

Europeanization of Regional Policies and Conflicts over Power and Information: The Case of the French Region of Nord-Pas de Calais

Eloïse Stéclebout*

Abstract

European regional policies aimed at correcting territorial imbalances in economic development were first set up in the 1960s, but at first these were mainly intergovernmental transfers and subnational actors were not significantly involved in the implementation of these policies until the 1988 reform. This paper – partly based on interviews with officials from the European Commission, a Member of the European Parliament, and officials from the Regional Council of the French region of Nord-Pas de Calais – studies the strategies developed by the Commission, national governments, and regions, and their conflicts over power and information within a framework of multi-level governance. It shows how the Europeanization of regional policies has involved collaboration but also direct and indirect pressure between different political levels, fostered institutional change at subnational, national and supranational level, and facilitated the emergence of new forms of territorial regulation. A closer look at regional lobbying stresses the importance of the strategic use of private information as a source of power in political decision-making processes.

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* EHESS (Ecole des Hautes Etudes en Sciences Sociales), Paris; CEPREMAP (Centre d'Etudes Prospectives d'Economie Mathématique Appliquées à la Planification), Paris; University of Marne la Vallée.

1. Introduction

From the 1950s, European states have engaged in regional policies aimed at correcting territorial imbalances in economic development. The intervention of the state in the geographic distribution of men or activities is motivated by equity and efficiency arguments: the distribution resulting from the sole market forces is not socially optimal because it entails disparities between the regions in terms of welfare, economic activity, and income. It is necessary to reduce these inequalities in order to enable sustainable development on the whole territory.

As Smyrl [1995] relates, the idea of European cohesion policies goes back to the outset of European integration, when member states engaged to fight the disparities of economic development between the states and inside the states. The logic for a European regional policy was similar to that for national regional policies: a mechanism for rectifying the territorial disparities produced by market integration, improving efficiency thanks to a better allocation of resources, and compensating losers in the process of economic restructuring. The 1956 Messina conference suggested creating an investment fund to help the poorest regions, but these remained mostly rhetoric statements. More proposals for Community regional policies followed in the 1960s and redistributive policies were created, mainly in the shape of intergovernmental budgetary transfers. Until the mid-1980s, subnational actors played a very limited, if any, role in European negotiations. But the 1988 general reform of the regional policy introduced, in addition to increased transfers, indications as for how they were to be spent and four regulatory principles: additionality of Community policies and national policies, geographic concentration of efforts where they were most needed, pluriannual programming, and partnership with subnational authorities for the elaboration and implementation of regional policies. More changes followed but the broad lines of the Community regional policy as it is today were drawn. Structural policies now amount to one third of the Community budget.

What has been the impact of the Europeanization of regional policies on the traditional member state model, especially in terms of power? Did it set off the devolution of power to subnational actors within member states and even besides member states? For instance, Marks, Nielsen, Ray and Salk [1996] point out the unprecedented rapidly growing establishment of regional offices in Brussels as from 1985, and how it has enabled regions to exchange information with the Commission and with other regions. Also, did the shift of competences from member states to the Commission increase the control power of the Commission over states? How did national governments react to reassess their authority and keep their power unaltered?

Two prevailing approaches are available for studying European policy-making processes. First, the state-centric approach or liberal intergovernmentalism [Moravcsik 1993] views the European Union as a set of institutions to facilitate collective action among national states, and according to this perspective, states remain the commanding political actors since they control both the European Council and the Council of Ministers. However this state-centric approach proves unable to account for the independent influence of supranational institutions such as the European Commission, because they are supposed to either act for member states or only have a symbolic role. Neither can it explain the mobilization of subnational actors directly in the European arena: indeed, state centrists consider that only member states bargain with each other at the European level – if domestic interests wish to influence EU policy, they can only do so indirectly by lobbying their own national government and pressure it to defend their interests in intergovernmental negotiations.

Instead of focusing on autonomous member states, one can think of the European Union as a single, multi-level policy network. That is the point of departure of the multi-level governance approach: member states, although powerful, are not exclusive political leaders. This theory [Benz and Eberlein 1998] conceptualizes overlapping competencies and interactions among several layers of subnational, national and supranational political actors. The structure of political control differs across policy areas and each actor can participate in various policy networks – this involves the possibility of subnational actors dealing directly with supranational actors.

A family of game-theoretic models highlights another aspect of Community regional policy negotiations: models of informational lobbying [Lagerlöf 1997; Potters 1992; Potters and van Winden 1992; Rasmusen

1993; Lohmann 1995; Sloof 1998] assume that some actors can use their private knowledge to transmit information strategically (“lobby” in an informational sense) to uninformed policymakers and thus influence their decisions. Some assumptions differ between the models – e.g. whether the lobbyist can lie and whether the policymaker can acquire independent information – but their common contribution is to stress the importance of information as a source of power in political decision-making: information and power are intimately connected, and this is especially true in the EU.

This paper offers to combine these various approaches. European negotiations at large are originally above all a game of intergovernmental negotiations. As for the definition and the implementation of Community regional policies, national governments are leading policymakers to a large extent but, even in traditionally centralized countries, subnational and supranational actors have gradually gained bargaining and decision-making power. So, Community regional policies are seen in the context of institutional change shifting from exclusive intergovernmentalism to a certain degree of multi-level governance, especially with the possibility of regions exerting informational lobbying.

The remainder of this paper is organized as follows. Section 2 relates the main lines of institutional change at subnational, national and supranational level from the perspective of conflict over power and information. Section 3 takes a closer look at the implementation of Community regional policies in the French region of Nord-Pas de Calais, and Section 4 concludes.

2. Europeanization of Regional Policies and Institutional Change in the Light of Power and Information

This section focuses on how Europeanization of regional policies has triggered institutional change in the EU at all political levels. The history of conflicts of interests allows to build hypotheses about the objectives and means of each political level and a framework to analyse the interactions between these actors. On the one hand, regions have sought to influence European policies and play a new role within the European frame, while the Commission has fostered their emancipation and used them for its own policy objectives. On the other hand, the Commission has defined principles and objectives and created control mechanisms to prevent national states from using Community spending according to their own interests; yet national states reacted in turn to reassess their power over regions and their independence from the Commission.

This constant conflict over power and the interplay of interests intertwine with a strategic use of information: those who possess information can use it for informational lobbying... while those who lack information can draw some from lobbyists.

To try and disentangle this imbroglio, let us consider successively the strategies of the European Commission, regions, and national states.

A. The European Commission

The Commission has sought to maintain its power over national states through its control over the Structural Funds, by imposing rules and principles on member states, and by establishing direct links with regions.

- **Defining Guiding Principles to Constrain Member States**

At the time when the ERDF (European Regional Development Fund) was created in 1975, there weren't any priority objectives: the ERDF was divided into fixed national quotas, and all the regions that were eligible under national regional policies were eligible for ERDF funding. Funds were administrated by national governments, which used them as a reimbursement for national spending and not as additional to national spending. This caused conflicts between the Commission and member states because it made it a plain interstate transfer mechanism instead of a genuine instrument of European regional policy. In reaction, the Commission sought to increase its own influence over the implementation of the policy. That is one of the reasons for the 1988 reform: the definition of priority objectives and eligibility criteria

was made to delimit the field of Community spending. Not only were the funds doubled and brought together, but above all five objectives were laid down and eligible areas were defined using Community-wide criteria.

The Commission defined four principles to control the Structural Funds. As Kohler-Koch [2002] explains, two of these principles were made to restrict the use of money: the *concentration* principle, which implied focusing resources on priority objectives, and the *additionality* principle, which confined Community funds for complement, rather than replacement, of national funding. Two other principles interfered with policies and politics at member state level: *pluriannual programming*, i.e. the obligation to develop a coherent strategy setting policy priorities for a longer period, covering more than one region and incorporating a multi-task approach, and *partnership*, which imposed closer cooperation between the Commission and “appropriate authorities” at national, regional, and local level, as well as “various economic and social partners” – at first chambers of commerce, representatives of industry, agriculture, trade unions, employers, and later also environmental and gender groups.

The 1999 reform of the Structural Funds introduced more flexibility in the way regions can manage the funds, for instance the possibility of transfers within programmes without needing the Commission’s agreement. In return, the supervision of programmes – *in itinere* and *ex post* evaluation – was reinforced. Payments are made on a yearly basis, according to the accounts that are provided to the Commission, in conformity with the principle of financial certification.

- **Fostering Collaboration with Regions**

The Commission has fostered the creation of regional lobbies and the establishment of permanent regional offices in Brussels for two main reasons. First, regional offices have information that the Commission lacks. The Commission is a small organization compared to the very large extent of its responsibilities: for instance, only 400 people on the whole are in charge of all the EU regional policies and among them, there are only about 100 senior executives. As a result, the Commission lacks information and it depends on external sources for information. To diversify its sources beyond national government executives, the Commission encourages the emergence of lobbies in all fields – industrial lobbies, consumers associations, trade unions, but also regional and local authorities that provide it with regional viewpoints on all issues that concern them. In the second place, Keating and Hooghe [1996] underline that they serve a symbolic role in projecting regions and regional politicians in the European arena and presenting them as participants in the policy process. This helps support the Commission’s territorial policies and legitimate its decisions.

Another means for the Commission to work with regions is by launching Community Initiatives such as Interreg, Urban, Equal, and Leader. These only represent 5% of the Structural Funds budget and the financial gains for regions are much lower than under Objective 1, but they’re potentially an important instrument to establish links between the Commission and regions. They involve direct action from the Commission, and enable it to run its own programmes with less interfering from member states, because they have a much more limited role and a much lower degree of control (although the state does take part in their financial implementation at some stage in any case).

Finally, the Commission helps regions become more independent from national states in countries where they do not already have a certain level of autonomy; it enables them to manage programmes by providing them with technical assistance and transferring legal competences to them. It results in reducing the power of central state organs, such as France’s DATAR (Délégation à l’Aménagement du Territoire et à l’Action Régionale, the agency in charge of defining and implementing spatial planning in France).

B. Regions

Regions traditionally need to lobby the central state to support their interests in Brussels since, in accordance with the state-centric approach, the main channel of access to influence EU policies is via national governments. As Section 3 shows, the Nord-Pas de Calais experience confirms the importance of seeking support from the central state in its negotiations with the Commission and other governments.

But regions have also sought a new role within the European Union framework, by emancipating themselves from the central state and even sometimes bypassing the national level to have direct access to Commission officials, especially through the opening of permanent offices in Brussels. Indeed, regions do not have any official decision-making power on an equal footing with national governments, and so they only have indirect means to influence European decision: strategic use of information and political pressure.

- **Strategic Transmission of Information**

Regional permanent offices have a crucial informational role. The first reason for it is that, as mentioned above, maintaining an office in Brussels enables regions to provide their own viewpoints to Commission officials. In other terms, regions have established strategies of information transmission, in the sense of the informative lobbying approach developed among others by Potters [1992], Rasmusen [1993], Lohmann [1995], and Sloof [1998]. In these models, the lobbying activity of pressure groups aims at modifying the policymaker's beliefs in order to influence his policy decision: they use their private information about a parameter strategically in order to manipulate decisions, even though they do not have any official direct decision-making power.

In the informational lobbying model developed by Potters and van Winden [1992], a policymaker faces a lobby without any possibility to verify the accuracy of its message. As the policymaker is aware that the lobby tries to manipulate him, he takes the lobby's message into account but he does not believe it all the time: rightly or wrongly, there is a positive probability that he will turn down the lobby's request. However under certain conditions, dishonest lobbying can prove effective and a pressure group can manage to trick the policymaker into implementing certain policies.

On the other hand, chances are that such institutions as the Commission are able to distinguish truth from falsehood thanks to their central position. In Lohmann's model [1995], numerous lobbies send messages to the decision-maker, but each message is biased and only tells part of the truth. It is so when regional lobbies provide their own viewpoints to the Commission, and generally speaking when lobbies support specific interests. But by aggregating these biased pieces of information, the Commission manages to get a clearer idea of the overall situation and reveal the truth.

The policymaker may also be able to find out the true state of the world when he can conduct his own investigation, as in Rasmusen's model [1993].

There are two stages when regions can by transmit information strategically to interfere in the decision-making process: upstream, by lobbying (either directly or indirectly, via their national government) the broad lines of regional policies; and downstream, by interpreting eligibility criteria. The former means requires repeated contacts over a long period but it may have a significant impact, whereas the latter, which is more immediate, has more limited effects, and depends whether the rules are more or less firm (for instance, Objective 1 is the most rigid and the least likely to be manipulated, since the 75% rule is applied strictly, whereas Objective 2 is much looser). Generally speaking, the main means of action for regions at that stage of the process is to convince the Commission that they do meet the required criteria, by using as thoroughly as possible the margins of interpretation.

- **Information Gathering**

The second motive for maintaining an office in Brussels, besides information transmission, is information gathering. By having a physical presence near key decision-making institutions, regional office administrators can survey the European scene and receive information from the Commission, for instance to be informed of new programmes that are entering the pipeline and forthcoming reforms in structural policies. Indeed, the European policy environment and EU policy processes are so unpredictable that it is necessary to gain information as early as possible, and being on the spot is certainly quite useful in that respect. In addition, it favours contacts with other permanent offices and networking with organizations of every kind, and especially with other regions.

Community initiatives are run by the Commission directly, but it does not necessarily imply that the initial impulse to launch an initiative comes from the Commission. Nor will it come from the state, since it has little to gain from it. As a Nord-Pas de Calais regional council official notices [Stéclebout 2001],

“It is less a matter of hostility than plain lack of interest because they are not involved in it. (...) But of course, the state is not pushing us into the arms of Community initiatives. It is we who propose Community initiatives programmes and who invite tenders, the state will never inform us of the existence of a Community initiative that we could be interested in.”

As a consequence, in order to benefit from Community initiatives, regions need to make efforts independently of their national governments to gather information, define projects and network with other regions, for instance to seek eligibility under interregional cooperation.

C. National States

The national states' power is questioned by both regional assertion and the Commission's will to control Community spending according to its own objectives. In reaction, national governments have sought to reassert their authority and control over regions – to various extents depending on the country – and their independence from the Commission.

- **Regions and Central States: A Diversity of Settings across Europe**

State control over regions is more or less firm according to the country. As Keating and Hooghe [1996] showed, there is a wide range of institutional settings for regional power within EU member states and as a consequence, reassertion of national authority over regional officials differs largely among countries: for instance, German *Länder* representatives and Belgian regional Minister-Presidents are much more independent than French regional councils. As this section aims at pointing to the outstanding features of institutional change at large, we shall not go further into the details of national idiosyncrasies. Section 3, though, features the typical case of France and the discrepancy between the politicians' pro-decentralization discourse and the unwavering monopoly of central state bureaucracy.

- **Tensions between National Governments and the European Commission**

The debate on the additionality principle and the definition of priority objectives and eligibility criteria is quite significant of the long-standing conflict between national governments and the Commission over the use of Community spending.

In the beginning, member states considered that Community spending should reimburse national spending and not add itself to it – hence the motivation for national states for pushing forward the regional dimension of policies inside the EC.

We showed how the Commission sought to prevent this behaviour by implementing priority objectives and eligibility criteria. However this decision triggered in turn a reaction from member states to re-appropriate some of the eligibility criteria. Part of the Agenda 2000 reforms consisted in reshuffling the former priority objectives into three new objectives. Two of them leave little room for regional or national interfering: Objective 3 (a horizontal objective dedicated to the development of human resources: training, social exclusion...) is defined at a national scale, so it is of little interest in the perspective of regional competition for funds; Objective 1 offers very little possibility for lobbying due to its definition. The main criterion is a per capita GDP criterion, namely per capita GDP has to be below 75% of the Community average, and other criteria (unemployment rate and sector aggregates such as infrastructures, education...) are taken into account to a lesser extent. These criteria are macroeconomic, well defined, and unlikely to be manipulated. As there is neither any asymmetric information (since the Commission has its own models and macroeconomic observations) nor any possibility to twist the data (since the Commission has standard statistics which enable easy comparisons), lobbying has little impact for given criteria.

The key element on which national governments were successful, though, is that in the negotiations over the reform of priority objectives they managed to design a new Objective 2 (relative to restructuring: industrial decline, rural areas, some urban areas, fishing) with semi-national criteria. 50% of the eligibility

criteria are defined by the Commission and focus on rural areas and declining industrial areas; the remaining 50% are national criteria. The Commission delimited a qualitative frame but within that frame, these criteria are left to the national governments' discretion. Thus, member states have a much wider margin of manoeuvre and interpretation for this objective. Furthermore, they are better informed than the Commission, since this objective applies at a microeconomic level (for instance for projects in urban areas) and the Commission only possesses macroeconomic data. It entails hostility from the Commission, which calls national criteria "blurred criteria" and this objective a "holdall" that the member states use in order to receive more funds and to finance programmes that should have received national funding only [Stécelebout 2001]. That is why only Objective 2 subsidies only amount to 10.6% of the Structural Funds, whereas 64.1% are devoted to Objective 1.

Box 1: Comparison between the former priority objectives and the new priority objectives; Community Initiatives

Priority Objectives in 1994-1999

Obj. 1	Regions whose development is lagging behind
Obj. 2	Regions or parts of regions seriously affected by industrial decline
Obj. 3	Labour market (unemployment, exclusion, equal employment opportunities for men and women, young people)
Obj. 4	Adaptation of workers to industrial changes and to changes in production systems
Obj. 5a	Adjustment of agricultural structures, modernisation and structural adjustment of the fisheries sector
Obj. 5b	Development and structural adjustment of rural areas
Obj. 6 (as from 1995)	Regions with an extremely low population density

Objectives 1, 2, 5b, and 6 were territorial; the other objectives were thematic and applied to the whole territory.

Priority Objectives in 2000-2006

Obj. 1 (ex- 1)	Regions whose development is lagging behind
Obj. 2 (ex- 2 and 5b)	Economic and social conversion in industrial, rural, urban or fisheries-dependent areas facing structural difficulties
Obj. 3 (ex- 3 and 4)	Modernising systems of training and promoting employment

Objectives 1 and 2 are territorial; Objective 3 is thematic and applies to the whole territory.

The Four Community Initiatives in 2000-2006

Interreg III	Cross-border, transnational and interregional cooperation
Leader +	Development in rural areas
Urban II	Innovative strategies to regenerate cities and declining urban areas
Equal	Elimination of the factors leading to inequalities and discrimination in the labour market

To sum up, many interests are at stake in the definition and implementation of Community regional policies. First, there has been a long-standing conflict over the use of Community spending in this field: national governments would like to use it as a reimbursement for national spending whereas the Commission seeks to keep control of it by defining principles, objectives, and criteria. Second, regions have taken the opportunity of the new European framework to seek more autonomy inside and beyond their national frontiers. So far, centralized states like France have reacted to reassess their authority, but in the long run this claim for emancipation may foster some devolution of competences to regional and local authorities. Last, information is a major stake for three reasons: on the one hand, the Commission seeks to extract from lobbies the information it lacks, and on the other hand, regions hope to influence policy decisions thanks to a strategic use of their private information; furthermore, regions need to gather information about European policies so as to act at proper time.

These were the broad lines of institutional change at a European scale. The following section details more closely the stakes of the implementation of Community regional policies in the French region of Nord-Pas de Calais.

3. The Implementation of Community Regional Policies in Nord-Pas de Calais

Moving closer from a European perspective to the regional scale, one faces a wide range of national and regional idiosyncrasies in institutional settings, political power distribution, interest intermediation habits, and other local behaviours which all together define dependence paths that stray from the average European features to various degrees. It makes it hardly possible to define a typical utility function at a European scale for a representative region or state, despite their being bound by the same Community procedures.

This section focuses on one region whose particular history highlights some elements of the game of regional policies; but it remains a mere case study which does not claim to stand for a general statement.

A. Nord-Pas de Calais: General Description

Box 2 : Some figures about Nord-Pas de Calais

(Source: INSEE)

Area:	12,414 sq km	
Population (1999):	4 million inhabitants [4 th region in France] including 1.2 million inhabitants in the Lille area	
GDP per inhabitant (2000):	18,982 € [18 th region in France]	
Rate of unemployment (2002):	12.0 % [2 nd region in France; French average: 9.0 %]	
Breakdown by sector of activity (1998):		
	Nord-Pas-de-Calais	France
Agriculture, forests, fishing	2.8 %	4.4 %
Industry	21.3 %	18.5 %
Construction	5.6 %	6.1 %
Service sector	70.2 %	71.0 %
Breakdown by age (1999):		
	Nord-Pas-de-Calais	France
0 - 20	28.0 %	24.6 %
20 - 59	53.3 %	54.1 %
over 60	18.7 %	21.3 %

Nord-Pas de Calais includes two *départements*: Nord and Pas de Calais, and it is dominated by the large urban area of Lille, whose area of influence goes beyond the Belgian border as it includes the Belgian cities of Tournai and Kortrijk. The population of 4 million in 1999 is younger than elsewhere in France. It is an old industrial region (coal, manufacturing) on the decline. Unemployment is high relative to other French regions and GDP per inhabitant is low. The Lille area, though, has started developing a dynamic services sector.

Nord-Pas de Calais is a border region: on the East, it has a frontier with Belgium, on the North Dunkirk is the only French harbour on the North Sea and on the North West, the Channel constitutes a maritime frontier with Britain – although it is now also accessible by the Channel Tunnel. From the French perspective, it is a peripheral zone, but at a wider scale it has turned into an important zone of transit, with Eurotunnel, high-speed trains TGV in France and Eurostar towards London and Brussels, and a dense road and motorway network.

Nord-Pas de Calais is the region that receives most European subsidies in France: in 2000-2006, France receives 14.4 billion euros under Priority Objectives, including approximately one billion for Nord-Pas de Calais alone. These subsidies are high compared to the Region's budget and amount to 28.7% of all public funding received by the Region in 2000-2006. Nord-Pas de Calais was eligible under former Objective 1 (relative to per capita GDP) and Objective 2 (regions affected by industrial decline) of the ERDF in 1994-99, along with several Community initiatives. It is now phasing out of new Objective 1 and still eligible under new Objective 2, and benefits from Community initiatives funding: Interreg IIIA (cross-border

cooperation with Belgian and English regions), Interreg IIB (North West Europe transnational cooperation), Interreg IIC (West interregional cooperation), Equal, and Leader +.

B. Implementation of Community Regional Policies in Nord-Pas de Calais

This subsection is based on interviews with officials from the Nord-Pas de Calais regional council, Commission officials from the Regional Policy DG and the DG for Economic and Financial Affairs, and with (Environmentalist) European Deputy and economist Alain Lipietz [Stéclébout 2001].

- **Role of Regional Lobbying in Influencing Community policies**

Nord-Pas de Calais Regional council officials have a nearly thirty-year long experience of national and European lobbying and are used to setting technical plans for European programmes. This good knowledge of influence in political networks and technical know-how has enabled Nord-Pas de Calais to benefit from funding under both priority objectives and Community initiatives. Of course, the declining situation of the region justified financial aid in any case, but it was reinforced by political pressure. A Nord-Pas de Calais regional council official relates [Stéclébout 2001] :

“Nord-Pas de Calais already has a long tradition of European lobbying: as early as 1984-85, the region created a European lobby named RETI¹ (REgions de Tradition Industrielle) along with other old industrial regions (Walloon Region, Yorkshire, Ruhr...). As a restructuring industrial region and as quite a powerful agricultural region, Nord-Pas de Calais officials have always kept their ears open for any Commission innovation in the field of regional policy. At the time, the region was also telling the national level, ‘beware: in the negotiations on Community regional policies, support our regions’ interests’ (the most concerned regions were Nord-Pas de Calais and Lorraine). In the years 1983-86, Nord-Pas de Calais and the associated regions were thus an important proposal force toward the French government and the Commission to tell them to take into account the problems of our regions during the implementation of Community policies. The lobbying made by RETI and the national and European lobbying aimed at preventing the Commission from implementing regional policies that would not have been in favour of these restructuring industrial regions. It was work on the objectives; we had to look closely at the first European funds to see if our problems of industrial development sites, training, urban areas, and industrial modernization, were being taken care of.”

This statement confirms the necessity for regions and national governments to lobby the Commission at the earliest stages of the decision-making process. Influencing the very choice of policy objectives is the most efficient way to ensure funding.

In addition to lobbying on priority objectives, Nord-Pas de Calais worked at the emergence of trans-frontier cooperation as a policy response to the Channel Tunnel and the Single European Market, with two cooperation programmes: the Transmanche Region, which gathers the English county of Kent and Nord-Pas de Calais, and the Euroregion initiative, which includes Kent, Nord-Pas de Calais, and the Belgian regions of Flanders, Brussels Capital and the Walloon region.

The cooperation between Kent and Nord-Pas de Calais was initially the result of actions of local and regional government, and only afterwards did central governments in both France and the UK become closely involved with this initiative. Nord-Pas de Calais regional council and Kent County Council started developing initiatives related to the construction of the Channel Tunnel just before the agreement for its construction was signed in 1986. In 1987, cross border cooperation emerged with the Joint Accord, which set out possible cooperation in a number of policy areas such as economic and commercial links, education, transportation, and tourism. The key objective was to maximize the economic benefits stemming from the Channel Tunnel (in terms of employment, environment, and infrastructures) and the SEM, but also to lessen the barriers due to national boundaries. This was the first such agreement between a French and a British region.

¹ See Mc Aleavey [1994] for a thorough analysis of RETI.

In September 1990, the Joint Accord was formalized into the Trans-frontier Development Programme (TDP), which included a series of potential initiatives. The TDP was submitted for funding under Interreg I to the European Commission but as Church and Reid [1995] underline, it took intense lobbying before it was approved of by the Commission in 1992. Indeed, the Interreg initiative was initially developed only for terrestrial frontiers and so the Commission had to be persuaded that the Channel Tunnel meant that Kent and Nord-Pas de Calais could be seen as land borders. In 1992-1993, 60% of the 54 million Ecu budget came from national, regional and local government in France and the UK, and the remainder from Interreg.

The concept of Transmanche Region extended to the neighbouring Belgian harbours and so at the same time, in June 1991, the larger Euroregion (Kent, Nord-Pas de Calais, Walloon region, Brussels Capital, Flanders) was formed to promote cooperation in several fields, such as transport and telecommunications, environment, economic development, education, and tourism – in order to develop a strategy of territorial planning and development and to avoid this area becoming only an area of transit. The Euroregion was based on working methods that started in 1986-87 with small working groups and bilateral agreements.

Another Nord-Pas de Calais regional council official insists on how spontaneous trans-frontier cooperation was later institutionalized into a new Community programme:

“The Commission was interested in our experience of interregional cooperation (‘a very exciting experience!’). We had started an experimental programme that foreshadowed the Interreg programmes. Nobody had done it before – there were attempts of cooperation in the East of France and Germany between Meuse and Saarland but we were the first to sign a cooperation agreement that was based on a project, and to ask Brussels for funding (...). The Euroregion is one of the ancestors of the Interreg programmes, along with other attempts of cooperation on every intra-European border. The Interreg programmes were built on the basis of these experiences.”

Thus, even though they were used in a self-interested discourse vis-à-vis the Commission, the Transmanche Region and the Euroregion are not only names or shallow arrangements to obtain more European funding; instead, trans-frontier interregional cooperation reveals the early stages of a new form of territorial proto-regulation with genuine policy ambitions. That is why the Commission considers it a precursor of European integration and has decided to encourage such programmes. In the (very) long run, one may expect the emergence of a new scale of regions and urban areas beyond national frontiers besides today’s infranational regions.

- **The Euroregion: Differences in Regional Political Settings and Inner Tensions**

Regions inside the Euroregion have quite different profiles in terms of decentralized power, and it has been a problem for inner relations in the Euroregion.

Nord-Pas de Calais

As far as decentralization of political and management functions is concerned, the problem in France is that the state has three different faces. The political power – the government – is very much in favour of decentralization, at least in its discourse. The central state – in this case the DATAR, which coordinates the process at the national level – is opposed to decentralization and acts as a gate-keeper. And the territorial bureaucracy of the state – the regional prefecture, which is in charge of the local implementation – is between the region and the central state and has to conciliate both levels. The prefect’s main role is to co-finance the projects and sometimes to design proposals, but without any decision power. Prefects have actually acquired a strategic mediating position, as their main role is to deal with competing local interests. As a consequence, instead of concentrating their financial efforts rationally, they tend to scatter them according to political motivations and local political pressure. That’s why, as Commission official confirm, even in such a centralized state as France, the implementation conditions differ across regions. Smyrl [1995], in particular, studied the divergence in the implementation of EC regional policy in two French regions: Brittany and PACA (Provences-Alpes-Côte d’Azur).

In spite of the discourse at the political level, the French central state remains very much centralized and insists on managing the projects directly and spending the money according to its own objectives. It was especially obvious in its reluctance to let Nord-Pas de Calais act as a payment authority or a managing authority for the Euroregion. The government had first declared that, in accordance with the

Commission's wishes, regions would be allowed to become payment and managing authorities; but later on, when Nord-Pas de Calais applied for it, Ministry of the Economy and Finance officials quoted regulatory texts that prevented regions from playing these roles. Regional council president (and former Minister of Urban Policies) Michel Delebarre had to organize a meeting with the French Prime Minister and after harsh negotiation, the government reasserted the possibility for regions to act as payment and managing authorities... But it was too late for Nord-Pas de Calais, as in the meantime the Walloon region had already been chosen as managing authority.

However, things are totally different as far as information is concerned. Nord-Pas de Calais works directly with the Commission in Brussels and so it is aware of reforms and it can lobby the Commission, for instance to request that it carry on with the Urban programmes.

England

Regions do not exist as a political entity in England. In the Interreg programmes that include Kent, Kent County Council is not involved and instead, British government officials manage everything directly.

However, Regional Development Agencies have developed since 1998. They still depend on the central government but they are in charge of implementing development policies at a local level.

Belgium

Each region has a Minister-President who runs a fully-fledged government, which makes the Belgian regions reluctant to deal with the French state and British government officials: instead, they would prefer to deal with equally powerful regional officials.

Another source of difficulty was that at some point, there was open conflict between Flanders and the Walloon Region, which caused problems in the management of the Euroregion because it prevented the participating regions from reaching agreements. The long-lasting hostility between Walloons and Flemings has not really settled down but their regional representatives have now found a way to cohabit more peacefully during the meetings on Euroregion administration.

4. Conclusion : The European Commission and Informational Lobbying

Game-theoretical models of informational lobbying can help to understand the situation of the Commission vis-à-vis lobbies that seek to manipulate its decisions thanks to a strategic use of their private information.

The conclusions of these models moderate the usually poor reputation of lobbying, especially in France – whereas it is totally respectable, and even encouraged, in the field of European policies.

Lobbying is not bribery: unlike American lobbying models, which tend to identify lobbying primarily with the financing of political parties and electoral campaigns, and thus with more or less blatant bribery, informational lobbying models focus on strategic transmission of information and on how it can affect the very beliefs of the decision-maker. Neither is lobbying a threat or violent pressure: the decision-maker is not constrained by force, he acts according to his own strategy, and if he chooses to change his decision, it is because his updated beliefs lead him to do so. Last, lobbies do not necessarily lie. It can be easily understood in terms of game theory: if the policymaker knew that messages were always biased, he would never take them into account. For lobbying to have an impact, it takes at least a positive probability that it is truthful, and more precisely the lobby needs to have a stronger incentive to tell the truth when the state of nature is favourable to its interests than to lie when it is not. Institutionally speaking, it can be seen as give and take: the Commission accepts to listen to the lobby because it needs its information, and the lobby accepts to bear the costs of processing and sending information because it hopes to influence the Commission's decision.

So, the rationale for lobbying is not solely the abusive defence of private interests; it is also necessary to just enable European institutions to work. However sometimes it may lead to implement policies that are not justified by general interest considerations. There are two ways the Commission can change the rules of the game to improve its situation regarding lobbies:

- involving more pressure groups, and turning the game into a model *à la* Lohmann, in which the Commission benefits from its central position to aggregate messages and extract complete

information from them. In the field of regional policies, this means that the Commission is more sceptical about regions that seem to defend their very special interests, whereas messages from lobbies that are representative of Community-wide interests are more credible.

- conducting its own investigation, and shift to a model *à la* Rasmusen, in which the policymaker is less dependent on possibly fallacious information provided by lobbies. This is one of the reasons why the Commission has begun to develop its own microeconomic statistics. This acquisition of information independently from national, regional and local reports is a means to gain autonomy and protection from dishonest transmission of information.

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