

The impact of European integration on centre/periphery relations:

A comparison France/United-Kingdom

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Abstract: *The core research question in this article is a straightforward one: has EU regional policy, interpreted as a form of Europeanisation, produced policy change? What explanatory variables might explain such change, or resistance to change? These questions give rise to consideration of three main hypotheses to explain change: those of misfit, convergence and mobilisation. The three hypotheses are 'tested' with reference to two cases, France and the United Kingdom. The research thus captures two distinct state types that represent contrasting liberal democratic poles and yet contain sufficient variation to allow internal, as well as cross-national comparison. The cases considered offer some evidence of inertia (the management of structural funds reaffirming pre-existing national patterns of centre-periphery relations), some evidence of policy recalibration (in the UK devolved nations and the French regions), but none of policy transformation as a result of EU cohesion policy. As a more general point, structural funds policy is perhaps not the most appropriate instrument to measure policy change; from this survey, structural funds are an epiphenomenon of deeper explanatory variables rooted mainly (but not exclusively) in domestic institutional orders and change*

Résumé : *La question clé de cet article est simple : la politique régionale de l'UE, entendue comme une forme d'eupéanisation a-t-elle produit du changement politique ? Quelles variables explicatives pourraient expliquer tel changement ou résistance au changement ? Ces questions donnent lieu à considérer trois hypothèses principales pour expliquer le changement : celles du mésajustement, de la convergence et de la mobilisation. Ces trois hypothèses sont « testées » à partir de deux études de cas, la France et le Royaume-Uni. La recherche s'intéresse donc à deux Etats différenciés représentant deux pôles démocratiques et qui contiennent suffisamment de variation pour permettre une comparaison à la fois intra et inter-nationale. Les cas considérés présentent des éléments d'inertie (la gestion des fonds structurels reposant largement sur des modèles centre/périphérie préexistants), de requalibrage de l'action publique (dans les « nations » de la dévolution au Royaume-Uni et les régions décentralisées en France), mais en aucun cas d'éléments de profonde transformation de l'action publique liés directement à l'impact de la politique de cohésion. Plus généralement, les fonds structurels n'est peut-être pas l'instrument le plus approprié pour évaluer le changement de l'action publique. Dans cette enquête, les fonds structurels sont un épiphénomène de variables explicatives plus profondes ancrées principalement dans les ordres politiques institutionnels domestiques.*

Studies of the impact of European integration on regions have typically been articulated in the language of multi-level governance, an approach that views the European policy process as ‘a system of continuous negotiation among nested governments at several territorial tiers’ (Marks, 1993: p393). One of the strongest arguments by supporters of multi-level governance is that EU cohesion policy has transformed territorial policy styles across Europe, by encouraging and facilitating the development of new political strategies and networks, bypassing State administrations and creating new alliances between the European Commission and sub-state players (Börzel, 2002; Hooghe and Marks, 2001; Keating, 1998). This perspective views the multi-level game played jointly by the European Commission (and latterly the European Parliament) and sub-state actors as a normative one, designed to ‘by-pass’ or ‘evade’ the centre qua central government, and result in an overall strengthening of both supranational and regional tier (Carter and Pasquier, 2010). The multi-level governance approach can sustain a decentralisation narrative that emphasises the financing of regional and structural programmes, the institutionalisation of regional representation at EU level and the transnational activity of the regions. But it is also in part a model of European bureau shaping and institutionalisation. The story of structural funds is one of tensions between the distributive and regulatory dimensions of the EU. The Commission assists regions on the one hand (through regional policy), but seeks to avoid competition distorting incentives on the other (via competition policy). The EU’s regional programme has developed its own complex institutions, using spillover arguments to centralise control around the European Commission in general (and DG Regio in particular).

Others contest the decentralisation narrative. In their reading, European integration in general reinforces a centralized decision-making structure to which regional actors have limited access; and in the specific case of EU regional policy, national governments remain the key gatekeepers of relations between the EU and sub-state levels. Member-states are far more important interlocutors for the Commission than sub-state actors or their associations. Ultimately, member-states determine the level of budget upon which

EU Regional policy is based (Jeffery, 2000, John, 2000, Bourne, 2003 Weatherill and Bernitz, 2005). National administrative and institutional structures are thus barely affected by EU regional policy. Indeed, in some important respects, Europeanisation strengthens the role of central government actors. Through integration processes, national governments are seen to be able to 'take back' hard-won regional powers and exercise authority over them within EU fora.

The multi-level governance literature has considerable heuristical value. The approach has been the target of much criticism, however, being labelled by Bache, George & Rhodes (1996: pp 312-3) as descriptive rather than explanatory. More pertinently, in our view, Jeffery (2000) argues the multi-level governance is too top-down to account for complex interactions. By seeking to explain regional activities as a consequence of interaction between the European Commission and Member States in the 1998 Structural Funds reforms, it implied that regional mobilisation was reactive, rather than pro-active, in nature. It also confused regional activism with impact. Although regional governments are active in European policy formulation process, both domestically and through lobbying in Brussels, this does not mean that they have any influence over Member State negotiating positions or eventual EU policy outcomes.

This apparent lack of explanatory power of MLG has led other writers to combine multi-level analysis with alternative frameworks such as Europeanisation. Radaelli (2003) defined Europeanisation as the "processes of a) construction, b) diffusion and c) institutionalisation of norms, beliefs, formal and informal rules, procedures, policy paradigms, styles, 'ways of doing things' that are first defined and consolidated in the EU policy process and then incorporated in the logic of domestic (national and sub-national) discourse, political structures, and public policies". Thus defined, Europeanisation must produce policy change to be validated. Graziano (2011) proposes three broad hypotheses to attempt to build a typology of how and why Europeanisation produces policy change; policy *transformation* involves a change in objectives, principles, procedures and financial instruments; policy *recalibration* requires two of the above, while policy *inertia* signifies no variation.

The core research question in this article is a straightforward one: has EU regional policy, interpreted as a form of Europeanisation, produced policy change? If so, how much? And what explanatory variables might explain such change, or resistance to change? The latter sub-question gives rise to consideration of three main hypotheses to explain change: those of misfit, convergence and mobilisation. *Misfit* refers to the degree of difference between EU policy and traditional national (sub-national) positions. Misfit applies most obviously to 'weaker' states. Even in the cases of the UK and France, however, the objects of this article, the Europeanisation of regional policy runs against powerful pre-existing traditions, whether in the form of national territorial planning (the French case) or pressures for national regional policies (and repatriation of control over EU structural funds) in the UK. Misfit is fundamentally an institutional argument, based on the persistence of national administrative and institutional structures, or their reshaping under the impact of EU level institutions (Jupille and Caparoso, 1999). Regional policy has developed in an incremental manner to become a very significant policy instrument at the EU level. Each reform has reallocated powers and provided the theatre for an indeterminate struggle for influence between the EU and the member-states. The EU Commission has used structural policy to shape its preferences and has forced reluctant member-states to adapt, even powerful states such as Germany.

Convergence predicts a process of convergence between states, as outliers are under pressure to conform to norms of best practice, overwhelming economic pressures or constraining instruments. The pressures promoting a harder form of convergence between EU states are usually presented as economic, in the form of globalisation, European integration (framed as a form of globalisation) and fiscal policy; or epistemic, via the trans-national diffusion of scientific and economic expertise and technical norms. In the Europeanisation literature, the policy dissonance hypothesis (whereby a state is 'out of step' with the EU level) assumes that EU level pressures for change will eventually produce conformity at the national policy level. For Europeanisation to be watertight, it would need to demonstrate policy change, either by converging outputs (beyond the

scope of this article) or, in a more limited sense, by common organisational trends (for example towards generalised forms of new public management).

Mobilisation points to the role of political actors, such as parties and pressure groups, in driving pressures for change (or in blocking change). In Graziano's third hypothesis, change will only occur if the 'national mediating factors', such as sub-national networks, parties, pressure groups, are mobilised to transform pressures for change into substantive change.

The three hypotheses are 'tested' with reference to two cases, those of France and the United Kingdom. In their different ways, France and UK are two strong and influential states within the broader EU. They are both old states with distinctive state traditions. The research thus captures two distinct state types that represent contrasting liberal democratic poles and yet contain sufficient variation to allow internal, as well as cross-national comparison (Lagroye and Wright 1979; Ashford 1982, Cole and John, 2001, Cole, 2006). The French model is sometimes represented in terms of a holistic concept of the state as a reified legal and moral entity. There is a territorial version of this state-centric model, in the form of 'cross-regulation', a form of cartel arrangement between the state and dominant local interests (Duran and Thoenig, 1996). In the case of the United Kingdom, the dual polity model, theorized with talent by Bulpitt (1983), implied a large degree of discretion for local government in areas of 'low politics', such as service delivery, which lay outside of the immediate interests of the centre. These traditional understandings of territorial relations have been challenged by the consequences of three decades of decentralization in France and by the far-reaching neo-liberal and constitutional reforms of the 1979-1997 and 1997-2010 periods in the UK.

Our article is best read as an empirically grounded, paired comparative contribution to ongoing debates about the variable impact of Europeanisation across states, levels of governance and policy domains. Using elements of a most different research design, it facilitates our understanding of when Europeanisation appears as a useful conceptual tool

– and when other forms of explanation are more pertinent. France and the UK provide fertile ground for testing the claims both of multi-level governance and Europeanisation.

The rival contextual narratives of decentralization and centralization presented both centre on common core questions. Does the management of structural funds mainly reaffirm national patterns of centre-periphery relations? Has European integration in general and EU Regional policy in particular strengthened (regional) territorial capacity? How does the mobilisation of formal and informal political resources contribute to the process of mobilizing regional capacity in the field of negotiating and implementing EU regional policy? Are paradiplomacy and regional offices, as one expression of regional ambition, simply another expression of the ‘sound and fury’ of sub-state players or do they represent novel forms of informal institution? We will now endeavor to answer these core questions.

National preference formation

The process of national preference formation refers to how national institutions build their preferences and negotiate them at the EU level. There is a fairly close link to more bounded and inter-governmental formulations of European integration. The evidence presented here is broadly consistent with the argument that the management of structural funds mainly reaffirms national patterns of centre-periphery relations. Even if the direction of change is towards enhanced EU-level steering, member-states are far more important interlocutors for the Commission than sub-state actors or their associations. Ultimately, member-states determine the level of budget upon which EU Regional policy is based.

France and the UK were both traditionally considered as unitary states, with a high degree of territorial coverage and control. The ensuing analysis demonstrates a broad process of divergence, driven by distinctive domestic paths and opposing usages of the symbols and resources of the European Union.

The misfit is most obvious in relation to the UK. Though the UK has been an important beneficiary of EU regional policy, and though the creation of ERDF itself was partly linked to British entry, British governments have had difficulties with its core principles. Throughout the 1980s and early 1990s, the Conservative government in power in London contested the core elements of EU regional policy, notably the principles of additionality and partnership. The UK Treasury for long refused the additionality principle, where EU grants should add to, rather than offset existing public expenditure. There was, in broad brush terms, a conflict between the United Kingdom government, which sought to use its own regional policy instruments (Regional Selective Assistance) with its large coverage under its Assisted Areas schemes; and the EU, which wanted to limit aid to pockets such as the Objective One areas (Wishlade, Yuill and Méndez, 2003).

The UK position also challenged understandings of partnership that accompanied the 1988 reforms. The domestic UK context of the mid-1980s was one of legislation to regulate and reduce the influence of trade unions and to redefine central-local relations. There was a close linkage between domestic-level management reforms and the domestic governance of EU regional policy. Formal partnerships in England were heavily weighted in favour of the Non-Departmental Public Bodies ('quangos') at the expense of local authorities (John, 2001). More generally, a sceptical stance has been a constant of the UK's position and not only under the Conservatives. During the negotiations for the 2007-2013 period, for example, the UK government argued in favour of 're-nationalisation' of EU regional policy: structural funds should be limited to states with a GDP of under 90% of the EU average, but member-states should be able to introduce their own programmes of territorial planning.

The case of France also demonstrates a degree of initial tension between national traditions and preference formation and the developing Europeanisation of EU regional policy. After the devastation of the World War II, a modernizing French State embarked upon an ambitious programme of economic and industrial re-building. Government policy was expansionist, aimed at promoting growth in the provinces and correcting the imbalances between Paris and the rest of France. During the 1960s and 1970s,

center-periphery relations in France were managed largely by the central agency the *Direction à l'aménagement du territoire et à l'action régionale* (DATAR) in the context of its evolving vision of territorial planning (*aménagement du territoire*). The objectives of territorial planning were to promote regional development by steering industrial investments to peripheral regions such as Brittany or Languedoc-Roussillon and developing their transport and physical infrastructure. During this period, the central administration was opposed to the building of a European regional policy, which was perceived as a potential competitor to the national policy of *aménagement du territoire*.

Political dynamics have changed in both countries since the baseline 1988 Structural Fund reforms, but the underlying causes of change were only marginally linked to the EU dimension. While the UK confirms the policy inertia hypothesis, a stronger argument can be made for Europeanisation in the French case.

In the case of the UK, political dynamics were modified by the election of the new Labour government in 1997, and by the changing territorial configuration, notably devolution in Scotland, Wales and Northern Ireland. The changing partisan context had an obvious impact. The new Labour government, which advocated a more positive role in Europe and proactive stance to local authorities, adopted a less trenchant attitude towards partnerships and the additionality principle. The management of EU funds on the ground reflected this shift of governmental priorities at the central level. In the case of the Objective One area of Merseyside, for example, the Programme Monitoring Committee (PMC) was henceforth chaired by a non-governmental representative and local authorities were brought more fully into the fold (Wilmott, 2005). In the three English Objective One regions, the 2000-06 rounds involved a broader network of partners and more project commissioning rather than open bidding. New Labour policy priorities were also more in harmony with those in other EU countries, and close to the spirit of the - Blairite inspired - Lisbon goals of investment, IT, innovation, infrastructure and training. Coming full circle, however, the UK Conservative-Liberal Democrat Coalition government (2010-) then abolished all existing regional level institutions, including the Government Offices of the Regions and the Regional Development Agencies and

returned spatial planning powers to local government (Mellows-Facer, 2010; Townsend and Marrs, 2010). Over the period, there is weak evidence of the linkage between EU regional policy and regional empowerment, except tangentially in the case of the Celtic nations (Scotland, Wales, and Northern Ireland) that are considered below.

In the case of France, the Europeanisation argument is somewhat stronger. From the 1980s onwards, the growing internationalization of the economy called into question the post-war state-led policies of territorial planning. The French state, like other European nation-states, has been confronted for some years by the dual pressure of European integration and the growing desire for autonomy on the part of sub-national political levels. The implementation of EU cohesion policy has to be understood in the context of two core variables: the decline of state-led policies of territorial planning and the decentralisation of the French political system.

First, the decline of state-led territorial planning policies made the financial resources provided by EU cohesion policy all the more valuable (Drevet 2008). The French government lobbied hard to ensure that France received its share of structural funds. Being the second main funder of the EU cohesion policy after Germany, the French government has traditionally been able to ensure that EU structural funds covered all the national territory. Even if the structural funds are being reduced - France received €14.3 billion in the 2007-13 period against €16.1 billion in 2000-06 - all 22 metropolitan regions are concerned by the 'regional competitiveness' objective and the four overseas regions (Guadeloupe, Guyane, Martinique and Réunion) by the 'convergence objective'. However, this strategy of full territorial coverage is increasingly contested by the European Commission and other Member-states, in particular in relation to the 2007-2013 programme. French governments have adopted seemingly rather contradictory positions. In December 2006, France signed a letter with Austria, the Netherlands, Germany, Sweden and UK supporting the limitation of the EU budget to 1% of the EU GDP. During the same period, however, the French central government defended the role of the cohesion policy against those (such as the UK government, but also some within the European Commission) who wanted to 'renationalise' regional policy, or limit

structural funds to the new central and eastern member-states. This apparent paradox is testament to the effectiveness of the mobilisation of regional and local authorities, strongly attached to the structural funds policy.

Second, successive decentralization reforms since 1982 have modified centre-periphery relations within France. It lies beyond the limits of this article to engage in an in-depth discussion of decentralization in France over the past three decades. The foundational reforms of 1982-83 transformed the existing 22 administrative regions into regional political institutions, conferring real executive powers on the presidents of the regional and 96 departmental councils. The 22 metropolitan Regions obtained competencies in economic development, vocational training, education (secondary schools), regional railway transport planning, the environment, culture and research. With such competencies, French regions ought to be the natural partners of the European administration in the planning and implementation of EU cohesion policy. In comparative terms, however, the French State has attempted to maintain a tight steer on regional-European interactions, with the central planning agency, the DATAR and the regional prefectures maintaining control of the key policy instruments.

The relationship between Europeanisation and regional capacity building in France is highly ambivalent. On the one hand, the development of EU structural funds has provided a new structure of opportunities and new sources of finance for French local and regional authorities, in particular for the most ambitious of them such as Brittany (Balme and Le Galès 1996 Négrier, 1998). On the other hand, central and regional state actors have resisted relinquishing control over details of project management. Rather like in the UK, the principle of partnership in EU cohesion policy has produced tensions, mainly played out in terms of who manages the structural funds. Since the 1990s, French regions have attempted to become managing authorities of the structural funds. But the different central governments during the 1990s and the 2000s steadfastly refused the demands of the regional councils, confirming the regional prefectures in the central role. In practice, the Regions and the regional prefectures co-chair the PMCs, but the regional prefectures remain officially the managing authorities. In 2006 de Villepin's government

confirmed the State services, rather than local authorities, as the managing authorities, arguing that this situation pertained in the majority of the 27 EU member States.

Has EU Regional policy fundamentally reshaped domestic policy networks?

The second question addresses multi-level governance, *stricto sensu*, rather than multi-level government. While multi-level government focusses on relations between governments at different territorial layers, multi-level governance emphasises broader questions of state-society relations and reconfigured domestic policy networks (Piatonni, 2010, Palmer, 2008). For the Europeanisation hypothesis to be validated, the empirical data needs to demonstrate that state-society relations have been broadened by European-level dynamics.

In the case of the UK, this question can only be answered by taking full account of the territorial assymetry consolidated by devolution. In 2011, it has become difficult to generalise about the UK as a whole, rather than to identify variation across its four component nations. Scotland, Wales and Northern Ireland are considered below in the section on territorial assymetry. The case of England proves to be the most resistant to the Europeanisation argument. From the 1988 reform of the structural funds onwards, the Conservative UK government placed obstacles in the development of partnerships, hence undermined in practice the emergence of a broad stakeholder base to accompany EU funds. There was a close linkage between domestic-level management reforms and the governance of EU regional policy. One key driver of the 1979-1997 Conservative governments was the creation of a range of new agencies in England and Wales - City Challenge, the Training and Enterprise Councils, the Urban Development Corporations – all committed to various versions of new public management and an agency mode of urban governance. Formal partnerships in England were heavily weighted in favour of the Non-Departmental Public Bodies ('quangos') at the expense of local authorities, which were sometimes even prevented from naming their own representatives to the PMCs (John, 2001). For their part, the richest and most powerful regions – such as the South-East or the East of England – have not invested much time and resources in EU

structural funds (as opposed to more general place marketing). Where closer forms of cooperation have developed in less affluent regions, this is only tangentially associated with European integration. The coincidence of pro-regional and pro-European beliefs has been strongest, historically, where political and economic elites were motivated to organise at the regional level to make most of EU incentives. This was the case for the North West England, with a large Objective 2 remit, and incorporating Merseyside with Objective One. In these regions, at least, there emerged a sharper political focus on Europe, though this was elite-led and remote from mass opinion.

The major constitutional change represented by the Labour Government's (1997-2010) Devolution programme has highlighted gaps in English arrangements. In addition to the creation of devolved institutions in Scotland, Wales and Northern Ireland, the Labour government initially adopted a positive attitude towards the development of English regions. Labour created eight Regional Development Agencies (RDAs), given the task of coordinating regional development strategies. The RDAs provided a central focus for raising the match-funding necessary to support bids, and were financed from a pooled Single Budget, to which the lead ministries all contributed. In terms of their institutional design, the RDAs were non-departmental public bodies, or agencies governed by 'partnership' boards that mainly encompassed local government and business interests; they provided the linkage, through the Government Offices of the Regions, with state officials. Though RDA were tasked with producing regional strategies, the Government Offices (very weak equivalents to French regional prefectures) retained their key role as the Managing Authorities of EU structural funds. The Government Offices were not always viewed with suspicion by local government or the Development Agencies; Burch and Gomez (2003) give the example of the North-West regional assembly and the North West Development Agency working in close association with the Government Office. From 2000-2010, the Government Offices expanded their remit to incorporate the field activities of more UK departments: the Home Office, DEFRA and Culture, Media and Sport in particular.

The critical juncture in this case, as in others, was the coming to power of the Coalition Government in 2010, an administration with a strong 'localist' agenda, but a deep suspicion of regional levels of public administration. The Coalition government replaced the Regional Development Agencies with Local Enterprise Partnerships, conceived as new local government- business led partnerships, which will be given the main responsibility for administering ERDF funds. There are unresolved questions of institutional design with the new LEPS. The ERDF has to be administered regionally, but the LEPs cover much smaller areas. While the RDAs covered the whole of England, the LEPs are designed to be competitive, leaving some potential beneficiaries of EU regional funds without the necessary domestic institutional structures to facilitate match funding. As coverage will be far less extensive, so it will be more difficult to draw down EU grants. Moreover, the Coalition government has hinted that the LEPs will have much less autonomy in managing and allocating funds than the RDAs used to. These developments suggest that there is a strong likelihood of a return to the more conflictual mode of the 1980s and early 1990s.

More precise empirical research can map which organisations are motivated to engage in European funding bids. The case of Wales was selected as it provided sufficient similarities with the rest of the UK in the pre-1999 period, but substantial institutional divergence thereafter. Traditionally EU funds, in Wales as elsewhere, were the preserve of local authorities, which have by far the best expertise in the field. Local authorities dominated the early structural fund programmes (1989-1991, 1991-93) and remain as key players today with the best knowledge and expertise. From 1996 onwards, the reorganisation of local authorities, with the creation of the 22 unitary authorities in Wales, made local government into an even more effective player. The picture of local authority domination needs to be modified. They were challenged in the pre-devolution period (1994-99) by non-departmental public bodies (NDPBs) such as the Training and Enterprise Councils. Since 2000, moreover, the voluntary sector has massively invested resources in attracting EU funds and by 2003; the voluntary sector had become the largest player. On the other hand, in Wales as in the broader UK, it has proved difficult to involve the private sector. The UK government has resisted private sector involvement

because it can not be certain of clawing back grants that fail. The evidence presented above from the English regions suggested some improvement in meso-level political capacity and the development of rather denser policy networks encompassing local authorities, NDPB regional state and private/voluntary actors. But the gradual shift in England is much less marked than in the devolved governments (Sandford, 2006, Jeffery and Palmer, 2007).

In the French case, there is a much stronger argument that, over time, EU regional policy has led to substantial policy change. From 1988 until the end of the 1990s, in nearly all the French regions, adapting traditional methods of encouraging spatial developments to fit the EU's rules led to a number of significant changes (Smith, 1995, Pasquier 2009). In particular, the pluri-annual planning of development objectives and funding mechanisms frequently led to more detailed negotiations between the different public authorities and social actors (associations, chambers of commerce) involved. A significant proportion of regional budgets are now committed to multi-year development programs in which the Regional Councils, local authorities, the French national state, and the European Union all participate. Indeed, the regional planning contracts (*'contrats de plan Etat-Régions or contrats de projet Etats-région [2007-2013]'* – CPER) and the EU's regional policy have become the most important policy tools for territorial development in France today. Through the planning contracts, the French national state and the regions establish common objectives for development priorities and public investment in each region on a multi-year basis. The EU's regional policy, as implemented through the various structural funds, follows a logic similar to that of the CPER. In France, the two policy exercises are now closely coordinated; and at this broad level there is goodness of fit.

First introduced in mid to late 1988, at a time when decentralisation began to take effect, the reformed structural funds provided regional and local actors with additional, finance but also a set of new policy norms such as partnership, programming, concentration, subsidiarity development project and/or evaluation (Smyrl 1997, Pasquier 2005). In interpreting and using these norms, new relationships between local actors, the state administration and representatives of the Commission had to be forged in each region.

Pushed strongly by the Commission, the obligation to evaluate these programs ex ante, at mid-point and ex-post also led to more systematized forms of governing regional development.

If interactions remain mainly in the domain of multi-level government, the application of the subsidiarity principle has given rise to very different hierarchical configurations in France. In this complex game of mutual interdependence, the challenge is to combine two central, but often contradictory principles: the free exercise of delegated power by sub-national authorities, and the re-affirmation of the state's coordinating and leadership role. For the 2000-06 and 2007-13 contracts, 50% of the state's contribution was tied up in 'non-negotiable' projects – a way for central authorities to impose their priorities on the regions. If they are to make a difference in this process, the regions must be able to bring together the various public and private partners within the region's territory around a shared vision of the regional interest. To face these changes, the strategies of French regional elites have diverged widely. In some, such as Brittany, relatively harmonious partnerships between state prefectures, regional councils and department-level authorities were concocted. However in many others, such as Rhône-Alpes, Languedoc-Roussillon or PACA, implementing the structural funds has produced a battleground for regional-national and regional-local relations (Duran, 1998 Pasquier, 2004 Smyrl, 1997).

If the European Union has impacted on the development of multilevel politics, it is difficult to identify European integration as the main causal driver of enhanced decentralization (Pasquier 2009). The above examples demonstrate that the management of structural funds mainly reaffirms pre-existing national patterns of centre-periphery relations. More, decentralisation is not a settled state of affairs and the temptation to invent new forms of central steering is ever present (Cole, 2006). There remain powerful sources of resistance from within the central state machinery to allowing the regions to become the principal interlocutors of the Commission.

Territorial variations in 'unified' member-states

Patterns of territorial accommodation are likely to vary across member-states, and, quite possibly, across time within a particular member-state. One would not expect the same dynamics to take place in Germany, with a federal system emphasising *Länder* rights, but also policy uniformity, in Spain or in Belgium. Our selection of the UK and France was specifically designed to allow for cross-national comparison, but also to capture variation across time in both States.

The evidence presented in the UK and France suggests a pattern of regional variation, rather than any neat conclusion in terms of centralisation or decentralization. But the internal asymmetry is far more developed in the British than the French case. Evidence from England suggests some variation in the instrumental and ideational use of Europe as a coherent frame for regional elites. On the other hand, neither the (former) Regional Development Agencies, nor the broad-based public private urban regimes that developed in a number of English cities are a substitute for the powerful governments in Cardiff, Edinburgh and, increasingly, Belfast. The real divergence in territorial capacity in relation to European integration is a by-product of the devolutionary settlements of the late 1990s, which integrate territorial and institutional variation into the operation of the State. In recent years a range of studies have focused on the degree of policy convergence and divergence within the UK facilitated by the introduction of an asymmetrical form of devolution (Keating, 2002; Greer, 2004; Mackinnon, Shaw and Docherty, 2008). This literature has identified a wide range of factors that facilitate or constrain divergence and convergence including the political character and capacity of devolved administrations, the relative strength of territorially focused interest groups, the nature of party systems and public opinion across the constituent parts of the UK and the nature of intergovernmental relations. The case of the post-Devolution United Kingdom provides an excellent case study of variation across time within the context of a single member-state.

Before devolution (1998-99), Whitehall ensured alone the co-ordination of the UK position to the EU. Post-devolution, the system has been opened up. The new devolved governments have been brought into the process. There have emerged new procedures of

co-ordination and cohesion between the central UK government and the devolved governments. On occasions, such as the UK's contribution to the Convention on the Future of Europe, or in relation to regional languages, the devolved governments acting together have managed to steer the broader UK agenda. Devolution can also heighten tensions between different regions within the UK, however, as well as between central government and devolved authorities, as in the case of the Scottish Government and the UK government since 2007. Academic and practitioner accounts diverge somewhat in relation to how to interpret this case of asymmetry; one detailed study of Scottish-EU relations, for example, finds evidence of more continuity than conflict since the 2007 elections (Carter and Smith 2009), while another emphasizes diverging interests (Parry, 2008). What is less subject to debate is that, since the arrival of the Scottish National Party in power in Scotland in 2007, the informal mode of developing the UK's EU policy has been under severe strain.

In spite of their near-identical *formal* resources, French regions vary considerably in their practical approaches towards lobbying the European Commission or engaging in paradiplomacy. Over a span of centuries, but most particularly of decades, the strategies of regional and local elites have resulted in each region in a distinct regional model of collective action. In Brittany, the stabilization of relations among political, economic and cultural elites within a long-term regional coalition has forced the central state, and now the European Commission, to support a territorially defined regional development project. Indeed, political capacity is, at least in part, a process of mediation in which elites and social groups produce a vision of the world that allows them at once to structure relations among themselves and to define the very 'interests' that they are pursuing collectively. The European dimension clearly appears as a new structure of political opportunities for French regions; it gives them new norms and resources for action, though whether they avail themselves of these opportunities is another matter.

One must understand the EU capacity of French regional actors as a sociopolitical process rooted in an on-going social construction of territories and centre-periphery relationships. It is rooted, too, in identities, understood as a set of socially constructed

practices, beliefs and visions of the world which shape and guide the strategies of regional actors. Therefore, the EU capacity of regional actors results from a complex interaction between inherited practices and beliefs and new dynamics of political change and encompasses both formal and informal institutional processes (Pasquier 2003, 2004). We have uncovered evidence of close co-operation between the State and regional council in Brittany, but we could also have emphasised the much less harmonious relationships in regions such as Languedoc-Roussillon or PACA.

These examples from France and the UK suggest above all, however, that localities and regions in France and the UK vary in terms of their mobilization in terms of EU structural funds and, more generally, in their willingness or capacity to use Europe as a mobilising discourse.

Has paradiplomacy empowered sub-national players?

Our final line of enquiry investigates new forms of paradiplomacy, presented in the MLG literature as a key dimension of regional empowerment. The European Union has also encouraged and facilitated the paradiplomacy strategies of local and regional authorities in Britain, France and elsewhere (Hooghe, 1996). One of the main analytical problems raised by paradiplomacy is that its combination of formal and informal elements makes it difficult to grasp (Aldecoa and Keating, 1999). Three main activities can be distinguished in the paradiplomacy of the regions at the European level: influencing EU decision making; liaising with regional counterparts in the same or other countries, as well as national and EU institutions; and networking and information gathering. All the representation offices of French regions tend to do the two last activities. However some of them also try to develop real European strategies of projection and influence. The European strategies of the French regions depend on several factors: the framework of exchange among political, economic, and cultural elites; the relationships of cooperation or competition of regional-level political institutions with both national and local institutions and with relevant interest groups; and

the strategy selected by regional leaders concerning relations with European integration and institutions.

Turning to one precise case, elites in the historic French region of Brittany were quick to recognize the opportunities implicit in European integration. Breton leaders were among the earliest to understand the stakes involved. As far back as the 1960s, as the Common Market was gradually becoming an economic reality, the political elites of Brittany have been very sensitive to European issues. In 1973, the CELIB was one of the founding forces of Europe's first cross-border inter-regional partnership, the Conference of Peripheral and Maritime Regions (CPMR), which is today the largest territorial lobby in the EU. Within its own administrative services, the Brittany regional council quickly put in place a unit charged with European affairs. Together with the neighboring regions of Pays de Loire and Poitou-Charentes, Brittany has maintained a permanent representative in Brussels since 1988. The new president of the regional council, Jean-Yves Le Drian, created in 2005 a new 'European conference', which brings to together the four '*départements*' and the main cities of Brittany to define common positions around European issues, an initiative followed in 2006 by the launch of a 'Breton Embassy' in Brussels. This European strategy, added to the political influence of Breton leaders, permitted the financing of the high speed rail route (LGV) between Le Mans and Rennes in the 2007-13 State-Region project : "*We were not convinced by financing the LGV line between Rennes and Le Mans. But well, it was a political agreement between the Breton authorities and French authorities on one hand and the Breton authorities and the political level of the European Commission on the other. So, we accepted it*" (Interview, DG regio, Brussels, 2009). The Breton leaders, around the President Le Drian, convinced the Prime minister, François Fillon, and the French government to sustain their project in the face of opposition from the European administration which first refused to finance rail infrastructures in 'regional competitiveness' regions (Interviews 2008, Conseil régional de Bretagne, Rennes, DG regio, Brussels, SGAE Paris). The European administration (DG Regio) was forced to back down once a political agreement had been reached between the Brittany Regional Council, the French government and the EU Commissioner in charge of cohesion policy (Danita Hübner).

In the UK, English cities and regions have been involved in the range of EU-related activities that are common to partners elsewhere: setting up offices, involvement in lobbying and inter-regional and inter-urban cooperation. Building on the above section, there has also been a marked asymmetry between Wales, Scotland, and Northern Ireland, on the one hand, and the English localities and regions on the other. Whereas the English offices lobby for their localities and regions, the Welsh and Scottish offices are better understood as distinct agencies of the UK government operating in Brussels. The devolution settlements in Scotland, Wales and Northern Ireland retain a large oversight for the central government both in developing EU policy and in implementing EU law. The UK government (which usually, but not always signifies central government ministers) negotiates in the Council of Ministers and the European Council – including in those areas that are devolved to the regional institutions. The UK can insist on adopting secondary legislation at Westminster to implement EU directives. On the other hand, the Welsh and Scottish Governments exercise a direct influence in Brussels that is out of all proportion to their size, both directly, and through the indirect influence they bring to bear on the UK government.

For the devolved administrations have been able to combine their status as semi-sovereign proto-states with privileged access to core elites at the centre of the UK state. According to the 1998 concordat on the European Union, civil servants working for the devolved governmental offices have diplomatic status. Scottish, Welsh and northern Irish government officials have access to all official documentation circulated around the member-states, putting them in a privileged position in relation to the offices of sub-national governments of all other member states (with the possible exception of Belgium). The European arena provides a new structure of opportunities for ambitious devolved governments, whose offices are more akin to diplomatic missions than they are to standard regional offices in Brussels. The Scottish and Welsh Governments especially have attempted to exercise strategic leadership over the representation of Scotland and Wales in Europe and distanced themselves from local government offices, or mixed institutions such as the Committee of the Regions (Cole and Palmer, 2011, Moore, 2006;

Interviews, Welsh Assembly Government office in Brussels, 2004, 2008). Though this process of paradiplomacy is partly symbolic, it has produced specific outcomes, such as the success of Wales in achieving the recognition of Welsh as a co-official language of the EU in 2008, using the diplomatic alliance with Catalonia to push its case.

Scottish and Welsh officials are present in Brussels in all areas where there are significant devolved powers. Since the arrival of the Scottish National Party (SNP) in power in Scotland in 2007, the informal mode of operation has been under strain. The core principles in the relationship between the UK and the devolved governments were identified by Carter and Scott (2003) as no surprises, the devolved authorities as stakeholders and the need for joined-up governance. Each of these has been challenged since 2007.

Conclusion

In the conclusion of one detailed study of cohesion policy from 2000-2006, no single country (not even Germany) emerged from the 2000-2006 round with a perfect goodness of fit between its domestic priorities and targeted EU regional policy objectives (Wishlade, Yuill and Méndez (2003). In their different ways, France and UK were both caught between the tensions of pressures to conform to a European norm and the persistence of precise institutional configurations and domestic preferences. In neither case, however, did the domestic level simply conform to an EU norm.

In our discussion of EU Regional policy in France and the UK, the strongest hypothesis of policy *transformation* as a result of Europeanisation appears excessive in our two cases. The English case provides strong evidence that, though national administrative and institutional structures are affected by EU regional policy, the EU dimension is not the core consideration of any institutional design. The most recent developments in England suggest that the coalition government did not take the EU dimension into account when abolishing the RDAs and creating the new LEPs. Older trends – whereby a Conservative government resists interference from Brussels and is quite prepared to lose budgets as a

result – have shown their persistence. In the case of France, the balance of power between levels and the main institutional architecture of French decentralisation have not been transformed by EU cohesion policy, insofar as they are built upon existing institutions. But we can observe a form of policy *recalibration*, whereby Europeanisation strengthens regional capacity building by providing additional resources for regional actors. Consistent with the mobilisation hypothesis, the European dimension clearly appears as a new structure of political opportunities for French regions; it gives them new norms and resources for action.

Overall, the evidence does not clearly support any of the hypotheses clearly over the others. The cases considered offer some evidence of *inertia* (the management of structural funds reaffirming pre-existing national patterns of centre-periphery relations), some evidence of policy *recalibration* (in the UK devolved nations and the French regions), but none of policy *transformation* as a result of EU cohesion policy. As a more general point, structural funds policy is perhaps not the most appropriate instrument to measure policy change; from this survey, structural funds are an epiphenomenon of deeper explanatory variables rooted mainly (but not exclusively) in domestic institutional orders and change. These examples from France and the UK both suggest that, if national patterns of centre-periphery relations are subject to sometimes quite rapid change, these domestic drivers logically precede effects that might be attributed to Europeanisation.

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