Environment and Planning C: Government and Policy 2009, volume 27, pages 747 – 760

doi:10.1068/c08119

Does cross-border cooperation empower European regions? The case of INTERREG III-A France – Spain

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Received 17 October 2008; in revised form 20 February 2009

Abstract. In this paper we investigate the impact of the implementation of EU programmes on substate actors, and more specifically regional ones. We focus on the case of the INTERREG cross-border initiative in France and Spain between 2000 and 2003, and whether INTERREG succeeded in empowering regional governments and local authorities as it initially claimed to. Our analysis puts to the fore that this programme has not evolved from being 'a policy for the regions to a policy by the regions' as many expected, but that its implementation rather reveals a wide range of configurations. Indeed, the execution of INTERREG facilitated the transition from a state-centric scheme to a regionalised one only in those territories where a previous decentralisation policy had been realised at the domestic level and where a consistent regional leadership had emerged during earlier versions of INTERREG.

1 Introduction

Following a few years of experimentation, cross-border cooperation (CBC) has been converted into a priority for the European Union (EU). This has been clearly demonstrated by the recent transformation of INTERREG into the new Objective 3 of the Structural Funds for the period 2007 – 13 (EC, 2006).

In this paper we focus on the impact of the EU CBC policy on territorial governance in EU member states. More specifically, we examine the implementation of the first part of the INTERREG initiative (2000 – 03) aimed at promoting socioeconomic convergence in European territories by providing funds for environmental protection, employment, social integration, and gender equality in border areas.(1) As a community initiative, INTERREG was originally launched in 1988 by the European Commission to promote CBC projects by acting directly at the level of substate actors, and particularly with regional governments and local authorities. However, the frequent renationalisation of European funds by state agencies motivated the European Commission to establish a new framework of implementation during the 2000 – 06 period to manage the €4875 million for INTERREG III (EC, 2000).

Our objective consists of determining whether the INTERREG III programme really assisted in empowering regional tiers of governance by transferring them legitimacy, resources, and a real capacity of decision making on CBC issues as it was meant to, or whether it was merely utilised by member states to manage their own territorial policy. In other words, has INTERREG III helped to favour a process of 'reterritorialisation' and 'rescaling' observed in many other policy sectors (Brenner, 1999; Jessop, 2000), or did it merely constitute a symbolical regional policy hiding a more traditional

(1) INTERREG III was divided into three strands: strand A was dedicated to CBC (regions with a common border); strand B promoted transnational cooperation (regions without a common border but in the EU); and strand C favoured interregional cooperation (regions all around the world).

pyramidal model of implementation (Church and Reid, 1999; Scott, 1998; Sidaway, 2001)? This complex question calls for a nuanced answer.

In order to assess this central question we propose the two following hypotheses. Firstly, similarly to Hooghe and Marks (2002), we do not take for granted the normative–mechanistic discourse of European commissioners on the European funds as factors of regionalisation (EC, 2000). We suspect INTERREG has not simply shifted from "a policy for the regions to a policy by the regions" (Leonardi, 2005, page 156) as one can expect, but rather that implementation can adopt a wide range of configurations between municipal, local, and regional governments (Tömmel, 1997) and sometimes also with nongovernmental associations and private companies.

Secondly, drawing on the literature on institution building and institutional entrepreneurship in CBC policy (Perkmann, 2003; 2007a; 2007b), we assume that the cases where a real empowerment of the regional tier of governance has been observed during the implementation of INTERREG III-A are those where a previous decentralisation policy had been realised at the domestic level and where a consistent regional leadership emerged during the earlier versions of INTERREG. When it is institutionally possible, the capacity of regional governments for creating, leading, and maintaining a CBC policy network through time is decisive.

Field research for this paper was principally carried out between 2001 and 2005, while based at the European University Institute of Florence (Italy). Over forty interviews were made with different institutional agents in the regions concerned and in Brussels, and an exhaustive review produced from official documents and academic analyses.

This paper is composed of four parts. First, in section 2 we present both the theoretical debates on CBC policy and the research field chosen to assess our hypotheses. Second, in section 3 we set out the development of the territorial implementation scheme of the previous versions of INTERREG. Third, in section 4 we focus on the implementation of INTERREG III-A from 2000 to 2003. Finally, we conclude by demonstrating that, despite the profound involvement of the European Commission to push on a regionalised scheme of implementation through the INTERREG programme, this analysis rather reveals a wide range of configurations where regional governments and authorities are not automatically empowered. Moreover, the empowerment of regions is based on two necessary conditions: a previous regional decentralisation realised at the domestic level and a consistent regional leadership developed during the earlier versions of INTERREG.

2 Cross-border cooperation as a conflicting issue

2.1 Cross-border cooperation in scientific literature

The INTERREG initiative frequently appears in the academic literature on decentralisation, multilevel governance, and European development programmes. Nevertheless, few studies have exclusively focused on this topic from a grassroots viewpoint. This is a major gap we seek to fill with our present analysis.

Firstly, investigations on decentralisation have analysed the possible effects of INTERREG on the division of power among different tiers of government, governance processes, and, ultimately, economic development (which includes CBC policy). Decentralisation is usually said to be more efficient than classically centralised polity patterns by reducing risk and investment amongst actors, allowing the expression of a multiplicity of interests and favouring the legitimacy of implemented decisions (Auel, 2006). Nevertheless, some researchers have demonstrated that decentralisation is not necessarily the most efficient system of economic management (Rodríguez-Pose and Gill, 2003). But politics is also a question of symbols, and devolution—defined in terms of legitimacy, decentralisation of authority, and resources (Donahue, 1997)—has converted into a major trend in industrialised countries since the late 1980s. As Keating (1997) has demonstrated, the empowerment of the regional level has been a key issue of this policy, through the mobilisation of regional interest groups, political parties, and decentralised governments. Such tendency has developed specific characteristics in Europe by converting regions into the 'natural' interlocutors of the European Commission in development policy issues in order by bypass the control of member state governments. In parallel, it has also allowed the development of new policies like CBC in order to manage cross-national problems which affect member states, including through new transnational structures like euroregions, working communities, and local cross-border districts (Perkmann, 2003) which sometimes compete with the official diplomacy of nation-states (Ugalbe Zubiri, 1999).

Secondly, literature on multilevel governance and new state spaces has analysed the different features of this new

> "system of continuous negotiation among nested governments at [supranational, national and regional] territorial tiers" (Marks, 1993, page 393)

produced by power dispersion since the late 1970s. Beyond the traditional hierarchy of the Westphalian – Fordist model and the illusion of supranational – postindustrial arrangements, public – private and multiscalar networks have opened new state spaces and converted into a new tool of policy makers (Brenner, 2004; Jessop, 2002; MacLeod and Goodwin, 1999). CBC programmes are particularly well adapted to this

> "dynamic of power dispersion in the EU, in which political control has spun away to strengthen European institutions, and in which national state institutions have retained significant control over resources" (Hooghe, 1996, page 7; also quoted in Kramsch and Hooper, 2004, page 16).

Then, it has been demonstrated that in certain cases the rise of CBC has had an important impact on administrative routines of territorial management in Europe (Leresche and Lévy, 1995) and even on the fringes of the EU (Scott, 1998) by obligating local, regional, national, and international actors to cooperate in order to achieve their policy goals.

Finally, literature on European development programmes at the regional level has extensively covered the aims and returns of EU funding programmes like INTERREG, concluding that the objective of convergence has not been reached by EU regional policy. This failure is due to the different political strategies of regional governments (Cappelen et al, 2003). It is also the product of a redistributive policy based on political criteria rather than on economic ones (Boldrin and Canova, 2001). Eventually, this result has been generated by an inefficient structure of investment which needs a profound restructuring in order to fund middle-term productive objectives like professional training or research and development (Rodríguez-Pose and Fratesi, 2004). Beyond the problems faced by Structural Funds, it is commonly accepted that the European incentives like INTERREG opened a window of opportunity to border actors (Nijkamp, 1993). Nevertheless, despite this new polity, few territorial actors have concentrated sufficient resources to become real cross-border institutional entrepreneurs (Perkmann, 2007a). Harguindéguy (2007) also stressed that—even when CBC entrepreneurs emerge—the topics they manage through INTERREG usually constitute an 'ideal agenda' which does not include big issues like transportation, housing, or waste recycling. Church and Reid (1999) and Van Hootum (1998) explain this paradox by stating that cross-border initiatives are generally used by local elites as a convenient arrangement for them to obtain more money in an unchanged polity managed by traditional tiers of governance. On the other hand, other policy analysts place importance in the proliferation of CBC projects as a demonstration of the weakening of the Westphalian sovereign state model (Jessop, 2000). Consequently, in some cases, border territories would be the new points of anchorage of capital, politics, and identity (Bray, 2004).

2.2 From theoretical perspective to empirical research field

Our French–Spanish case was selected for its seemingly unconventional models of centre–periphery relations which are often considered as ideal types of centralism and federalism, respectively, in Europe. On the one hand, the French Jacobin regime inherited from the 1789 revolution was significantly decentralised in 1982. However, governmental refusal to establish a territorial hierarchy between large cities, departments, and regions generated a competition between territorial tiers and a strong control by central state and its regional agencies: the DATAR (*Délégation à l'Aménagement du Territoire et à l'Action Régionale*—Delegation for Territorial Planning and Regional Action) and the SGAR (*Secrétariats Généraux à l'Action Régionale*—General Secretariats for Regional Action) (Smith, 1997).

On the other hand, the Spanish autonomous organisation emerged in 1978 after the end of General Franco's regime, and constitutes a polity where political power is shared among the central state and seventeen regional governments (autonomous communities) divided into fast-track regions (Andalusia, Catalonia, Euskadi, and Galicia share large competencies) and so-called normal ones. As a result, the 'autonomous process' (Maíz, 1999) generated a harsh political rivalry between these 'mesogovernments' (Morata and Muñoz, 1996) in order to catch new competencies and resources.

The choice of the Pyrénées area for our case was motivated by its function of border division (1659) between French and Spanish sovereignty. At the same time, the Pyrénées constitute a border area composed of territories marginalised with respect to their own states, and with respect to the political–economical gravity centre of the EU. This double-peripheral situation makes the Pyrénées eligible for significant European funding. The Pyrenean border then presents itself as an interesting political arena where the EU regulatory system—principally made of flexible arrangements pushed on by the European institutions through soft law and financial incentives—is confronted with the French centralised and the Spanish autonomous political traditions.

Were the promoters of INTERREG III able to impose their policy networks at the domestic level in France and Spain? At first glance, the decentralisation processes followed in both countries seem to have considerably empowered substate actors—and particularly the regional ones. But, as we will describe in the following sections, this process was far from straightforward.

3 The implementation scheme of previous versions of INTERREG

3.1 The state sovereignty against cross-border cooperation

As a community initiative—and experimental policy of the European Commission—INTERREG is supposed to facilitate the direct links between European commissioners and substate actors (Hooghe and Keating, 1994). Nevertheless, past versions of INTERREG have demonstrated that many biases intervened in the policy process—in particular, central states which recentralised European funds to serve their own strategies (EC, 2002).

Despite the Catalan presidency of the Working Community of Pyrenees—a regional cross-border organisation grouping Aquitaine, Midi-Pyrénées, Languedoc-Roussillon, Euskadi, Navarra, Aragon, and Catalonia since 1982—presenting a pilot project in 1989, the European Commission preferred to finance the project of the state coalition DATAR–MOPU (*Ministerio de Obras Públicas*—Ministry for Public Works). According to the same 'top-down logic', and taking advantage of the fact that INTERREG was relaunched as a community initiative in 1990, the DATAR and its Pyrenean agency the Pyrenean Planning Commission (PPC-DATAR), the regional prefect of Midi-Pyrénées, the MOPU, and the Spanish Treasury monitored the INTERREG 1 programme (€31.22 million). In this case, the common operational programme was used to finance state projects with no cross-border content (for instance, a karting race track in Toulouse).

After this episode the commissioners decided to double the INTERREG II grant to €60.6 million and encouraged the governments of member states to involve local and regional bodies on either side of the border into the implementation process. For that, cross-border working groups were created during the second programming period (1994–99). These groups had to associate Spanish and French political representatives and technicians. However, such organisations could make proposals only while decisions were taken by the prefect Midi-Pyrénées and the Spanish General Directorate of Treasury. As a consequence, 90% of adopted proposals were 'single' ones—national projects with a simple attestation signed by a 'partner' located on the other side (MC^2 and ECAS, 2004). Furthermore, the divergence between French and Spanish patterns of management increased when, at mid programme, the Spanish Treasury abandoned the supervision of INTERREG II to the autonomous communities in order to concentrate itself on the cohesion funds. As a result, the Spanish INTERREG grant was regionalised while in France it remained a programme managed by central state.

3.2 Towards a regionalised implementation scheme

Confronted with this situation, the European Commission modified its institutional design and augmented the budget of INTERREG III-A to €173.880 million for the third period of programming (2000–2006) (EC, 1999). Implementers were required to respect a three-fold policy model: actors from local to European tiers of government must participate, public and private actors should cooperate, and both sides of the border ought to be integrated under the leadership of regional authorities. While this objective seemed difficult to reach in 1998, important political changes occurred in France.

After the unexpected dissolution of the National Assembly by President J Chirac in 1997, and the subsequent election of the socialist–communist–green alliance led by L Jospin, the Minister of Environment and Decentralisation D Voynet allowed the regions to administer community initiatives in 1999. As the president of the Working Community of Pyrénées in 1999, the president of the Regional Council of Aquitaine proposed himself as monitoring authority of INTERREG France–Spain. In this new framework the French government was still represented by the prefect of Midi-Pyrénées and the Pyrenean Planning Commission. CBC was compulsory as projects were required to be sent to the monitoring authority before in order to be financed by the payment authority (General Directorate of Community Funds of the Spanish Treasury). The eligible territories were NUTS III-level territories(2): the French departments of Pyrénées-Atlantiques, Hautes-Pyrénées, Haute-Garonne, Ariège, and Pyrénées-Orientales; the Spanish provinces of Guipúzcoa, Navarra, Huesca, Girona, and Lérida, with a possible extension to their whole regional territories (Aquitaine, Midi-Pyrénées, Languedoc-Roussillon in France and Euskadi, Navarre, Aragon, Catalonia in Spain). All were located in an Objective 2 zone. This means that they can receive a maximum of 50% of the European Regional Development Fund grants. The Pyrénées were divided into three regional zones. Each of them were led by a Pre-Programming Territorial Committee which brought together French and Spanish local and regional authorities and examined the projects (the western committee was led by Aquitaine, Euskadi, Navarra, and Aragon regional governments; the central committee grouped Midi-Pyrénées and Aragonese governments; and the eastern committee encompassed Midi-Pyrénées, Languedoc-Roussillon, and Catalonia). Finally, the financing of these projects was

(2) *Nomenclature des Unités Territoriales Statistiques* (Nomenclature of Statistical Territorial Units): NUTS I include multiregional territories; NUTS II are usually regions; NUTS III generally correspond to provinces.

decided by a Programming General Committee where all the authorities were involved in addition to the Directorate General for Regional Policy of the European commission to manage the €82.3 million of the INTERREG programme: €50.5 million for Spain and €30.8 million for France.

4 Did INTERREG III-A really empower regional actors?

Scholars generally assume that Structural Funds have generated a progressive process of redefinition of political roles at substate level. Of course, many quantitative aspects of the project seem to demonstrate that regional governments were the main beneficiaries of the programme. Indeed, as shown by the mid-term evaluation (Chôra Conseil and Idom, 2005), the majority of programmed projects had a regional scope (only 22% were limited to local areas). We also know that, despite the efforts of the EU, INTERREG remained a programme managed by public authorities: 28% of projects were programmed by territorial tiers of government, 22% by public agencies (managing cultural matters, water cleaning, waste treatment, and so on), 47% by associations and foundations (among which the majority were mere extensions of territorial governments), and only 3% by private companies (some of them directly connected to regional governments).

But a more qualitative overview demonstrates that reality is more complex. By observing the way in which the different territorial tiers of governance have managed the INTERREG funds through their official and unofficial contacts within the region all along the policy-making process, we aim to demonstrate that the implementation of the INTERREG programme did not only and necessarily empower regional governments as planned by the European Commission. Drawing on the literature on Structural Funds (Smith, 1996), different types of implementation patterns have been identified, from most region centred to most territorially fragmented—that is, from those which favoured the rescaling of territorial policy around the regional government to those which favoured a mere status quo and the renationalisation of CBC. The primary objective of the following gradation, then, is simplification.

4.1 Regionalisation through organic coordination in Euskadi and Navarre

As expected, the promotion of regions as policy partners by the Europan Commission found a particularly fertile field in Spain, where regional actors already benefitted from large powers and resources—specifically in Euskadi and Navarre whose special fiscal status allows them to directly raise taxes and manage their own budget.

In these regions, the tradition of pro-European mobilisation began before 1986 through a series of direct contacts between the new-born presidencies of the regions and the Directorate General for Regional Policy. This enabled putting into practice several political mechanisms of coordination—among them, the Basque office in Brussels, also called Interbask—which ensured continuous relations between all the subregional actors and Community institutions.

In the case of INTERREG III-A, the Basque and Navarrese governments were the main supporters of a regionalised programme since the launching of this Community initiative as demonstrated by its permanent lobbying vis-à-vis the Spanish delegation at the Committee of Permanent Representatives of the European Council of Ministers and their participation in the Common Fund for financing cross-border projects with Aquitaine since 1990.

In both autonomous communities, the policy phase of implementation consisted first of coordinating all the levels of subregional government. In Navarre the monoprovincial structure of the region facilitated the decision-making process—entirely dominated by the rightist regionalist *Unión del Pueblo Navarro* (Union for Navarrese People).

In Euskadi the vertical coordination between the regional government and the political representatives of provinces—which also dispose of important powers—was reached through a nexus of specialised sectoral commissions. Such commissions reunited the main representatives of subregional authorities in European policy issues to reach a common position on the projects proposed to the different INTERREG committees. However, despite the apparent efficiency of this system, there is much evidence that the position of the regional government generally prevailed over the provincial decision (Novo Arbona, 2000). Moreover, the presence of a *Partido Nacionalista Vasco* (Nationalist Basque Party) executive in the provinces of Guipúzcoa and Biscay, as well as in Euskadi, reinforced the discipline of implementers.

As a result, municipal, provincial, and regional public actors reached an equilibrated level of participation in the programme as demonstrated by their respective percentages of accepted proposals (35%, 32%, and 33% in Euskadi; 52% of municipal projects and 48% of regional projects in Navarre) on the total of public projects (54% of all projects). Nevertheless, politically speaking, such proportions hide a strong control exerted by regional governments under subregional tiers of governance.

As we saw, the integration of the private sector into the INTERREG initiative is a hard task but both regional governments also reached a high level of participation of 'not-for-profit' and 'for-profit' companies (62% and 38% of the private projects, respectively)—although the majority of for-profit companies are cooperative associations (the Mondragón cooperative, for instance) partly managed by the regional governments through extended networks based on syndicates, cultural associations, and social clubs.

Last, actors from Euskadi and Navarre actively participated in the establishment of CBC with partners from the region of Aquitaine since they proposed 23% and 24%, respectively, of implemented projects. In the case of Navarre, the creation of a special additional grant in 1999 by the regional government for INTERREG projects with a positive impact on economy and environment decisively favoured the cross-border involvement of the regional actors.

4.2 Regional empowerment through party pluralism in Catalonia

The case of Catalonia shares many similar features with Euskadi and Navarre. It also encompasses territories with a strong European involvement, high financial and human investments to deal with Structural Funds, positive relations with European commissioners, and an efficient autonomous government which controls the majority of policy aspects referred to European programmes and CBC (actually, a Euroregion Pyrénées–Mediterranean was launched in 2004 in order to substitute the inactive Euroregion Catalonia–Midi-Pyrénées–Languedoc-Roussillon created in 1991). Nevertheless, here, the coordination of different levels of governance depends on the good will of the regional government. This means that the actors involved in the implementation process can change from one case to another according to the political party which rules the region.

The European involvement of Catalonia began in 1983 through the creation of the *Patronat Català pro-Europa*, a semiprivate network of specialised offices in Brussels created by the presidency of the regional government, the so-called *Generalitat*. In the case of INTERREG, this regional strategy supposes maintaining a close relation with the public substate actors of the region. In this way, the general directorate for local administrations of the Catalan government is in permanent contact with two associations of local administrations representatives: the nationalist centre-right *Associació Catalana de Municipis* (Catalan Association of Municipalities), and the nationalist socialist *Federació de Municipis de Catalunya* (Federation of Municipalities of Catalonia). Despite their names, both also integrate provincial representatives and are frequently activated to foment consensus before the implementation of Structural Funds. Despite the change of majority at the level of the regional government, the new socialist–ecologist–nationalist regional executive did not modify this system of coordination.

Consequently, the level of public participation in the INTERREG programme was quite equilibrated (30% of local projects, 28% of provincial projects, and 42% of regional projects) despite the leading role of the Generalitat which is clearly shown by the rate of public proposals which represent 53% of the total accepted INTERREG projects.

This central position of the regional government was also visible vis-à-vis the private operators that constituted 47% of the Catalan proposals. Indeed, this high percentage screened a majority (71%) of not-for-profit associations linked to the Generalitat for promoting cultural events (Chôra Conseil and Idom, 2005) and few commercial operators.

The involvement of the Catalan actors in CBC also led to a high level of project programming in the eastern committee (47%). Nevertheless, as discussed later, it is right that the problems encountered by the French actors from Midi-Pyrénées and Languedoc-Roussillon made easier the control of the committee by Catalan representatives.

4.3 Clientelistic regulation and empowered region in Aragon

The case of Aragon demonstrates another type of reconfiguration among the different territorial actors under the leadership of regional government. Despite a recent involvement in European CBC initiated by the socialist regional executive, Aragon remains a political space with few mechanisms of coordination for CBC and this is particularly visible in INTERREG issues. In some cases conflicts between two tiers of government can handicap the correct implementation of the whole policy by stopping the negotiations.

As in other Spanish regions, the Aragonese regional government does not necessarily share the same political tendency as its provincial authorities, but in contrast to Catalonia, Navarra, or Basque Country it lacks institutional tools to negotiate its decisions with the subregional actors. Without such mechanisms of cooperation, day-to-day political struggles can affect the implementation of INTERREG projects.

This was partly due to the latest investments realised by the Aragonese government in European affairs with respect to its neighbouring counterparts (for example, the Aragonese office of representation in Brussels was established ten years after the Catalan one). Despite the recent creation of a regional agency managed by the Association of European Border Regions in the mid-1990s, Aragonese actors managed INTERREG funds according to a poorly institutionalised system. The arbitrage of political conflicts was realised by the regional government through the exclusion of political adversaries from the bargaining rounds. As in the rest of Spain, the large and strong clientelist-party networks—in this case the Socialist party—also regulate the level of multilevel governance according to policy issues (Cazorla Pérez, 1995). In this way, the only Aragonese association representing local authorities authorised to participate in the INTERREG III-A programme was the Socialist *Federación Aragonesa de Municipios, Comarcas y Provincias* (Aragonese Federation of Municipalities, Comarcas, and Provinces), considered as the right-hand organisation of the socialist regional government elected in 2003.

Monopolisation of regional issues by such a clientelist community favoured quite homogeneous levels of public participation from local (36%), provincial (30%), and region (44%) tiers, hiding the final control exerted by the regional government.

From another viewpoint, cooperation between public and private sectors was also a difficult challenge. Actually, as in Midi-Pyrénées, the lack of previous incentives and information did not favour a strong private mobilisation which reached only 42% of total proposals. Among these private projects, the main operators were from the no-profit subsector (72%) (with a large participation of the University of Zaragoza) while the participation of commercial companies remained only a marginal phenomenon.

Nevertheless, from the last regional polls onwards, the government of Aragon implemented new policies in order to stimulate CBC. Drawing its inspiration from Navarre, the Aragonese government recently created a complementary grant for INTERREG projects with a positive impact on regional economy. This recent political involvement in cross-border issues made Aragonese operators propose the majority (57%) of projects accepted by the eastern Pre-Programming Territorial Committee.

4.4 The Aquitaine region as primus inter pares

At a lower level than in Spain, some French regions have benefitted from the implementation of INTERREG. For the first time since the creation of Structural Funds, they officially managed Community money without the tutelage of prefectures as demonstrates the INTERREG III-A implementation in Aquitaine, a territory with a tradition of European mobilisation which goes back to the 1980s.

Despite some local opposition to the community regulation, there existed a strong network of territorial public actors who entered in direct relations with Community agents when Spain and Portugal became members of the EEC. The objective was to limit the economic impact of the enlargement by implementing European Integrated Mediterranean Programmes with local and regional actors like chambers of commerce, agricultural and industrial interest groups, and regional and departmental authorities. Such territorial networks were frequently reactivated as from the 1980s and especially during the INTERREG III-A implementation.

Indeed, the coordination of such a programme was eased by the transfer of the role of monitoring authority to the socialist Regional Council of Aquitaine by the socialist ex-Ministry of Decentralisation of the *Gauche Plurielle* government. This does not mean that the PPC-DATAR and the SGAR did not intervene, but they brought only logistic help to the monitoring authority. Such transfer was completed by a tacit agreement of 1999, between the centre-right parties who dominate the border department of Pyrénées-Atlantiques and the socialist party who rules the Aquitaine regional council, to isolate the cross-border issues from the day-to-day political struggles. These mechanisms of transaction consisted of the "dirty washing of internal fighting" Smith, 1996, pages 116–130) before the Commission got involved in INTERREG issues.

As the equilibrated levels of regional, departmental, and municipal (and intermunicipal) proposals prove—37%, 30%, and 33%, respectively, of a total of 58% of programmed public projects—the regional council pushed on only a third part of projects, and competed with other territorial actors like the general council of Pyrénées-Atlantiques and large cities like Bordeaux and the Bayonne—Anglet—Biarritz urban district (*Communauté d'Agglomération BAB*).

Despite posterior evaluations (Chôra Conseil and Idom, 2005) which demonstrated that the proportion of private actors within the INTERREG Aquitaine programme was proportionally high, for-profit companies represented only 35% of the private projects (the latter reached 42% of the whole projects). The connexions of public authorities were easier with not-for-profit associations, mainly composed of universities, research centres, and cultural groups associated with the different tiers of government previously quoted.

Finally, the expected benefits of cooperation with Euskadi, Navarra, and Aragon resulted in Aquitaine's participation being quite strong, with 22% of programmed projects proposed by French partners (from all levels) within the Pre-Programming Territorial Committee.

4.5 The Midi-Pyrénées regional authority against state-driven agencies

The situation in Midi-Pyrénées provides another vision of the implementation of regionalised programmes where decentralised and state-driven authorities are embedded in running battles for the political leadership of European aids. In many cases, territorial representatives and state officers compete to be the first to control the European resources. At least, this rivalry ensures the involvement and the influence of European actors at the substate level.

In Midi-Pyrénées, despite the pro-European discourse of the president of the region, decentralised actors share reduced financial and human resources to manage community initiatives. As highlights Smyrl (1997) in the French case, in Structural Funds issues the lack of direct participation of European actors tend to mechanically favour the position of state representatives. Thanks to its important technical staff inherited from preceding versions of INTERREG, the SGAR Midi-Pyrénées and PPC-DATAR monitored the different regional operators.

The fact that the majority of accepted public proposals (59% of all of the proposals) were made by municipal and intermunicipal groupings (41%)—while departmental councils and regional council programmed only 23% and 36% of INTERREG projects—is due to the strong logistic and financial backing of state-driven officials for local implementers. As one can expect, such configuration also tended to stimulate competition amongst these two state administrations which maintained harsh relations within the Programming Committee.

The relations between public and private sectors also revealed a monopolisation of the European aid by state officials: the majority of private proposals came from the not-for-profit sector (68%) and only a marginal part was commercial companies. However, once again, the analysis of such private projects proves that they were mainly managed by regional state administrations and not by decentralised authorities. Actually, these private actors were often the traditional partners of regional administrations in sectoral bargainings (eg during the last negotiation of Objective 2 of Structural Funds).

Following this logic, the lower level of cross-border programming vis-à-vis Aragon within the central Pre-Programming Territorial Committee—only 43% of implemented programmes were proposed by a partner from Midi-Pyrénées—can be explained by the geographical barrier separating both sides of the Pyrénées halfway along the frontier (Chôra Conseil and Idom, 2005). Another explanation can be found through the inertia provoked by the leadership of state administrations with no strong involvement in cross-border issues.

4.6 INTERREG as a counterproductive regional programme in Languedoc-Roussillon

Ultimately, the regional governance model proposed by the European Commission can also lead to complex situations in territories where political fragmentation is such that substate actors cannot reach any agreement since the tension between territorial representatives limits the possibility of alliances. Such configuration often occurs in the less-integrated regions which are a simple patchwork of departments, municipalities, and intermunicipal groupings of irreconcilable political tendencies.

In the case of INTERREG III-A, the paradigmatic example of such a configuration was the region of Languedoc-Roussillon. The election of J Blanc (centre-right) as the president of the regional council in 1998 thanks to the support of the extreme-right deputies of the National Front provoked a strong regional political crisis. The negotiations for the implementation of Structural Funds were carried out technically, but political struggles engendered a frontal opposition which limited the vertical partnership between different tiers of government imposed by INTERREG. In particular, the relations between the regional council and the socialist general council of the bordering Pyrénées-Orientales département led to cases of abuse of INTERREG III-A projects. For example, the project of a cross-border hospital between French and Spanish Cerdanya, initially developed by the councils of the départements, ended in the hands of the regional council representatives after a ruthless dispute in the Pre-Programming Territorial Committee.

Although the level of territorial programming can be compared with the other regions (local, departmental, and regional actors programmed 35%, 32%, and 33%, respectively, of public projects, which represented a total of 56% of the whole projects), the long delays slowed down the process. In this case, the state officers of the SGAR and the DATAR played only a role of cofinancer and were feared to be involved in political struggles.

To a large extent, "the Commission's involvement tended to add more oil to local fires" (Smith, 1996, page 130). This was particularly visible in the public–private partnership since the not-for-profit interest groups and associations (65% of private proposals) which presented a project strictly reflected the position of one of the opposite factions. The clash between allies and opponents of the regional council had led to the division of a region where each part intended to be the most active in cross-border issues by stopping the initiatives of its counterpart.

This explains partially the low level (23%) of accepted projects led by a partner from Languedoc-Roussillon in the eastern Pre-Programming Territorial Committee which also encompasses Midi-Pyrénées and Catalonia.

5 Conclusion

As this analysis puts to the fore, the INTERREG III-A programme was designed to favour the empowerment of regions as direct partners of the European Commission in order to bypass member states' governments. Nevertheless, the diffusion of such a scheme during the implementation step occurred in few cases, and our analysis reveals rather a wide range of configurations where regional governments and authorities were not in fact empowered.

As we stated at the beginning of our study, the implementation process did not revolutionise territorial equilibriums at the substate level. This confirms the analyses in terms of multilevel governance which argue that European development policies use complex vertical integration networks which vary greatly across member states. Indeed despite the involvement of the European Commission to push on a regionalised scheme of implementation through the INTERREG programme, the long-run arrangements established in each policy subsystem profoundly shaped INTERREG implementation (Bache, 2004).

Globally speaking, the efforts of the commission reached the best results in Spain where autonomous governments were empowered by controlling the whole implementation process through different systems of regional coordination and without central state interference. The Basque case shows how parliamentary mechanisms can help the autonomous government to coordinate subregional actors. The political pluralism used in Catalonia produced a similar result, but lacks a system of coordination as institutionalised as the Basque Country's. In turn, the Aragonese government decided to face problems of coordination via a partisan policy-making style by excluding the right-wing coalition of opponents from the INTERREG policy process. In all Spanish cases we found great evidence of party clientelism emanating from autonomous governments, but in this case with efficient outcomes.

In France, in turn, this study demonstrates that Structural Funds are still poorly regionalised and tend to fragment among at least six tiers of territorial government (municipalities, intermunicipal groupings, departments, regions, central state, and the European Commission). Furthermore, the state-driven officers of the SGAR and the DATAR are no longer monitoring authorities, thought they remain omnipresent. The French cases show that the involvement of the commission was not a sufficient incentive to create strong regional partners in CBC issues. Other variables are necessary in order to explain why some cases like the Aquitaine regional council successfully emerged while others remained embedded in conflicts with state agencies (in the case of Midi-Pyrénées) or their own departmental authorities (in the case of Languedoc-Roussillon).

Our findings also allow for some careful generalisation of the structural conditions of successful regional empowerment through the implementation of INTERREG. From our point of view, regional governments win power when two conditions are fulfilled: first, a previous regional decentralisation policy has been realised; second, regional governments have developed a significant capacity of cross-border management through the involvement of subregional actors in stable networks during the previous versions of INTERREG.

The first condition was realised in France and Spain, but, as has been demonstrated, the Spanish decentralisation went much further than the French one where it consisted more of fragmenting territorial power than of empowering the regional level. In no way can the power of French regions be compared with their Spanish counterparts where autonomous communities directly compete with central state in many policy issues (airports management, public mass media, education) in a two-level structure of power. In this sense, The Pyrénées are still an important division line which separates two different institutional paths.

By saying so, we suggest only that regional empowerment in CBC issues is more likely to be effective in states with a strong tradition of regional autonomy. Actually, the creation of an open opportunity structure at the domestic level—even if necessary—is only a first step. With regard to the second condition, the cases suggest that regional empowerment only succeeds if CBC entrepreneurs emerge to take advantage of this situation. To be more specific, the autonomous governments of Euskadi and Catalonia—and, at a lower level, Aragon—fully used their administrative resources in order to manage the INTERREG funds without interference. This 'use' of INTERREG had two motivations: on the one hand, catching and distributing European grants within their networks of supports in order to ensure their control on regional affairs (including private companies like the Mondragón cooperative in the Basque Country); on the other hand, symbolically demonstrating that regional governments (and specifically those which are governed by ethnonationalist parties as in Euskadi and Catalonia) can compete with central state and act as 'quasi-sovereign states' by developing their own diplomatic policy through INTERREG.

In France the situation of regional authorities is much more complex. As we stated, decentralised actors face an institutional context of semiliberty which still favours classical management behaviours rather than innovative ones. For that reason, the political involvement of some regional actors much be stressed as it demonstrates that CBC is sometimes considered as a serious matter despite the complexity of its management and its limited funding (respect to ex-Objective 2 policy, for instance). The example of Aquitaine reveals the will of its leaders to invest its political capital in this innovative policy (which also includes other earlier experiences like the Common Fund with Euskadi) to convert into CBC entrepreneurs. Aquitaine's decision to manage the whole INTERREG programme as a monitoring authority evidences this procactive attitude. However, the reduced number of administrative staff members, the lack of specialisation of civil servants, the lack of hierarchy with respect to departmental authorities, and a certain tradition of tutelage by central state agencies did not always enable reaching the critical mass necessary to impose the region as a legitimate and unique interlocutor of the European Commission in CBC issues. The cases of Midi-Pyrénées and Languedoc-Roussillon are symptomatic of this gap between a positive discourse on CBC and the deficit of concrete measures: either because of regional political struggles or because of the lack of political will.

Acknowledgements. We wish to thank Michael Keating (European University Institute, Florence), Francesc Morata (Autonomous University of Barcelona), Andy Smith (Institute for Political Studies, Bordeaux), and the anonymous referees for their constructive comments.

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