caught between its desires to make a contribution towards introducing new evaluative models and a reality wherein it is obliged to present reports and results before Parliament and other institutions that wish to know what regional policy and the Structural Funds are for and what profit is obtained from these investments. The Commission knows that, when reporting back, plain and simple numerical data continue to be more appreciated and regarded as more objective and credible than other qualitative assessments. But, furthermore, the present level of development of regional policy evaluation culture in EU countries does not help in the diffusion of new models and evaluation techniques either. In fact, in a great number of member states, evaluation practice is exclusively linked to fulfilling EU regulations. Consequently, there is no concern for using evaluation as a process directed at knowledge creation and learning and the improvement of regional policy.

Nevertheless, despite all these drawbacks, more and more qualitative evaluation models continue to make headway in regional policy evaluation practice. In our opinion, this means that evaluation is shifting towards a new framework where the plurality of evaluating options will, without a doubt, become the order of the day, breaking out of the straightjacket that has constrained evaluation in the past. This will happen, moreover, within a context that is increasingly open to experimentation and the combination of paradigms and methods, where the evaluator should be a professional capable of combining creativity with technical skill in

order to meet users' needs and of helping regional administrations to arrive at development policies that can turn their regions into learning economies.

Some Proposals and Recommendations

To conclude, here are some proposals and recommendations that should be considered when an evaluation of these new regional policies is designed.

Firstly, each regional policy must be evaluated using the design and methods that best adapt to its specificities and the needs of evaluation users. So, each situation requires a unique and specific evaluation design. 'The art of evaluation involves creating a design that is appropriate for a specific situation and particular action or policy-making context' (Patton, 1990: 249). Evaluators must be creative and use their imagination and technical know-how in the search for new evaluating designs that are more suited to the characteristics of new regional policy and its programmes, to the needs of stakeholders and the socio-political conditions.

Secondly, there is no single evaluation model amongst all the possible options that can serve as a methodological recipe applicable to each and every evaluation of these new regional policies. Therefore, there is no ideal methodological design, nor do either superior or inferior evaluation methods exist. As the European Commission itself recognizes, 'The expectations of users and the context in which evaluation is carried out are modified over time and the experience of all these years of evaluation demonstrate that a universal evaluation method does not exist' (European Commission, 1999: 165).

Thirdly, it must be accepted that the traditional debate that divided quantitative and qualitative evaluators has today been overcome and that there are more and more evaluators who see evaluation as a complex task in which evaluating teams must have the freedom to adopt the models and techniques that prove most suitable for each situation, independent of whether they are quantitative or qualitative. There are even approaches arguing for the use of multiple techniques within the same evaluation as a valid option offering great potential.⁶ Thus, the combination of techniques (triangulation) has emerged as an open field of work and a delicate methodological approach, but there is every chance it will become a powerful tool for evaluation in the future. As a consequence, the range of methodologies available to a regional evaluator is quite clearly and quite visibly widening, given the multiple combinations of techniques and data that can be amassed. In this sense, it is vital to argue that the final quality of an evaluation does not depend upon the methods used, but rather on the usefulness of the information produced and its capacity for offering up valuable answers. But, as shown above, many evaluators and evaluation users still hold onto the vestiges of a closed vision in which quantitative approaches and data continue to enjoy greater credibility and value than qualitative approaches.

At a more operative level, the pluralistic paradigm presents itself as the most suitable evaluation framework for tackling evaluation of these new regional policies. Many of the difficulties and challenges thrown up by these policies receive a better response within this pluralistic approach which appears to suit,

in a more natural way, the specific characteristics of these policies and the objectives pursued by regional governments through their design and application. There is no doubt that some of the new models that have been developed within the area of public policy evaluation have a clear practical application in the evaluation of regional policies, but it is vital to work in such a way that new evaluation approaches adapt to the particular needs of each policy under evaluation. Although tremendous efforts have been made by regional evaluators over recent years, there is still much work left to do in order to consolidate this area of research, once and for all, into regional policy.

Acknowledgements

This article is based on a research project funded by the University of the Basque Country: UPV 036.321-HA 120/99. I would like to thank Marisol Esteban of the University of the Basque Country for her helpful comments and all the Italian group on 'evaluation practices and methods' for their enthusiastic support. I am also grateful for comments received from the Editor and two anonymous referees.

1. This is not to say that all present regional policies respond strictly to this novel agenda, but these new plans and programs trace out the tendencies towards which regional strategies are currently moving.
2. As Saraceno says, 'The underlying assumption is that development processes involve a different mix of relevant factors that are unique and typical of a particular geographical space and time; therefore they cannot be replicated in other contexts and should be conceived of at local level' (Saraceno, 1999: 440).
3. To aid progress in this direction, the thematic evaluation of RTDI Objective 2 includes a sample of quantitative indicators which can be used to monitor RTDI actions, whilst also facilitating the quantitative estimation of effects. In addition, they strongly advise managers to reinforce monitoring and evaluation systems.
4. Stame (2000) also points to this fact.
5. The MEANS project was a major initiative (1995–1999) funded by the European Commission to improve the evaluation of European Structural Funds.
6. See, for example, the works compiled by Greene and Caracelli (1997).

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