EU regional policy and sub-national authorities: gateway to the future or blind alley?

Abstract
The paper sets out to explore the link which exists between the role played by the European Commission in the formulation and design of EU regional policy, and the concept of sub-national mobilization. It is suggested that the second-generation EU regional policy which emerged by way of the 1988 reform of the Structural Funds represented an implicit political promise on the part of the Commission to involve sub-national actors more openly in European decision-making. The framing process in policy-making is highlighted as the means employed by this supranational institution, using Scotland as a case study. The view often expressed in state-centrism and intergovernmentalism is that only the outright capture of decision-making powers and resources from national governments really serves as evidence of sub-national mobilization. Here actor-based approaches which emphasise considerations such as ideas, influence and the normative elements in public policy-making are preferred for their ability to explain how policy ideas in the form of policy frames can be transplanted across national boundaries by way of supranational institutions.

1. The policy in context of EU developments: 1988 to 2000

The fall of the Berlin Wall in 1989, and the subsequent re-unification of Germany presented the European Union with arguably its greatest challenge to date, that of considering new central and eastern European countries for membership. Several major political components of the EU strategy on enlargement have been put in place since then. In 1993, the European Council in Copenhagen agreed that the Associated Countries that so desired should become members of the Union. In 1994, a pre-accession strategy was adopted by the Essen European Council. At its heart were three key instruments: the bilateral Europe Agreements; a Structured Dialogue for multi-lateral talks at ministerial level within the framework of the Council; and PHARE, the financial and technical assistance programme. The Madrid Council in 1995 set the timetable for the Commission to submit opinions on individual applications after the 1997 Intergovernmental Conference. The Agenda 2000 reforms, first submitted in July 1997 represented the Commission’s response to this request. In this context, Agenda 2000 may be seen as a crucial element in the process of the integration of the Central and Eastern European Countries (CEECs) into the European Union.

The 1997 framework contained broad outlines for new structural fund regulations and was followed by more detailed proposals by the Commission in 1998. The final version of Agenda 2000, as agreed by European heads of state or government, was published in 1999. The proposals were aimed at solving common European challenges in
new and efficient ways, as well as being part of the effort to prepare for enlargement with a number of new member countries. The ‘new’ regional policy which finally emerged was the product of much hard bargaining on budgetary matters by member states at intergovernmental level. The core principles of the policy are concentration, programming, partnership and addi

tionality. These principles, taken together with the expressed desire of the Council to pursue decentralization, stipulate full participation in the policy-making process for all levels of government in member states. That is to say full participation of the local as well as the national and regional levels. These developments reflect member states’ desire to ensure that EU regional policy continues to be central to their ambitions for a Europe of the future. Agenda 2000 represents the culmination of a process of creative policy framing on the part of the Commission, aimed at involving sub-national actors more openly in European policy-making. In this process 1988 was, to some extent, a watershed.

The Single European Act (1986) had marked a change in emphasis from the “first generation” regional policy, restricted to co-financing national policies, to a more politically-conscious regional policy with a Community-wide vision. This change in emphasis was reflected by the Delors budget package in 1988, which doubled the size of the Structural Funds so that by 1993 they would account for 25% of the Community budget. As was the case in 1997, negotiations on each of these reforms took place in a political atmosphere in which enlargement played an important role. The increase in size of the budgetary allocation for EU regional policy was sufficient to generate interest on the part of commentators who had tracked the Community’s progress for decades.

An overview of the literature
Traditionally, much of the research on EU regional policy in general, and on the European Regional Development Fund (ERDF) in particular, focused on horizontal negotiations between member states. These negotiations mostly centred around the overall size of the Fund’s budget, and the member states’ respective allocations from it. From this perspective, the role of the European Commission and sub-national authorities was generally interpreted as marginal to what is essentially an intergovernmental process. The member states retain primacy as ‘gatekeepers’ between the supranational community and domestic actors: that is to say, they control the policy process. But successive reforms of the ERDF, and crucially the 1988 reform of the Structural Funds, have afforded opportunities for analysts to look at the extent to which the Commission is able to act beyond the member states’ gate-keeping position, influencing how the funds are used. Such studies point the way to wider conceptions of how the Commission interacts with sub-national authorities, taking account of an additional domestic politics perspective. Following this line of inquiry, the intention of this paper is to establish the extent to which the EU regional policy frame as it has developed since 1988 admitted new participants to EU policy-making at regional and local levels.

Because of its potential for circumventing national governments, EU regional policy has become a critical case for scholars concerned with the political and institutional consequences of European integration. Anderson (1990) suggested that:
The strengthened ERDF clearly has the potential to alter the resource interdependencies of domestic network participants in member states, and thus to transform existing relationships between government agencies and their policy clienteles in the provinces. In the first place, the reforms place additional administrative burdens and the threat of legal sanctions on national policy-makers which could render them more dependent on sub-national groups, whose co-operation, information and organizational capacities are required to assemble acceptable development programmes and Community Support Frameworks (CSFs)

(Anderson 1990: 430-1).

In the mid-1990s, this renewed academic interest in studies of the regional dimension coincided with a wider refocusing on the concept of nation states (see Jeffery 1997), and encouraged the use of the region as a lens through which political scientists might scrutinise the further development of EU regional policy. The literature encompasses an increasing number of studies published on the sector. One element common to most of these studies is that while levels of decision-making are still accorded their due significance, more emphasis is placed on channels of access to the EU policy process. These channels, once inaccessible, are now arguably increasingly available to sub-national authorities (see Weyand 1996). These same political actors have evidently been concerned to open up and/or to exploit new channels of access to ‘Europe’ as a means of influencing policy. More specifically, the role of sub-national authorities, their growing involvement in the EU’s structural fund programmes, and participation in pan-European networks of local and regional authorities is cited as one of the more remarkable features of the past decade. The 1988 decision to administer the new structural fund programmes as partnerships between central and local government, the Commission and other relevant actors, is seen by some as one of the key institutional reforms of the time. In a sense, one core goal of the policy’s designers, the Commission, was a policy made for the regions and by the regions, and such an objective was certain to meet resistance from central governments: ‘especially in the more centralised states such as the UK and especially when they were facing demands for devolution. Some even saw the principle of partnership as an early example of subsidiarity’ (Bache 1998: 75). There is a wide consensus in the literature that change affecting sub-national authorities has undoubtedly occurred in the EU regional policy sector, but the nature of that change and its effects continue to be subject to competing explanations (for a brief overview, see Sutcliffe (2000)

A considerable body of work on the ‘Europe of the Regions’ looks at the combined effects of regional assertion and European integration (Keating 1997: 161) The characteristics of proponents of this concept are described as follows:

Some wishfully see the nation-state as caught in a vice between Europe and the regions, and doomed to disappear - these include both functional determinists who point out that the state is losing its functional rationale, and a variety of utopian thinkers,

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1 For a brief overview of the channels, see Jeffery 1997: 5
2 For a review of the subject see Hooghe and Keating (1994) and Marks (1992)
communitarians and post-modernists, who regard the state as an artificial and oppressive machine and dream of a Europe of peoples.

(Kearney 1997)

Others such as Jones and Keating (1995) favour the idea of third-level politics, in which different levels of governance compete or coexist, while Marks (1993) presents a more complex picture, one of the emergence of a new pattern of governance. He predicts, as neofunctionalist theory would have predicted, that the 1988 reforms would have unintended consequences. Among these would be the strengthening of the Commission and the mobilization of regional and local governments, vying for resources and competences and forming alliances both with and around member governments in what he calls a system of ‘multi-level governance’. Hooghe (1996) supports this position, with the view that the Commission’s intention was not simply to improve the efficiency of EU regional policy, but to give it features specifically designed to penetrate national policy processes through its unique institutional framework.

Overall, from this perspective, the argument is that the objective of the new cohesion policy was to ‘empower’ sub-national authorities in the European policy-making arena, including those from member states where they are extremely weak. In addition, it is argued that the Commission, by specifying how this empowerment should be organised (via the administration of these new structural fund programmes) hoped to achieve a uniform pattern of sub-national involvement in EU regional policy and decision-making. The term most commonly applied to this type of involvement is ‘sub-national mobilization’. A link is posited between the role of the Commission in the formulation and design of EU regional policy on the one hand, and sub-national mobilization on the other. A so-called phenomenon is presented which can be conceived of as ‘empowerment’ or ‘involvement’ or both. But detailing the conditions likely to foster sub-national mobilisation does not further our understanding of how this phenomenon really works. The constitutional position of sub-national authorities varies widely throughout the EU as does their ability to influence the policy process. Therefore a study such as this must limit itself to one member state, the UK, and to one region, Scotland, in an effort to establish the nature and extent of sub-national mobilization in these territories.

2. Policy frames, power and the role of ideas

In theoretical terms, this paper questions the view often expressed in state-centrism and intergovernmentalism that only the outright capture of decision-making powers really serves as evidence of sub-national mobilization. For one thing, it is extremely difficult in EU regional policy to identify a dominant actor. Dominance may be said to vary with the phase of policy-making, and in some instances there is no dominant actor: control is shared in a way that makes actors mutually dependent (see Rhodes et al. 1997) This is particularly evident when looking at partnerships. Such findings are somewhat at odds with the conventional wisdom that any discussion of political power in the European Union must take the nation state as its point of departure (see Hoffmann 1982; Milward 1992; Moravcsik 1993). Hooge (1996) argues that developments in EU regional policy indicate significant changes in national sovereignty: ‘State sovereignty in the
conventional, absolute sense, has been eroded’ (Hooghe 1996: 16). This view is vigorously challenged in the conceptions of power and sovereignty utilised by other political scientists (see, for example Moravcsik 1994; Pollack 1995). Hooghe does, however, concede that: ‘national state actors still command significant relative power compared to European, transnational and sub-national actors; national state sovereignty has not been replaced by a European sovereign state’ (ibid: 16). Member states and their power have most impact on the policy process when the budgetary allocations are set and proposals for change in the regulations collectively agreed. These decisions then set in train a process involving the European Parliament, the European Commission and sub-national actors in setting, shaping and implementing EU regional policy over the ensuing five to six years. In this phase, member states’ dominance decreases as European and sub-national actors take up their tasks of designing and implementing the necessary development programmes. They supply resources such as information, expertise, the capacity to organize and democratic legitimacy. In so doing, they enter a game in which supranational, national and sub-national authorities each try to exert maximum influence, while at the same time avoiding being dominated by the other players (Jones and Keating 1995).

The neo-functionalist model, on the other hand, envisages sub-national or transnational elites (e.g. the private sector and the multinationals in member states) forming alliances with the supranational institutions to manipulate the EU agenda and shape the options apparently on offer to national governments. In addition, it is argued, state executives had over time learned to take account of the views of their EU partners and, to some extent, of the supranational institutions (see Cameron 1992; Sandholtz 1992). From this perspective, alliances between sub-national actors and supranational institutions, and the political behaviour learned in the European arena have shifted authority away from individual national governments and towards supranational institutions and elite sub-national actors.

Both of these traditional approaches are centred on how power shifts between the member states and the supranational level, and which level at any given time dominates. The role of elected sub-national authorities in EU regional policy-making, and their relationship with the Commission is largely neglected. The logic of these models implies, in the case of state-centrism, that sub-national mobilisation will remain almost uniformly weak in the face of powerful state sovereignty. Neofunctionalism, for its part, maintains that it is possible for supranational entrepreneurship and learned institutional behaviour to encourage the growth of sub-national mobilization across the EU, together with a shift of state sovereignty to the supranational and sub-national levels. Neither of these premisses seems to fit comfortably with my findings so far.

Towards a more nuanced approach:
A more promising prospect is offered by the concept of multi-level governance in the EU, which allows much more explicitly for the possibilities of sub-national involvement in European politics. In this approach, the sub-national level is considered to be next in line in terms of importance to the national and European levels. As such, it can choose either to endeavour to influence EU regional policy-making via the member state, or to gain direct access to the European arena by setting up offices in Brussels, taking part in
Europe-wide associations for sub-national interests, or getting together with other sub-national authorities to find solutions to specific European issues (see Marks et al. 1993; Hooghe and Keating 1994). According to this model, sub-national empowerment is: ‘but one dynamic in a wider process of power dispersion in the European Union, in which political control has also spun away to strengthen European institutions, and in which national state institutions have retained significant control over resources’ (Hooghe 1996: 18). It is not anticipated that sub-national mobilization will grow at the same rate or in the same way in the EU. Rather, those sub-national authorities having a wider range of resources for policy-making (information, organization, expertise) are seen as having a much better chance of access to the process, as are those whose constitutional-legal resources are strong. Sub-national empowerment is not envisaged as replacing nation states, nor is Europe expected to become a “Europe of the Regions”, but much of the literature surrounding the 1988 reform of the Structural Funds and the cohesion concept concerns itself with the perceived power struggle in this policy sector between the European Commission, on the one hand, and member states on the other. This multi-level governance model is not without its critics, some of whom question its ‘top-down’ perspective, pointing out that it neglects the possibility that sub-national authorities may themselves, and from the ‘bottom up’, actively seek to change the dynamics of their intra-state relationships (see Jeffery 1997). However, its notion of sub-national mobilisation and access to the policy-making process do offer an opportunity to examine EU regional policy and the role of the Commission in its formulation and design from a different perspective.

Alternatives and options
It might be argued that approaches such as the above, concentrating as they do on power and resources, leave little room for the ‘puzzling’ that takes place in the policy process (see Heclo 1978). That is to say they leave insufficient room for considerations such as ideas and influence. For that reason, this work prefers to draw on approaches informed by a recognition of the importance of values, ideas and representations in the study of public policy in order to study the role of the Commission. In so doing, the paper follows a trend in the analysis of public policy, characterized by the development of approaches which emphasizes the influence of cognitive and normative elements in public policy-making. Several of these approaches shed light on the influence of ‘world views’ (Rein and Schon 1991; Jachtenfuchs 1995; Jachtenfuchs et al. 1998) ‘preferred world vision’ (Adler and Haas 1992); ‘shared perceptions of world states’ (Sabatier and Jenkins-Smith 1993); ‘states of the world’ (Moravcsik 1998). Other such conceptualizations are variously based on the notions of paradigm (Hall 1993); advocacy coalition (Sabatier and Kenkins-Smith 1993; Sabatier 1998) and the referentiel, as defined by Bruno Jobert and Pierre Muller (Jobert and Muller 1987). A critical review of these different models, and the type of research orientation they give rise to may be found in Surel (2000).

Framing policy in the context of a ‘world view’
The role of ideas in polity-building and policy-making has been well-documented (see Jachtenfuchs 1995 for recent literature on analysis of ideas). It is widely accepted that
interests are important in politics, but some analysts take their line from Max Weber’s sociology of the world of religions, which says that (material and ideal) interests directly determine the course of action, but that ideas or world views have often pushed the path along which action has been pushed by the dynamics of interests. In relation to decision-making, ideas are for some scholars the key independent variables that explain why different institutions and legislation arise in different historical periods. In addition, the ideas and beliefs of those administering the legislative system can also affect policy outcomes. Institutions can, therefore, enshrine certain fashionable economic and political ideas at the time of their inception, and carry them forward to influence future policies. The flow of ideas is difficult to model (Hall 1993), but the policy-making process can be structured by a set of ideas just as it can be structured by a set of institutions. Given that ideas are an integral part of both processes outlined above, how do they permeate the political system?

From a ‘macro’ perspective, Jachtenfuchs (1995) introduces the notion of ‘world views’ as a concept for the analysis of the interaction between institutions and ideas. Based on neo-institutionalism, it draws upon the ‘culturalist’ approach to institutions, assigning a prominent role to ideas, norms, symbols, values etc. usually subsumed under the heading of ‘culture’. In this perspective, institutions have a dual character, being not only a neutral device for the accommodation of different interests in the pursuit of common policies, but also providing symbolic guidance for societies:

The political institutions of Western democracies, for example, are not only arenas for conflict mediation between different groups in a pluralistic society or mechanisms for delivering public policy, but stand for specific values about how political and social life should be organised.

(Jachtenfuchs 1995: 116)

Actors construct their identity and their reality by reference to world views: they are a social phenomenon which individuals might share. From this perspective, an amorphous, ill-defined problematic situation can be made sense of and acted upon (Rein and Schon 1991: 263). World views are stable patterns of perceiving and interpreting the world: a way of selecting, organizing, interpreting and making sense of a complex reality so as to provide guideposts for knowing, analysing, persuading and acting. On the basis of these shared appreciative systems, new data and ideas are interpreted. They may bound the collective discourse on policy, as well as guiding decision-makers in the choice of appropriate norms and appropriate institutions within which to resolve and manage problems. Ideas, by ‘ordering the world’ may shape agendas, which can profoundly shape outcomes.

The concept may be taken up and developed to accommodate the study of the EU and its policy process. Focusing on an understanding of the EU as a system of governance, it might be argued that the institutional and policy development of the EU depends, at least in part, on normative ideas about a legitimate political order (polity ideas). At some point, these world views/polity ideas must make the transition from their institutional setting to the policy process, and they do so by means of a policy frame. This
is a vehicle for ideas: ‘and because ideas put blinders on people, reducing their number of options, they serve as invisible switchmen, not only turning action onto certain tracks rather than others…but also obscuring the other tracks from the agent’s view’ (Goldstein and Keohane 1993: 12). Thus a policy frame can re-shape the way policy actors consider existing problems and subsequently ‘bias’ the options search which follows (Dudley and Richardson 1999: 225). It is possible for a problem to be identified in such a way as to focus attention on certain elements. For example, the initial absence of an EC-level regional policy has been regularly attributed to the fact that the founders of the Community expected the growth of the 1950s and 1960s to reduce regional disparities automatically (ergo there was no need of one). In the early years it was widely assumed that the Common Market would generate enough growth to solve regional economic problems without specific measures. Regional disparities within the Community were not considered by the six original partners to be a problem which should be dealt with at Community level prior to 1973. Such was their collective world view.

But study over time reveals that thereafter a series of ‘history-making decisions’ has consistently impacted on EC/EU regional policy, creating the need for change. These decisions have, for the most part, been linked to enlargement of the Community or its prospect. These so-called ‘grand bargains’ (Moravcsik 1998) have almost invariably disturbed the balance of economic equality among regions. They have created demands for change in the policy process from member states themselves. These demands have meant that since 1973 and the first enlargement the European Commission has been charged with various tasks. They include the framing of EU regional policy, that is to say formulating and re-formulating EU regional policy, designing and re-designing policy instruments, drafting and re-drafting regulations. All were to accommodate a developing and growing Community. This has been the pattern of change, but the decision to double the Structural Funds in 1988 and to adopt cohesion as a core concept in regional policy re-kindled interest in the regional dimension in general and in sub-national authorities in particular. Subsequent developments in the policy sector over the past decade give rise to the following questions in relation to this study:

- Has the European Commission’s series of proposals for the formulation and design of EU regional policy since 1988, in response to such ‘history-making decisions’, significantly altered the development of domestic regional policy in the UK?
- Were ‘windows of opportunity’ presented to sub-national actors by means of EU regional policy, giving them access mechanisms to EU policy-making previously denied?
- As a result of such access/involvement, has the structure of authoritative decision-making in EU regional policy been re-calibrated? In other words, have the relative roles played in the UK’s EU regional policy by national government, on the one hand and sub-national authorities on the other, been altered? If so, how and why?

4. **The world of the policy**

From 1961, when the Commission convened a conference in Brussels to provide broad outlines of a Community approach to regional policy, a process was begun which would eventually lead to the creation of a European Regional Development Fund. It is generally agreed that the policy which emerged in 1973 was one firmly controlled by member
governments and not by Community institutions (for more detailed accounts of negotiations, see Wallace 1977; Vanhove and Klaasen 1987). Intergovernmental meetings were the arenas in which national quotas were thrashed out, and the Commission’s function was restricted to approving projects submitted by national governments, significantly not the sub-national sponsors who, in the case of the UK were usually local authorities (Bache 1999: 30). Reluctant member governments took account of the need for regional measures created by enlargement, economic and monetary union and the issue of national state aids to industry. But they also took care to ensure that the policy delivery mechanisms were designed in such a way as to prevent the new Regional Fund being used as an instrument to undermine their power, either from above, in the shape of the Commission, or from below, by way of regional or local authorities.

Secondary sources and empirical evidence suggest that the Commission’s influence over the early development of regional policy could be described as significant in some areas but severely constrained in others (Pollack 1995). Where the Commission did make progress towards a supranational policy, it did so through its agenda-setting powers. In terms of decision-making, however, the consensus view is that the direct influence of sub-national authorities and other interests on Community-level decision-making was negligible: ‘Little has yet happened to disprove that the Fund is essentially “cosmetic” and conceals the lack of a genuine desire among member states to adopt interventionist policies at a Community level capable of reducing spatial inequalities in wealth’ (Wise and Croxford 1988: 187). It is not surprising, therefore, that accounts of the regional policy process up to 1988 deemed it a: ‘virtual paragon of intergovernmentalism’ (McAleavey 1992: 3). But the re-launch of European integration in opened up the causal role of major EC organisations including the European Commission (Sandholtz 1992) and the European Parliament (Tsebilis 1994). In 1986, an Intergovernmental Conference was convened to negotiate the Single European Act (SEA). It was the culmination of a series of significant steps which deeply influenced Community process, peoples and structures, and clearly transformed what was universally viewed as a sclerotic and ineffectual entity into a dynamic force in European and world affairs (Cafruny and Rosenthal 1993: 2).

1988 reform of the Structural Funds
Prior to the Single European Act, analysts had argued that the roles of the European Commission and sub-national authorities were largely played out on the periphery of policy-making in the field. From this perspective, the ERDF was used to support national regional policies, and hence to address regional disparities within member states rather than to reduce Community-wide regional disparities. De facto control over the ERDF remained with member states, reducing the Commission’s role to the symbolic one of “selling itself” at the local level. In 1985, however, the Commission successfully proposed and introduced the Integrated Mediterranean Programmes (IMPs). These were designed within the Commission, and were the product of knowledge and experience accumulated in a previous decade spent in formulating and designing innovative policy instruments. The Commission introduced ideas such as the integrated approach (using the format of integrated operations previously used in Naples and Belfast), the incorporation of various structural funds and the increasing emphasis on indigenous growth and
development in regions, always aiming to be in the forefront of new approaches to regional development. Close attention paid by the designers to changing emphases in regional development literature produced new policy ideas. These formed the basis on which the Commission attempted to build: formulating and re-formulating proposals, designing and re-designing regulations, framing and re-framing policy in pursuit of its strategy to finally put in place a Community regional development policy in which all public authorities were involved.

Much of this work had been accomplished by the time the Single European Act inserted a new Title V (articles 130a-e, now 158-62) into the Treaty of Rome. For the first time, a link was established between ‘concern to strengthen economic and social cohesion’ and the aim of ‘reducing disparities between levels of development of the various regions and the backwardness of the least favoured regions, including rural areas’. The decision to up-grade the Structural Funds marked a change in emphasis from the “first-generation” regional policy, restricted to co-financing national policies to the EU’s more politically-conscious regional policy with a Community-wide supranational vision (Bradley 1998). This change in emphasis allowed the Commission to exercise more fully its skill in designing appropriate mechanisms, the policy instruments required to address serious regional issues. As yet, there was little encouragement for sub-national authorities, despite evidence of their strong interest and a desire, on their part, to participate in Community regional policy since its inception. Indeed, using the term ‘regional’ as an umbrella denoting regional, local as well as territorial units, Thomas Christiansen argues that the SEA created a fundamentally different environment for regional governments, without actually giving sub-state actors any formal role in European politics (Christiansen 1996: 94). The onus was on the Commission this time around to frame policy in such a way as to secure their involvement in the policy-making process.

It should be emphasised at this point that the guiding principles of the priority objectives of the 1988 reform had informed European Commission attempts to reform the ERDF since its inception. The terminology has not always been the same (for example, the term partnership appears only to have been used in the 1983 proposals). That said, the Commission had, over time, pursued acceptance of these principles and objectives, despite the somewhat sporadic nature of its progress. In 1988, during a period of optimism and expanding competencies for the Commission, these principles were made explicit and given a firm footing in the revised Regulations. The fundamental principles appear in the Commission’s own Guide to the Reform of the Community’s Structural Funds (1989) and were:

- **Concentration**: the principle that the allocation of the structural funds and loan instruments of the EC should be concentrated in favour of the most disadvantaged regions, focusing on those priority regions experiencing the greatest difficulties
- **Programming**: the principle that assistance should be disbursed and managed through multi-annual programmes rather than an individual, project-based system
- **Partnership**: the principle that the Commission, the member-state government concerned and competent authorities at the national, regional and local levels should consult as a partnership in the preparation, financing, monitoring and assessment of programmes, all in pursuit of a common goal
• Additionality: the principle that European grants should be additional to (and not a substitute for) national assistance to target regions.

Of these, partnership was the critical innovation introduced by the 1988 reform, and consultation of sub-national authorities was made a formal requirement by the Framework Regulation adopted by the European Council in 1988. It defined partnership as:
close consultation between the Commission, the member states concerned and the competent authorities designated by the latter at national, regional, local or other level, with each party acting as a partner in pursuit of a common goal

(Regulation EEC2052/88)

The role of partnerships was to be active in the management, presentation, financing, monitoring and assessment of structural fund operations, including preparation of regional development for submission to the Commission; negotiation of the Community Support Frameworks; implementation of the Operational Programmes; and monitoring and assessment of measures taken (Bache et al. 1996). The Commission hoped that formal involvement of sub-national actors most familiar with the problems and priorities of targeted regions would make regional policy more effective. ‘Regions had long been absent from the national formulation of development policies, which had only been for the regions but not by the regions. ‘The Commission’s new regional policy was formulated on the basis of an effective partnership between the three levels of institutions [sub-national, national and supranational]’ (Nanetti 1996: 64). The principles of programming and partnership formalised relationships which had existed for several years among and between sub-national authorities in member states. Regional authorities in the UK, for example, did get involved in Joint Venture Initiatives with selected regions: Asturias in Spain; Piedmont in Italy; Nord-Pas-de-Calais in France. As one leading local government politician put it: ‘We had a kind of partnership: we visited them and they visited us’. Regions in the UK also learned how to combine forces to apply for resources from the Social Fund (Strathclyde Region and Highland Region). The experience of Scottish regions from 1985 until their dissolution in 1994, though by no means prototypical, is an interesting one, and will form part of the later case study on Scotland.

The decision to raise the profile of EU regional policy was taken by member governments, thus elevating it from its former ‘marginal’ status to that of a flag-ship policy. But the allocated task of designing the actual policy, which emerged via a “policy window” of member-state receptiveness to Commission proposals for structural fund reform, presented the Commission with an opportunity to exercise more fully its skills in policy framing. That is to say its skills in sifting ideas, designing institutional mechanisms and policy instruments all aimed at involving all public authorities in the regions in the policy process. By means of programming and partnerships the Commission tried to fulfil its implicit political promise to ensure their full participation in the regional policy process. In the context of a general expansion of EU competencies, not only were the financial resources devoted to the Structural Funds doubled, but the rules governing this operation were re-written in a manner consistent with the Commission’s prior creative attempts to frame policy in line with its new policy ideas on the way forward for Europe.
The 1993 reforms

In March 1992, the Commission published its Assessment and Outlook for the Community Structural Policies (1992). The document contained a wide-ranging review of the progress made under the reformed funds, and their impact at the mid-point of implementation. Despite concerns expressed by member states regarding the bureaucracy surrounding the three-stage planning process, the overall assessment was relatively positive. However, the scale of disparities between regions continued to cause concern, and the Commission proposed further significant increases in structural funding amounting to two-thirds over five years. The report recommended that the main principles of the 1988 reform - concentration, programming, partnership and additionality be retained. The second structural fund reform originated from a meeting of the European Council in Maastricht in December 1991. There was a perception among member states that the Community should move towards closer economic and political union, and a recognition that measures to achieve economic convergence would be endangered without associated action to improve economic and social cohesion. Member states too were now in pro-active mode, and the Treaty of Maastricht raised the profile of EU regional policy by establishing economic and social cohesion as one of the pillars of the Community structure.

The Commission’s proposals for reform did not go far enough for some of the partners who proceeded to change the substance of them in several non-trivial ways to respond to concerns about the distribution of the funds, efficiency, and member-state control of the funds’ operation. These changes involved redistributive issues, the designation of Objective 1 areas, and the overall distribution of funds among the member states. A number of administrative changes were also made by the Council, which had the effect of increasing the extent of member-state control over the implementation of the funds. Negotiations took place at the very highest level, and in a highly-charged, politicised atmosphere. Each proposal was examined in minute detail by member states. The process led many commentators to conclude that the influence of the Commission was being severely curtailed by the pro-active stance adopted by member-state governments, and that this would have the effect of reversing the Commission’s ambitions to mobilise sub-national authorities.

Theoretical considerations

The 1993 reform of the structural funds can be interpreted from different perspectives. A state-centric version would assume that member states can always push through changed preferences, changed ‘world views’, as in the 1988 reforms when the Commission was granted more autonomy on the grounds of efficiency and effectiveness of policy administration. Similarly, there is an assumption made by state-centrism and intergovernmentalism that member-state executives can always change the rules to get rid of unintended consequences. That is to say consequences such as sub-national mobilisation via programming and partnership inadvertently sanctioned in a bid to secure efficiency and value for money. What such views tend to neglect, however, is the fact that the Commission, by proposing more flexible procedures with more emphasis on evaluation, control and decentralisation, might be seen as simply accommodating member-state concerns. The Commission’s creative framing is evident in the revised
implementing regulations and the new institution, the Committee of the Regions, delivered by that institution to sub-national authorities and other bodies such as those in Scotland who had, by this time, at least five years’ experience of some kind of involvement in EU regional policy. These learning activities included, for example, participation in Community Support Frameworks and Community Initiatives; being members of the Consultative Council for Local and Regional authorities; joining lobbying groups for Objective 2 areas. The mid-1990s was a period of consolidation, in which sub-national authorities arguably broke little new ground, but lost none of the ground previously secured.

4. Agenda 2000: Framing a policy to match enlargement

Enlargement: a changing context

The Agenda 2000 reforms, first submitted in July 1997, took place within a very different context from that of 1991. A detailed examination of decisions taken at the Madrid Council in 1995 and the Luxembourg Summit in 1997 identifies the strategies adopted by the member states as they attempted to construct a blueprint for a ‘new’ Europe. Applicant states in an enlarged Europe would have the potential to make demands for a substantial share of the available structural funds, while governments of existing member states gaining from structural funds would be unwilling to sacrifice their receipts. In the 1999 General Report by the Commission, the direction in which member states wished to proceed is laid out. All concerned in the negotiations understood that simply to apply the existing structural fund criteria to the new member states would not be financially practicable for the EU. But poverty and instability in those applicant countries might threaten the EU’s arrangements designed to secure peace and democracy for all. Therefore, in the wider context, member states had to make some financial sacrifices in order to preserve both internal and external security. A ‘new look’ regional policy was to be the order of the day.

The Berlin Summit more than doubled pre-accession assistance to the candidate countries of Central and Eastern Europe from the year 2000 onwards, making 3.120m euros available every year between 2000 and 2006. It was agreed that adequate transitional support for regions no longer eligible for assistance be put in place as an essential counterpart to greater concentration of structural funds, so as to underline results secured by structural assistance in the regions which in future would no longer meet the relevant eligibility criteria. The four current beneficiaries of the Cohesion Fund would continue to be eligible for assistance in order to further economic and social cohesion in the Union and solidarity among member states. In May 1999, the Treaty of Amsterdam came into force, aimed at strengthening democratic controls and putting the EU to work in new areas such as job creation and protecting societies against organised crime and illegal immigration. The new European Parliament, elected in 1999, was very supportive of the Agenda 2000 proposals.

A European Council meeting in Amsterdam in June 1997 had successfully concluded the Intergovernmental Conference, opening the way to the launch of the enlargement process. The European Commission was tasked with presenting its opinions on the accession applicants, together with a comprehensive communication (Agenda 2000). This exercise was intended to cover the development of Union policies, including
agriculture and structural policies, the horizontal questions related to enlargement and, finally, the financial framework beyond 1999. The Commission’s Action Plan, *Agenda 2000 and the Single Market: A Bridge to Central and Eastern Europe* was to form the basis of a renewed political effort to remove remaining political obstacles, so as to ensure that the full benefit of the Single Market might be realised.

The reform process contained in *Europe’s Agenda 2000*, finally published in 1999 is ostensibly about re-shaping the Union so that it can make a success of enlargement and, at the same time, deliver better economic prospects for Europe’s citizens. A key component is the ‘new look’ regional policy, with its emphasis on concentrated aid, focused funding and decentralised management. In respect of decentralisation, it is stated that there should be a clearer division of responsibility in the management of the Structural Funds and a ‘stronger application of the principle of “subsidiarity”’ - taking decisions as close as possible to the people affected. Enlargement remains the “historic prospect” for the EU with Accession Partnerships proposed to help each candidate get into shape. In pursuit of this goal, the Institutional Agreement reached in May 1999 binds the European Parliament, the European Council and the Commission to respecting spending ceilings, to cooperating more effectively, and applying discipline in the Union’s budgetary procedures. For now, all of these institutions appear, from their public pronouncements at least, to share the same world view: that of a secure and stable future for the enlarged European Union.

### The ‘new look’ regional policy

There is no doubting the enthusiasm being expressed by the Commission for this historic undertaking. President Romano Prodi, in a speech to the European Parliament in February 2000 reiterated many of the central tenets contained within the framing of the ‘new look’ regional policy, including the desire for a new, more democratic form of partnership between different levels of governance in the EU. Central to the design of *Agenda 2000* is the theme of ‘local development’. Broadly speaking, it is defined as a development process based on the use of local resources through integrated actions by various local actors. Because the process operates in a relatively small territory, such as part of a town or city, local people attached to the place can be ‘mobilised’ by appealing to their shared sense of identity, history and culture. In the words of the Commission:

> In contrast to the ‘top-down’ designs (decisions taken at the top and imposed below), the local development approach is ‘bottom-up’: it is based on the requirements identified by many local actors (businessmen, cooperatives, public bodies, local politicians and civil servants). The involvement of local actors is truly at the heart of this approach.


One example of how such actors become involved in the process is the Territorial Employment Pact, a pilot action launched in 1997, now mainstreamed and one of the innovations introduced by the Structural Fund Regulations for 2000-2006. A model already operates in Easterhouse/Coatbridge South in Scotland. The concept of partnership is central to the approach, and emphasised as being one between the Commission and the
member state, together with the authorities and bodies designated by the member state within the framework of its national rules and current practices, namely:

- The regional and local authorities
- The economic and social partners
- Any other relevant competent bodies within this framework

Member states are charged with the responsibility of designating the most representative partners at national, regional, local or other level, and with creating a wide and effective association of all the relevant bodies. The policy is framed in such a way as to admit as many sub-national actors as possible to the policy-making process. Thus, it is widely recognised that central governments were important actors in the setting of the new structural fund regulations. However, acknowledging the importance of central governments in the policy process does not necessarily mean that EU regional policy has been ‘re-nationalised’ for the period 2000-2006. While the implementation of the policy may require central governments to engage in a bargaining relationship with the European Commission, sub-national actors continue to be included in many aspects of this bargaining. In line with previous reforms, the extent of sub-national participation depends upon central governments and will vary from state to state. That said, the partnership principle has been re-defined and continues to have a high profile in the new regulations, as does the involvement of sub-national actors in the delivery of structural fund support.

The new regulations represent a policy framework designed by the Commission and agreed by the member states, that leaves open the possibility of active sub-national involvement in the sector. The framing of the ‘new’ regional policy is crucial in that the policy’s aims and objectives arguably mirror economic development principles subscribed to by member states. The Commission has insisted that issues such as equal opportunities, sustainable development and social inclusion are of critical importance. These are horizontal themes that have to be addressed by all of the Structural Fund Programmes. By identifying these issues in the context of the programmes, the Commission may have hoped to raise the profile of these and other cross-cutting themes, encouraging governments at all levels to examine these objectives in the light of their own domestic priorities. What will very likely be the last round of Structural Fund Programmes, at least in the UK, is aimed at complementing and enhancing parallel activity in the member states. It was within this EU regional policy context that the new Labour government, elected in the UK in 1997 under the leadership of Tony Blair, had to shape its devolution strategy.

The UK: devolution, the new order and EU regional policy

The Scotland Act (1998) provided for the establishment of a Scottish Parliament and Administration and other changes in the government of Scotland. The Act is to provide for change in the constitution and functions of certain public authorities; to provide for the variation of the basic rate of income tax; to amend the law about parliamentary constituencies in Scotland; and for connected purposes. Substantive areas of legislative power continue to be reserved to Westminster, namely home affairs, energy, employment and European negotiations.

In July 1999, Secretary of State John Reid appeared before the Select Affairs Committee at Westminster to discuss his future role and the government’s position in
relation to devolution. He was careful to refer to the Scottish Parliament as only one part of the devolution settlement, but his language was interesting:

Under this government, the United Kingdom is a true partnership, it is a partnership which I believe benefits Scotland and the rest of the UK and it is a partnership which enables Scotland to play a leading role at the Scottish and at the United Kingdom levels. It is truly a partnership of Parliaments; it is that very word partnership which underlines and underpins the devolution settlement.

The Secretary of State has a wide-ranging role to represent Scottish interests in reserved matters, but without major functional responsibilities, and an important role in sponsoring the devolution settlement in Scotland.

Jack McConnell, Minister for Education, Europe and External Affairs is responsible for coordinating the Executive’s European agenda. European negotiation is a reserved power, but the implementation of all European legislation is the responsibility of the Scottish Executive. The European Committee scrutinises proposals for EU legislation, and advises the Executive and the Westminster Parliament of its conclusions in cases which have a Scottish significance. Insofar as local government is concerned, the Convention of Scottish Local Authorities has publicly stated its view that local government’s voice on European affairs has not been weakened as a result of devolution. COSLA maintains that the establishment of the Scottish Parliament has helped to ensure that the profile of EU matters (and their inter-relationship with UK policy) is raised and now at the forefront of Scottish public policy for the first time. Going beyond the structural funds processes and starting to ensure that other major EU policy matters are considered in the same level of detail.

In the world of EU regional policy, the Scottish experience of administering Structural Fund Programmes involves the use of a partnership model developed over ten years, following the establishment of the first Programme Executive in the former Strathclyde region in 1989. The European Commission has publicly acknowledged the Scottish model to be effective and an efficient approach to programme management and implementation. There is wide acknowledgment that partnership working is broadly based and has fully reflected the interests and concerns of the Scottish sectors (see Bachtler and Turak 1997). It is expected that this model will continue to operate in the period 2000-2006) under the auspices of the Scottish European Structural Funds Forum. Building on the partnership experience gained via the structural funds programmes, the concept of ‘community planning’ is being taken on board by the Scottish Parliament (see Watt and Colwell (2000). This approach involves the development of partnerships at local authority level, bringing together local government and key agencies in the public sector, the private sector, the voluntary sector and the community itself. Community planning is not about building new structures and partnerships, but building on existing collaborative working, increasing the ‘sense of ownership of their own policies’ for Scottish people. Now, clearly, further empirical investigation is needed to establish whether the active involvement of local actors, practitioners and politicians in the EU regional policy process in Scotland amounts to a singular type of ‘sub-national mobilization’, and whether lessons learned via structural fund programmes are now being
carried over and leading to active sub-national involvement in domestic development programmes.

**Conclusion**

The European’s Commission’s pursuit of a strategy aimed at alleviating regional disparities forms an integral part of this paper. A regional development strategy which would have at its heart local and regional authorities was, and is, the Commission’s stated aim. To this end, even the early Regional Development Programmes reflect the Commission’s capacity to frame and re-frame policy proposals designed to foster iterated contact between itself and sub-national authorities in member states. The second-generation EU regional policy which emerged by way of the 1988 reforms of the Structural Funds represented an implicit political promise on the part of the Commission to involve sub-national actors more openly in European decision-making. Cohesion policy (as EU regional policy was called at the time) was framed in such a way as to facilitate the ‘sub-national mobilization’ featured so prominently in the literature at the time. A link was established between the role played by the Commission in the framing of the policy and sub-national mobilization.

This paper has argued that decades of participation in EU programming and partnership exercises by regional and local actors in Scotland have helped to train Scottish sub-national authorities and other elites. In the wake of the 1993 reforms, partners continued to be selected by national government in the UK. But, in accordance with the devolution settlement, the Scottish Executive, not the Secretary of State for Scotland, drew up plans for the five new regional programmes planned for the period 2001-2006. This body also has responsibility for the day-to-day management and implementation of the programmes. The Scottish Parliament and specifically the European Committee are responsible for scrutinising issues such as transparency, additionality, best use of funds and accountability. These bodies are very heavily involved in the both the design and delivery of EU regional policy in Scotland.

This situation, taken together with the Secretary of State’s avowed intention to ‘work in a partnership of governments’ suggests that central government in the UK no longer sees itself as the dominant actor in this policy sector. The Treasury continues to draw in European resources, but decisions on how they are best spent are taken in Scotland. In this context, the views expressed in state-centrism and intergovernmentalism lose some of their explanatory power. The neofunctionalist model, on the other hand, envisages alliances between sub-national actors and supranational institutions, and the political behaviour learned in the European arena shifting authority away from individual national governments and towards supranational institutions and elite sub-national actors. But the partnership model in place in Scotland suggests collaborative working.

The Commission framed the ‘new look’ EU regional policy which has at its heart a local development process whereby local people attached to a place can be ‘mobilized’ by appealing to their shared sense of history, identity and culture. They are partners alongside the national government and the Commission which has given them a role. Local and regional actors are supplying information and ideas from the ‘bottom-up’ about the types of policies they think best suit Scottish interests. Their participation as partners is formalised and ensured by the way in which the Commission has framed the ‘new
look’ EU regional policy: creative framing is having genuine effects on the ground. In the UK, the structural funds helped to prepare the way for the transition to devolution, training Scottish sub-national authorities and other elites to take devolution in their stride.
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