

**Post-Modern Europe and Inter-regional
Cooperation in the European Union**

by

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Paper prepared for presentation at the Fifth Biennial Conference of the European
Community Studies Association (USA), Seattle, USA, 29 May - 1 June 1997

1. Introduction¹

The European Union remains for the vast majority of its population a distant entity and one that most of the people feel little affinity with. In most instances, it is the case that national governments remain the interlocutors between the EU and the people; and national governments have tended to jealously guard their control over this process and have been prone to exclude non-governmental and sub-national actors from participating in it. This situation, however, may be changing in post-modern Europe and the state seems, in some respects, to no longer hold the pre-eminent position that it once did. Its role is still central in many areas of policy and it cannot be imagined away, but the EU and sub-national actors have become an increasingly important part of the policy process. The EU, either directly or indirectly, impacts and impinges on peoples' daily lives in almost all walks of life. Similarly, at the sub-national level the growing impact of regions and cities on the daily lives of people is also increasingly significant and the role of such actors in the European policy process has taken on added importance as a result of regionalism and regionalisation.

Regions, cities, local authorities and community groups are being encouraged by Brussels to participate in the policy process. Thus, top-down development, dominant in post war Europe and led by national governments, is being challenged and confronted by bottom-up initiatives, that involve local actors in partnerships which stretch across the borders of Europe and which are supported by EU programmes. This paper looks at what has been happening to the European polity and examines the ways in which the EU has promoted and fostered interregional cooperation in this new policy environment, examines the impact of such cooperation on development and considers what the future may hold for interregional cooperation.

It specifically seeks to address three questions:

1. what has been the impact of interregional cooperation on local economic development?
2. what has been the impact of interregional cooperation on the Europeanisation of local and regional government?
3. what potential role can interregional cooperation play in stimulating the reform of the local and regional institutional structures in Europe?

Before proceeding to examine these questions some caveats need to be noted. First, the study is of a preliminary nature and, therefore, where conclusions are drawn, they should be treated with caution as they need to be subjected to further research. Second, while the study draws on a range of secondary and primary source material, the review of literature is not exhaustive. Third,

¹ In the course of undertaking this research many individuals contributed to its completion, but I would especially like to thank Martyn Farrows, Brid Quinn, Dolores Taaffe and John Hayes, University of Limerick, Maura Adshead, University of Liverpool and Sean O'Riordan and Tony McNamara, Institute of Public Administration for their assistance.

the interviews undertaken as a part of the study were conducted only in Ireland and Brussels during July and September 1996. The interviews were structured around a set of questions that focused on asking about actions being taken under Article 10 of the ERDF regulation and which were designed to elicit detailed responses from interviewees. Finally, a more systematic and comparative study of the experiences of local actors with Article 10 funding needs to be undertaken.

The paper is organised around six sections, the first examines the changing nature of the European polity, the regions and the role of the EU in regional policy. The second and third sections look at the European Commission and the development of interregional cooperation under Article 10. The paper then considers the impact of Article 10 from the perspectives of Commission and from that of the local and regional actors, while the penultimate section examines the changes being implemented during the 1995-99 round of funding. The conclusion returns to consider the questions posed at the outset of the paper and considers what answers have been offered.

2. European integration, the regions and EU regional policy

Local and regional development has taken on a new meaning and significance in the context of the European Union and post-modern Europe with much faith being placed in the notion of bottom-up development. As O'Donnell suggests "The process of regional change, just like the process of economic development, is not a steady journey along a path of either concentration and dispersal. It is an inherently uneven process which moves in bursts of progress and sharp reversals." (1994: 17). On this basis, explanations of regional change must consider both the role that external factors play (national and international) and their impact on a region, but equally importantly, the impact of indigenous development and innovation leadership on regional growth. Ideally, top down structural adjustment and bottom-up development should form a dialectic in which local and regional development is bolstered. At a very practical level, EU, national and regional goals should complement each other and there should be a strong sense of strategic planning. In the post war period, local and regional development was largely seen as a matter for the states, but increasingly the European Union's role in this area has grown, reflecting both economic and political changes in Europe, some of which are of its own making and others largely outside its control.

In the first instance the changing nature of economic activity both in Europe and globally has impacted on the European Union and has provided an impetus to further economic integration. For example, much of the impetus for the completion of the internal market grew out of a concern that Europe's international competitiveness relative to Japan and the US was being challenged and that there was a need to improve competitiveness and technological edge. The passage of the Single European Act and the adoption of the programme to complete the internal market marked a further stage of economic integration among the member states. This was quickly followed by two intergovernmental conferences on Economic and Monetary Union and Political Union. The outcome of these discussions and the subsequent negotiations led to

agreement on the criteria and a timetable for EMU and the adoption of the Maastricht Treaty on European Union. The Delors strategy of pegging economic growth to the deepening and widening of European integration was attractive to the member states and provided a rationale for the Maastricht Treaty. The process of deepening economic integration, as well as enlarging the Union to fifteen states, provoked concerns that European integration would have an uneven impact on the territory of the European Union, and especially on the poorer member states and regions. Thus, there was a renewed emphasis in both the Single European Act and the Maastricht Treaty on dealing with regional disparities by means of the structural funds and through the creation of a Cohesion Fund.

Arising out of greater economic integration the issue of governance in the European Union has prompted some re-evaluation of the relationship between the EU, national and sub-national actors. At the very least, as Richardson observes, "the EU has acquired for itself ... the policy-making attributes of a modern state, across an increasing range of policy sectors" (1996: 3). It may be, then, that we need to focus on the EU, the states and the regions in terms of a policy-making Community, policy-networks and issue networks. In this context, the post-modern state is one that does not operate in isolation but in relation to other actors at the supra and sub-national levels. The EU may therefore be conceptualised as a multi-level system of governance in which competences are shared and/or held at the different levels in the system (see Caparaso 1996; Marks, 1993, 1996; Christiansen 1996, et al.).

Secondly, there has been an upsurge of interest from many of the regions and localities in being involved in the process of governance. In some instances European integration may have provoked this upsurge, in others it was a response to economic and political issues in the states. The idea of a 'Europe of the Regions' may not be realistic in the foreseeable future, but the role of the subnational actors in the process of governance has grown, especially in the area of local and regional development. There is, however, wide variation in the nature and role of regions in Europe. For example, regions have always been powerful in Germany and Austria and have become increasingly so in Spain and Italy, and more recently Belgium. In other states, such as the UK, Ireland and Greece, the notion of region has far less meaning and in some cases none at all. Defining what is a region, beyond determining that it is a territorial entity, is like determining how long is a piece of string! Such a varying regional framework makes it difficult to promote interregional cooperation and hinders the types of actions taken under Article 10.

In summary, regional and local voices are increasingly heard at a European level and they have begun to take on a new political significance in the European Union. For example, the provision in the Maastricht Treaty for the establishment of a Committee of the Regions provided an opportunity to institutionalise regional voices and interests as a part of the European policy process. In practice, however, the workings of the Committee of the Regions have proven more problematic and have to some degree emphasised the diversity of the regions in Europe (Farrows 1997). Whatever the workings of the Committee of the Regions, the symbolic value and acknowledgement of regional concerns and interests highlights the political authority already vested at this level in the European polity.

3. The European Commission's approach to regional development and interregional cooperation

At the same time as the above processes have been occurring the European Commission has been developing a set of structural instruments and policies aimed at reducing regional disparities and aiding the process of regional and local development (see Rhodes 1995, Hooghe 1996). What has gone on and what has changed in twenty years has been considerable and is beyond the scope of the present paper, but some of the broader trends are worth noting as they suggest the ways in which the relationship between Brussels and the regions has changed during this period. At the outset in 1975 the relationship between the Commission and the member states was highly formalised during the formative years of the ERDF, with the national authorities requesting funding from ERDF for large infrastructural projects. In most cases the national authorities limited their requests for funding to agreed national quotas. There was, then, little incentive to be innovative in making requests to Brussels as states were largely concerned with drawing down their share of ERDF funding and adding it to their national exchequers (Laffan 1993). There was an absence of transparency and not much additionality in this arrangement, hence the impact of the ERDF on development problems in the member states was difficult to gauge and arguably the funding was not very effective.

Thus, there was considerable dissatisfaction within the Commission with the manner in which the ERDF worked in the 1970s. There was little sense of the ERDF turning into a European-level development agency as some might have hoped. In turn there was limited direct contact between Commission officials in DG XVI and local actors involved in the development process. In this context, the Commission argued during the 1980s for a reform of the regulations governing the operation of the ERDF to make it a more effective policy instrument. Change was forthcoming but it was slow and more limited than some in the Commission might have wished. It did, nevertheless, culminate in the 1988 reform of the structural funds which led to a doubling of the monies available for regional development, as well as a concentration on five priority objectives. The Commission moved away from funding individual projects to funding national programmes by means of Community Support Frameworks and Operational Programmes. An emphasis was placed on partnerships within the programmes, as well as on transparency and additionality, combined with a more rigorous system of monitoring and assessment.

The shift in emphasis and approach made in 1988 was further reinforced in the conclusions of the Edinburgh Summit in December 1993. Agreement was reached on a doubling of the resources available under the structural funds to Portugal, Greece, Ireland and Spain for the period 1994-99. By 1999 objective one regions will receive 70% of the resources available under the structural funds (European Commission 1995b). In July 1993 new regulations² were adopted making some 141 billion ECU available through the structural funds for 1994-99. There were relatively few changes made in the content of the regulations and these came into force on 1 January 1994 for the period 1994-1996. The funds continued to be concentrated on objectives one and two. The emphasis on programming was maintained and, for simplification, a single

² See Council Regulations (EEC) No 2080/93 (Fisheries guidance), No 2081/93 (Framework), No 2082/93 (Coordination), No. 2083/93 (ERDF), No. 2084/93 (ESF), and No 2085/93 (EAGGF).

programme document has replaced the CSFs (except in the case of the objective one states), additionality and transparency are to be monitored and the partnership concept, despite problems, is retained. The adoption of the Maastricht Treaty in November 1993 renewed the commitment to economic and social cohesion, added a protocol on economic and social cohesion, provided for the establishment of a Cohesion Fund and the creation of the Committee of the Regions.

The Commission's approach to regional development has, therefore been characterised by periods of learning and adaptation reflecting its experiences with the development of regional policy instruments and its assessment of the impact of its programmes on the regions in the member states. The Commission has sought to complement and work with the state in promoting development, although it has its own ideas as to how this should be done. The negotiations between the Commission and the states over the national development plans and Community Support Frameworks represent an attempt to agree on national priorities and policies in the context of Community support. The member states, however, have been reluctant to broaden these consultations to include subnational actors in policy discussions except for formal consultation. The Commission has tried to more directly intervene in the regions through Community initiatives, such as Interreg, Regis, Leader, and Adapt, but also by means of pilot projects under Article 10. In February 1994 the Commission proposed some 13 programmes, some of which were new and others of which built on existing programme.³ These were established by the Commission with a view to meeting problems which were seen to exist at a European level. They have largely been aimed at supporting the development of trans-national, trans-border and inter-regional cooperation, and aim to promote bottom up development. At present they constitute about 9% of the total structural fund expenditure. In contrast, Article 10 of the ERDF regulation provides a means by which the Commission can support innovative, smaller projects that seek to promote and foster interregional cooperation within the European Union and with the states immediately adjacent in Central and Eastern Europe, the CIS and the Mediterranean region.

More generally, the Commission's thinking about regional development has been influenced by a number of key reports. The *2000 Report: outlook for the development of the Community's territory* (European Commission 1991) supported the need for common action on spatial planning while maintaining the principle of subsidiarity. The follow-up report, *Europe 2000+* (European Commission 1994a), argued that the increasing interdependence between regions necessitates closer and more systematic cooperation over territorial planning across Europe. Similarly, the White Paper on *Growth, Competitiveness and Employment* (European Commission 1993) supported the idea of decentralised decision-making at the national and community level as a way to promote sustainable development. It argued for a cleaner economy and more efficient use of resources, as well as supporting the principle of subsidiarity. Building on the White Paper, the Commission undertook a further study, *Local Development and Employment Initiatives* (1995a), in which it identified 17 local fields ranging from everyday services, to

³ Note that following the publication of the Commission's *Green Paper on the Future of Community Initiatives* in June 1993 and after the informal Council meeting in Liege in November, consultation with the European Parliament and other bodies led the initial proposals to concentrate on five priorities to be broadened to include initiatives on fishing and urban areas.

services improving the quality of life, cultural and leisure services, and environmental services where jobs might be created. The report is a rich source of ideas and one that has influenced local and regional actors in making their funding proposals to the Commission, especially in relation to Article 10 actions.

4. Actions under Article 10

Article 10 has provided the Commission with the resources and means by which to try out some of these new ideas about development and interregional cooperation. Article 10 of the 1988 ERDF Regulation as amended by Council Regulation (EEC), No 2083 of July 1993, provided that the ERDF could spend up to 1% of its annual budget in financing pilot projects in the areas of interregional cooperation between regions and local authorities, innovative measures for regional economic development, provisions for spatial planning and urban projects.⁴ These included two types of activities:

Studies on the Commission's initiative aiming to identify:

- the spatial consequences of measures planned by the national authorities, particularly major infrastructures, when these effects go beyond national boundaries,
- measures aiming to correct specific problems of the border regions within and outside the Community,
- the elements necessary to establish a prospective outline of the utilisation of Community territory

Pilot schemes which:

- constitute incentives to the creation of infrastructure, investment in enterprises and other specific measures having a marked Community interest, in particular in the border regions with and outside the Community,
- encourage the pooling of experience and development cooperation between different Community regions, and innovative measures

This translated into a number of Commission programmes which were undertaken between 1989 and 1994. These included pilot projects for spatial planning, issues relating to urban planning and interregional cooperation. The initiatives undertaken through Interregional cooperation led to the development of a number of new programmes: Pacte (funded by the EP) and Recite for internal interregional cooperation between cities and regions and Ecos/Ouverture for cooperation between the regions of the EU and regions in the states of Central and Eastern Europe (later extended to CIS and the Mediterranean). These programmes are described below and some preliminary assessment of their impact is undertaken in the next section of the paper.

⁴ Note that similar provisions exist in the ESF and the Guidance Section of the EAGGF.

The Pacte programme⁵

The Pacte programme was launched in 1990 and was managed jointly by the Assembly of European Regions/Council of European Municipalities and Regions. The programme largely sought to provide an initial introduction and exchange of experience between regions and cities interested in participating in interregional cooperation. As noted "the aim of the programme is to encourage, by appropriate co-financing, the exchange of know-how and experiences between the local and regional communities of the European Union or the actors operating on their behalf" (European Commission 1995d: 21). More broadly it was seen as fostering economic and social cohesion, promoting regional and local development and developing the European spirit within local and regional communities. Once initial exchanges had been undertaken and projects completed it was envisaged that partners would then move on to other EU programmes.

The aim was to provide support for bottom-up development by providing partners with direct access to funding from Brussels, thus trying to minimise bureaucratic burdens and red tape. The projects on average received between 100,000 and 150,000 ECU each. The Pacte programme funded some 396 projects, involving some 842 different local and regional communities during the period 1989-1995. Of these Ireland was a participant in 40 projects and project leader in 24 cases. In 1995 some 228 applications were made, 67 projects were chosen, involving 925 local and regional authorities. The most active participants were France (14 projects) and the UK (12 projects), followed by Greece and Spain (9 each), and Portugal (8). Ireland submitted 11 projects for funding and received support for 4 projects. As table 1 indicates, three areas provided much of the focus: economic development, employment and SMEs; rural and peripheral development; and environment, natural and urban habitats.

Table 1: Fields of Cooperation, 1989-95, 1995

| Projects | 1989-95 | % | 1995 | % |
|---|---------|----|------|----|
| Civil service | 75 | 22 | 3 | 4 |
| Urban management and regional planning | - | - | 4 | 5 |
| Economic development, employment, SMEs | 78 | 23 | 17 | 23 |
| Transport | 22 | 7 | 5 | 7 |
| Technology and Research | 32 | 10 | 0 | 0 |
| Environment, natural and urban habitats | 60 | 18 | 10 | 14 |
| Energy and natural resources | 24 | 7 | 4 | 5 |
| rural and peripheral development | - | - | 14 | 19 |
| Culture and economic development | 6 | 2 | 6 | 8 |
| Tourism | 27 | 8 | - | - |
| Health and social policy | 4 | 1 | 4 | 5 |
| Training and development | 7 | 2 | 4 | 5 |
| Multi fields | - | - | 3 | 4 |

Source: European Commission (1995d: 25-6)

⁵ Pacte replaced the Programme for Exchange of Experiences begun in 1989.

In the case of Ireland the projects funded were concentrated on rural and peripheral development, the environment and economic development with some notable exceptions such as the Dublin LRT project and the restraining of private vehicles project.

The Recite programme

The Recite programme, launched in 1990/91 with a budget of 48 M ECU, funded 36 inter-regional cooperation networks (an average of 1.6 M ECU per project). In 1990 some 15 network projects were launched and following a call for proposals in 1991, a further 229 applications were received and 21 were selected. The projects involved a total of 405 partners (249 in practice as some were in more than one network). The programme was first managed by the Commission and then by the Recite Technical Assistance Bureau created in 1992. The main objective of the programme was that networks of partners would work in collaboration on issues of economic development and would share their experiences with each other. The projects covered all issues and sectors, often with more than one theme and sector per project. Activities included conferences, workshops, technical working groups, exchange of staff and technical visits plus training, studies, comparative studies, controlled experiments, business support activity.

Two Irish-led projects provide examples of the nature of and types of activities that the Recite programme supported. The first, Ernaet (the European Regions Network for the Application of Communications Technology), led by Donegal County Council and Derry City Council and involving four other partners (1990-1994), was concerned with applying telecommunications technology to the needs of local and regional authorities within the EU (O'Donnell: 1996: 1). The project was managed by a Board of Management and assisted by two interregional committees, one on management and the other on technical issues. A second example is that of the project led by Cork County Council, Eurosynet, which focused on training, the environment, assistance to SMEs, public administration, planning and local economic development. Both projects are representative of the types of activities funded under Recite and have been highlighted by the Commission as having been successful as we shall see in the next session.

The Ecos/Ouverture programme

The Ecos/Ouverture (1990) programme was initiated in 1990-91 with the objective of expanding interregional cooperation between the EU's cities and regions and those in the states of Central and Eastern Europe (CEECs), and later the CIS and Mediterranean. The programme was partly created to show solidarity with the CEECs, but also to get regions involved and responding to changes in the CEECs. Some 250 projects were funded at a cost of 100 million ECU during 1989-93 and over 1000 authorities were involved in projects. Ireland was involved in a total of 33 Ecos/Ouverture projects; of these it was the leader in 11 and a partner in 22 projects. Projects varied from tourism development to environmental improvement, SME support and development.⁶ Projects received average funding of about 225-300,000 ECU, involved usually 6-7 partners and lasted for approximately a year. The emphasis was on objective one states. The

⁶ See European Commission (n.d.) *Ecos-Ouverture - a programme for regional cooperation: the story so far in Ireland* DGXVI: European Commission

Central and East European partners were not funded from the programme and much imagination was needed to obtain funding to support their actions, until some PHARE programme funding was extended to support Ecos/Ouverture projects.

The aims of the programme were to (a) reinforce economic and social cohesion by promoting the involvement of regions and cities from less favoured areas of the European Union in East-West and North-South Cooperation, (b) to assist the economic and political transition of Central and East European regions and cities and (c) to contribute to regional development and the modernisation of local and regional authorities in all the participating areas of the European Union, Central and Eastern Europe, the CIS, and the Mediterranean.

The process was managed and overseen by Strathclyde Regional Council in conjunction with the Council of European Metropolitan Regions. In practice, however, the local actors were the key players and were charged with establishing and maintaining partnerships with a view to undertaking the tasks agreed to in their funding submissions. This included supporting the development of SMEs, local and regional democracy, tourism, occupational training, urban services, environment/social policy (European Commission, 1994b, c). Other actions ranged from long-term secondment of staff to study visits, training, trade fairs, seminars, staff exchanges, feasibility studies, promoting business links, concrete assistance. In general, the programme involved largely an exchange of knowledge and experience between the partners and provided for relatively limited real economic development.

Other initiatives for regional development

In addition to these larger programmes, the Commission also funded a range of other initiatives such as Atlantis (4 MECU), as well as providing small subventions, and support for conferences and seminars. Other activities were also funded, but initially from other sources. These included Europartenariat - which enables small firms in the less prosperous regions to make contact with partners elsewhere in the EU, Central and Eastern Europe and the Mediterranean; Euroleaders; Directoria - large scale European meetings for local and regional authorities; European Business and Innovation Centres (BICs).

5. The impact of Article 10 on interregional cooperation, 1989-94

Assessing the impact of interregional cooperation on local and regional development in the EU is a difficult task in that the objective of Article 10 funding was to be innovative and to support projects and studies that would not usually have been funded by the structural funds. Indeed, those responsible for supporting the types of projects funded under Article 10 were seeking to promote innovation and to identify new ways of promoting development at the local and regional level. The notion of bottom-up development had been taken to mean that all forms and sorts of experiments were eligible for support. Most importantly, the ideas and views of local communities would be taken into account and development would be supported at the lowest possible level.

Assessing whether or not interregional cooperation has been successful is problematic, as the types of activities funded have been diverse and the meaning of development is very broad, making it difficult to suggest a set of criteria by which to judge what has happened. The success or failure of Article 10 funding has to be more than simply quantitative and must also be measured in qualitative terms.⁷ The opening up of *exchange* and the *process* of dialogue that has characterised many of the projects is important to the development process but hard to measure. Interregional cooperation has also been as much a political success as an economic one since it has directly engaged the regions in the European policy process and led to the promotion of their interests. It must also be kept in mind that many of the projects funded did not take place in a vacuum and that other activities, involving actors from the national and local levels, have been occurring at the same time which has also made it more difficult to measure their effectiveness. In noting these issues, the analysis that follows considers first the Commission's own assessment of the interregional programmes, then looks at each of the programmes and finally, in the next section, examines them from the perspectives of the national, regional and local participants.

An overview of the Commission's analysis

In its Guide for Actions to be undertaken during the 1995-1999 period the Commission asserts that the initial programmes for interregional cooperation were successful in achieving the objective of encouraging *interregional cooperation* by local and regional actors (Commission 1994d:16). This was deemed desirable both from the perspective of the Commission, which wished to provide a political response to the demands from the regions and localities for a greater involvement in the European process, as well as reflecting the wish of the regions and localities to have access to funding to enable them engage in interregional cooperation. The programmes provided an opportunity for partners to share experiences as well as acquire new knowledge. The range and diversity of actors who participated in the projects suggest that this occurred, but to what effect is less certain, as many of the activities produced less than concrete outcomes and the impact is difficult to measure. Nevertheless, there is some justification for the claim made by the Commission that projects led to the establishment of areas of competence and the emergence of organisations and groups that can act as resource centres. There are examples of projects that have gone on from the Pacte programmes to develop new initiatives and in which partners are continuing to work together, although there are equally many that have not (Ibid: 17). Whether such programmes have strengthened economic and social cohesion in the Union, as the Commission states, is hard to assess as it is an assertion that may or may not be true.

A further important objective of the programmes was to foster a European spirit among local authorities. Whether this has happened is equally hard to judge, but there is some evidence to suggest that local authorities have changed their attitudes to Europe and that many are both more positive towards and more aware of EU programmes. Such a process of Europeanisation,

⁷ For an overview of the approaches used in assessing the effectiveness of the structural funds see Alan Gray, (1995) *EU Structural Funds and Other Public Sector Investments: a guide to evaluation methods* Dublin: Gill and Macmillan. Gray notes that four main approaches are usually used: strategic reviews, cost-effectiveness studies, financial appraisals and cost-benefit analysis.

however, did not start with these programmes for many local authorities, as many were already dealing with Europe in one form or another. In Ireland this was less the case as local government's relationship with Europe has been more distant and ambiguous, and the limited remit of local authorities and the strong centralising tendencies in the state have made it more problematic to forge direct links with Europe. The Article 10 programmes may therefore have been both a stimulant and a challenge, providing an opportunity for involvement for some local authorities. This has brought with it some difficulties for Irish local authorities and much still has to be learnt about how to improve our level of involvement and our understanding of the European process as we shall see in the next section.

The Commission is also aware of the limitations of the early programmes as it notes that the programmes did not go far enough and had less of a lasting impact than might have been hoped for. In particular, the Commission suggests that there is a need for more concrete outcomes that can be measured and that the projects need to be larger than the 60-150,000 ECU provided under Pacte. Indeed, while Pacte was meant to be the introductory programme and Recite the more advanced, it is difficult to distinguish them. On the other hand, while it may be hard to measure the impact of many small projects, an emphasis on larger programmes may squeeze out some actors and limit the possibilities for innovation which was partly why the programmes were created.

The Commission has also been critical of the ways in which the projects have been organised and the ways they have functioned. It has suggested that there needs to be greater public and private partnership rather than only a partnership of public authorities and state agencies. There is also a need for greater transparency and division of responsibilities. It noted that experimentation has led to different layers of instruments and that dissemination of information about innovations has been limited. Finally, it has recommended that monitoring and ongoing assessment needs to be improved. Thus there have been many operational problems in setting up and managing the projects, although this should have been expected from the outset, given the type of activities planned and the dependence on many regional and local actors who have had little experience of Europe. The first programmes must therefore be seen as experimental and should not be judged too harshly. Following from these preliminary remarks we turn to briefly look at each of the programmes.

The Pacte programme

The objective of the Pacte programme was to promote interregional cooperation between regions and cities within the EU with a view to enhancing economic development. What have been the results to date? Walter Wenzel, Director of the Council of European Municipalities and Regions, the body partially responsible for administering the programme, notes that "five years ago, interregional cooperation was far from being an established fact. If the will to cooperate exists today, the fact of investing oneself in international cooperation requires a particular process as well as specific funding which is very often unavailable in many cases, Community financing enables the launching and the realisation of cooperation where the will of local actors would not have been sufficient" (Commission 1995d: 17). On this basis the Pacte programme was seen as

providing funding for a networking of the European territory in ways that did not exist prior to the inception of the programme. The programme was successful in bringing many local authorities into direct contact with each other and did draw them into cooperative networks, but with what effect is harder to judge.

A review of the programme undertaken in 1995 suggests that it provided a means to exchange experiences and fostered a process of mutual discovery as to better ways to do things, better systems of internal management and training within local authorities, a greater awareness of how others work and how possible changes may lead to more effective and efficient delivery of services, as well as the promotion of local development projects. The programme also promoted a greater awareness of Europe and of EU programmes.

On the negative side, however, there have been some managerial and operational problems. For example, participation in such programmes takes time, requires complex management and accountancy, as well as involving more travel and work for local managers. Moreover, assessment suggests a number of other problems that include the need for greater formal involvement of elected representatives, more careful choice of subject for exchange, more demanding methodologies as to the contents of the project and the strategy employed. There has also been a problem in getting local actors to move on to other programmes which provide opportunities and avenues for cooperation. There must therefore be a rationale for continuing: that cooperation serves the partners in some way, meets their needs, that cooperation deepens and that there are adequate financial means to undertake further cooperation.

The Recite programme

The Recite programme, which the Commission saw as a follow on programme for those involved in Pacte, provided larger scale funding for networking regions and cities. Again there has been little formal evaluation of the programme, although the interim reports published by the Recite Office, provide some basis on which to assess its impact on interregional cooperation. The reports identify five areas in which the programme has been judged to be successful.

Firstly, one of the key objectives was the transfer of know-how between the partners within the networks. While it had been assumed that this would be from the more developed to the less developed regions, in practice it proved to be a two way process. There was also a transfer of know-how amongst regional and local authorities and agencies within states, as well as the development of know-how and its transfer (e.g. electronic media).

Secondly, such projects were also judged on the degree to which they created economies of scale through their activities. This included access to the results of shared cost studies or expertise, access to central information and services, the development and adaptation of model approaches and comparative analysis and experiments. This did occur to some extent, but not in a very systematic way.

Thirdly, the promotion of an efficient system of public administration was a further objective and area of benefit. This included the enhancement of the capacity of the partners to become involved in interregional cooperation and the adaptation and diffusion of good practices. In the Irish case, the local actors have more knowledge and awareness of partners and their systems of administration, but often they see the experiences of others as less relevant in the Irish context.

Fourth, the development of Community policies was also seen as a goal met by the programmes. This included the improvement of the quality of CSFs, the identification of the scale and characteristics of sectoral change, the linking of regional policy to other Community policies, the generation of information and analysis and hence new insights for Community policy, as well as more concrete developments such as new initiatives and projects like the Urban initiative, the Atlantis project, and Transport in the Mediterranean, etc.

Finally, the degree to which local actors became involved in the projects and the extent to which they were Europeanised through participation was judged important to the success of the programme. On this level, the range and types of actors involved differed considerably from the smallest community groups to the larger regional authorities. But, when added up only a small proportion of regions and localities participated. As one of the Interim Reports notes: 12 out of 71 NUTS 1 regions, 56 out of 183 NUTS 2 regions and 1044 out of NUTS 3 regions. The greatest participation came from Spain, France and Portugal and the lowest from Germany and UK (Recite 1995: 24). The gains from involvement for local actors varied considerably depending on the actors expectations. For example, for neighbourhood and local groups participation provided a seal of approval as well as insights to its own problems and ways to resolve them. For smaller localities and towns, contact with the EU provided improved access to state of the art technical approaches, reduced isolation and peripherality, and led to modernisation. Cities gained by being linked to the global economy and being made aware of competition, etc. Similarly regions, development agencies, economic organisations and other actors gained in different ways from being involved in such networks.

The achievements of Recite as seen from the perspective of the Recite Office are summarised in table 2. It is particularly noticeable that the results are largely concentrated on the accelerated transfer of know-how and the economies of scale derive from the participation of partners together in a network.

Table 2: The achievements of Recite

| | ACCELERATED TRANSFER KNOW HOW | ECONOMIES OF SCALE COMMON PROGRAMMES | ADMINISTRATIVE PERFORMANCE | DEVELOPMENT OF COMMUNITY POLICIES |
|-------------------------------|----------------------------------|---|-------------------------------|--------------------------------------|
| RECITE PROJECTS | | | | |
| Euroceram | ○ | ● | | |
| Hydre | ● | | ○ | |
| Eurisles | | ● | ○ | |
| Rochord | ● | | | |
| Dyonisos | ○ | ● | | |
| Ecowat | ● | | | |
| Scientific Centres | ● | | | |
| Finatlantic | | ● | | |
| Coast | | ● | | ○ |
| Environet | ● | ○ | | |
| Sealink | ● | | | ○ |
| Demilitarised | ○ | ● | | ○ |
| Technology Transfer | ● | | | |
| Rebuild | ● | | | |
| Resigmur | ○ | | ● | |
| Idee | | ○ | ● | |
| Compostela Foret | ○ | ● | | |
| Eurosynet | ● | ○ | | |
| European Urban Observatory | | ○ | ● | |
| Economic Co- operation | ● | ○ | | |
| Strategic planning | ○ | ● | | |

This analysis is for the 21 projects which started in 1992

Source: Recite Office (1996)

On the negative side, the Commission has been criticised for its management of the programme. In particular for its financial management and the poor information and guidance offered to applicants. Also, the lack of a clear legal framework for interregional cooperation supported by the ERDF made it difficult to determine who was responsible for what activities. The contractual procedures were deemed too rigid for a series of innovative measures making it difficult for modification and adjustments of projects. There was large variation in the scale of budgets between projects and there was a need for more details of the costs of the different activities. The projects were also criticised for failing to comprise a programme of activities but rather offered areas in which cooperation would take place.

At the local level there were also specific problems such as the time needed to complete projects, with a number of delays occurring, as well as differences of culture and language making cooperation difficult. Time was also needed to get to know partners, administrative difficulties added to the problems when in fact Article 10 was meant to make things easier for cooperation and less bureaucratic (nationally and locally), and there was a general need to better disseminate results so as to ensure the maximum benefits from monies spent.

Finally, there was little evaluation of the projects, although some is now being undertaken. What evaluation there was tended to be internal and few external evaluations have been done by independent experts. This makes it difficult to move forward in the current round of funding with any certainty that the Commission's programmes will be effective. We still need to know more about what went on during the first round of funding and with what effect.

In conclusion the reports on Recite emphasise the need to prioritise areas for interregional cooperation: such as areas with strong potential, areas where there are current gaps in activities, projects that enhance the role of economic actors, that improve links to CSFs, and technical areas where interregional cooperation could lead to more wide spread transfer of know-how.

The Ecos/Ouverture programme

In evaluating the success of the Ecos/Ouverture programme, the two reviews undertaken in 1994 provide a variety of different perspectives on the programme from major actors involved in the projects such as DG XVI, the Ecos/Ouverture offices⁸, consultants and experts as well as existing and prospective regional and local actors.⁹ The reviews have offered an opportunity to look at some of the results of the programme, to disseminate information about it and to provide advice to participants, as well as to discuss practical management issues. The reviews also represent an attempt to share experiences and to learn from others about their activities.

The Commission views the programme as having been successful in promoting the creation and development of interregional networks. The networks have provided the basis on which

⁸ The programme has been organised around steering groups, an expert panel, head office (Ecos in Glasgow and Ouverture in Brussels) and local offices, which provides an audit function, database (partner search, project directory, newsletter "Network news").

⁹ See the reviews conducted in January and July 1994.

experiences have been shared and know-how transferred on the management of public services, as well as on the promotion of local economic development and the provision of assistance in the training of the elected peoples' representatives and civil servants. Many of the participants also see the programme as successful and a useful sharing of experiences, although some suggest that it does not go much further than that and have not initiated further contacts of this type. Where the programmes have been successful they have provided for a sharing of experiences in both directions between East and West.

In contrast, the problems in operating such programmes with the Central and East European States and now the CIS and the Mediterranean has limited the impact of the programme. One of the major problems identified at the earlier stages was the lack of funding for the non-EU partners. The search for money therefore became a preoccupying theme. Hence there was very strong pressure to link the programme to PHARE and to increase the role of the Commission's DGI External Affairs, so as to solve the funding problem. There was also a concern to ensure that there was a follow on from Ecos/Ouverture and the question of what role the PHARE programme and the EBRD would play in supporting such forms of cooperation was a concern.

Other operational problems also arose, such as the need to build more balanced partnerships and the problems of language, culture and different experiences. There was also an imbalance in which states participated. For example, many of the early projects tended to disproportionately involve on the Western side Greece, the UK, Germany, France and Spain and on the Eastern side Poland, the Czech Republic and Rumania.

In general, the Commission has also been concerned about the lack of evaluation undertaken during the first five years of the programme. As with the other programmes, interregional cooperation has been seen as a political success, but doubts remain over how successful and lasting such cooperation has been. Needless to say, the results of the programme are modest in comparison with the overall level of EU funding for Eastern and Central Europe, but participants still see it as an important source of assistance in building contacts. There is, however, a need for more detailed analysis of what has occurred in this area and more evaluative studies are required. It is difficult to conclude what impact the programme has had without the availability of more systematic data and comparative material from which to draw analysis. What does come across from a survey of the data is a sense that cooperation has been very difficult to achieve and build, but that, when it has worked, it has been a two way process in which EU and CEEC partners have gained from sharing experiences.

Innovative economic development actions

In assessing the impact of interregional cooperation on economic development it is worth briefly considering the types of actions taken under the heading of innovative economic development. This has included a range of initiatives that have provided assistance to local bodies to promote economic development between businesses, service bodies and regions. For example, the European Business and Innovation Centres launched in 1984 (BICs), the European Business Network, regional technological development plans (1994), research on local development and

the spreading of economic partnerships between SMEs and local authorities via Europartenariat (1988) and Directoria (1993).

The success of these programmes has been in their development of partnerships from the bottom up, the updating and dissemination of methods of regional and local development, the raising of awareness in the private and public sectors of the international economy, helping to create a new attitude based on innovation and the exchange of experience. The problems, however, are similar to those of the programmes developed under interregional cooperation. For example, the weak diffusion of these actions within Community regional policies and poor impact on broader programming under the structural funds. Furthermore, the dispersion of priorities has reduced the impact of the programmes and made them less than coherent. Finally, poor management techniques have further reduced the clarity and effectiveness of the initiatives and the legitimacy of the programmes has been undermined by the failure to issue a call for tender under each measure.

An assessment

The impact of Article 10 on interregional cooperation in Europe has been positive if more limited than those involved in promoting the process might have wished. At a political level it is considered a success and is seen as having provided a useful learning experience. At the very least there is more dialogue and exchange between the regions and cities in the European Union as a result of the programmes. As one observer noted, "the regions themselves have become international in their outlook and in their willingness to become involved in regions with similar characteristics/problems".¹⁰ Whether, as the Commission claims, this has increased interregional cooperation and innovative regional measures have promoted greater economic and social cohesion is more difficult to judge. As a Commission officials notes "actors [have] begun to discover how to cooperate between themselves in areas where there may be a common problem to a number of different regions, for example, but where a solution has only been found in one particular region".¹¹ It follows from this that interregional cooperation has been a useful exercise and that it has increased integration between those active in the regions. There is a risk, however, that this may amount to very little unless what has been undertaken is built upon. For example, the Committee of Regions in its Opinion on Article 10¹² raises the question of whether the programmes will be able to maintain enthusiasm for the proposed actions and whether this represents the best value for scarce resources.¹³

¹⁰ Interview, Ecotec, 2 September 1996.

¹¹ Interview, European Commission, 3 September 1996.

¹² The Committee of the Regions has issued opinions on: *Cooperation for European Territorial Development 2000+* (CdR, 233/95), *The Future of Community Initiatives under the Structural Funds, Urban*, and specifically on *Article 10* (CdR 303/95)

¹³ The Committee of the Regions argue that there is a need for clear objectives, clear selection criteria, that the administration of projects should be from a bottom-up perspective, that priority should be given to initiatives that stimulate new forms of cooperation, as well as to projects that encourage cooperation between poorer and more prosperous regions. The Committee has also indicated that it wants to be more involved in the process. Hence, the Commission's decision to provide it with an annual report on interregional cooperation. The Committee also wants representatives of the regions and local authorities to be invited to participate on the Advisory Committee for Regional Development and Conversion.

- The process of interregional cooperation has also been an uneven one as the above analysis of the regional participants suggests. Interregional cooperation is difficult to achieve and requires that partners be able and willing to cooperate with each other. This has not always been the case and in some instances partners have pulled out of projects, as in the case of some of the Italian regions, where political instability has made cooperation difficult.¹⁴ Regions also have differing levels of autonomy and differing responsibilities and capacities to act. For example, some regions do not have the capacity to act independently of their Member State where the transfer of money is concerned.

The Commission's actions have contributed to and enhanced the notion of subsidiarity in the EU and the development of partnerships between regions and cities. It is, however, less clear whether the notion of partnership has been fully appreciated and whether the partnering process has been brought into play in the way described at the beginning of this paper. There is a need to more systematically consider how this has worked in practice and what the problems have been. There may also be a need to develop a more directed training programme for those about to engage in this process to ensure that the results of their activities are maximised and are not undermined by poor planning and management practices.

The programmes assessed above have contributed to a Europeanisation of many of those local and regional actors who have been involved in the process. At the very minimum, EU funding has provided an alternative, and in some cases, additional source funding for projects that otherwise might not have been able to happen. Such funding may also serve to enhance the status of local actors providing them with more leverage and reversing the more traditional asymmetrical relationship with national governments. Whether it is seen as important, however, depends on the nature of the local actors involved and the significance of EU funding to them. There have also been too many gaps with many regions and cities not becoming involved in interregional cooperation projects.¹⁵ It might be equally important to know why this has been the case, as this may suggest ways in which the programme should be changed and tailored more to the needs of those regions and cities not involved in projects

6. The future of interregional cooperation under Article 10, 1994-99

In light of the above analysis and following on from the Commission's own awareness of the successes and limitations of Article 10, there have been some changes proposed for the 1995-99 period. The actions fall largely into five areas of priority with interregional cooperation being particularly prioritised: (a) interregional cooperation inside and outside the Community, 180.0 M ECU; (b) innovation in local and regional economic development, 90.0 M ECU; (c) spatial development planning, 45.0 M ECU (research programme and plans and pilot measures); and (d) urban policies 80.0 M ECU. This, however, needs to be kept in perspective as the total expenditure under Article 10 is 395 M ECU, or less than the 1% of the structural funds, which is

¹⁴ Interview, Ecotec, 2 September 1996

¹⁵ For further insight on this issue see Coyle (1996) on the holes and bright stars among Europe's regions.

a relatively small amount of money given that it is to be used to fund projects in 15 member states.

The priorities reflect both continuity with the past and some changes resulting from the Commission's experiences with interregional cooperation in the first round. The Commission noted in its 1994 annual report on the structural funds that "these priorities were selected on the basis of experience already acquired, the approach planned for the new CSFs and decisions on the Community initiatives" (Commission 1995b: 95). As well as these priorities the conclusions to the Edinburgh Summit stressed the importance of cross-border, inter-regional and transnational cooperation. Similarly, *Europe 2000+* is reflected in the provision on cooperation in planning, while the *White Paper on Growth, Competitiveness and Employment* has concentrated attention on the need to create jobs. The other challenges facing the Union such as the spread of the information society, urbanisation and relations with Central and Eastern Europe, the Baltic and the Mediterranean are reflected in the more detailed descriptions of actions to be supported under Article 10.

The Commission is also more conscious of the need to keep a watching brief on what is happening. This reflects both the criticism levelled at it during the first round of funding as well as the need to prepare annual reports on the implementation of Article 10 funding and to submit them to the Advisory Committee on the Development and the Conversion of Regions. It identifies as its key concerns a wish to ensure the visibility of the policy, as well as the need for a unified interregional programme that includes internal and external interregional cooperation and innovative actions. It is also seeking greater clarity in the policy followed, including the involvement of local authorities with socio-economic partners, more understanding between all involved, more transparency, involvement of the member states in the monitoring and assessment - links to CSFs, etc.. There is a desire to concentrate rather than disperse financing and to ensure that more effective methods are used and that projects financed lead to tangible economic benefits.

The initial objectives established under the first round of inter-regional cooperation and regional economic innovation measures are continued through to the current round of funding with the main aim being "the creation of the conditions required to develop direct, decentralised cooperation based on the genuine application of subsidiarity and offering to every level of responsibility the resources to cooperate, to access economic innovation and to contribute to its dissemination" (Commission 1995a: 13). It therefore seeks to promote economic development through partnerships of local and regional authorities, as well as promoting the image of Europe at the regional and local levels.

The Commission, however, argues in its guide that the demand for interregional cooperation by the regions and local authorities has grown since the first round. This has been aided and abetted by the emphasis on economic and social cohesion within the Union and the likely accession of new members after 1999. The Commission emphasises that such cooperation must involve both vertical and horizontal partnerships: "Vertical, in that, while respecting the principle of subsidiarity, it seeks to raise awareness among the member states so as to spread innovation more

widely and ensure that interregional issues are fully reflected in national and Community policies. Horizontal, in that, particularly at regional and local level, those engaged in social and economic issues have to be more closely associated in order to meet the challenges facing us at the end of the century" (Ibid.: 14).

The Ecos and Ouverture programmes have been continued¹⁶, as have Europartenariat, the Lace 3 project (Linkage Assistance for Cooperation of European Border Regions) and the Recite¹⁷ and Pacte programmes. There has been even a greater emphasis placed on international interregional cooperation, as well as on local development and the involvement of local actors. This is reflected in the fact that over half of the budget under Article 10 will be devoted to measures seeking to promote interregional cooperation.

The Commission's "new approach" is to bring the programmes together under one umbrella as the Community programme for interregional cooperation and regional economic innovation, with a total budget of 270 M ECU. The process is to be managed by a coordinating committee chaired by the Commission and assisted by a group of experts.¹⁸ Funding is to be made by a call for proposals under the three headings (a) innovative actions, 90 M ECU, (b) internal inter-regional cooperation, 110 M ECU and (c) external inter-regional cooperation, 70 M ECU. The Commission has also reserved money for horizontal measures, such as dissemination of shared experiences, cooperation networks, organisation of annual co-operation, etc., establishment of observatories, and promotion of initiatives and studies.

In order to ensure the effectiveness of its expenditures, the following are requirements of the programme. First funding is concentrated on the following priorities: (a) Under interregional cooperation, projects will be funded at a level of 1-3 M ECU, will normally require 3-7 partners in 3 states and will last for 2-3 years. In the regional policy area an emphasis will be placed on projects concerned with the transfer of existing know-how and the establishment of shared resources to exploit complementary features, while under other Community policies emphasis will be on better access to policies regarded as essential to reducing regional disparities, and (b) Innovative measures will be financed for a maximum of 2 years and will be funded at a level of 250,000 to 1 M ECU for one partner and 1-3 M ECU for 3-7 partners. The emphasis will be on funding projects which fall within the scope of those parts of the White Paper concerned with regional policy and those focused on the development of cultural assets and the European heritage.

Second, it has focused on the promotion of a partnership approach, especially where it involves the public and private sectors, reinforcing its early attempts to build horizontal and vertical partnerships. Thus, regional and local authorities are expected to play a significant part in this

¹⁶ A call for proposals under ECOS/Ouverture was issued in the Official Journal on 22 April 1997.

¹⁷ A call for proposals under Recite II was made in January 1997 and some 40-50 projects will be funded.

¹⁸ The process is to be managed by (a) The Advisory Committee for the Development and Conversion of Regions, (b) Annual report on interregional cooperation to be provided to all EU institutions, (c) Management bodies - professional management skills, (d) Coordinating Committee DG XVI and three directors of the management bodies, and (e) A Group of Experts.

process. Whether they are able to do so, however, is another matter and the above analysis raises some doubts as to the possibilities for more balanced cooperation.

Table 3: Themes to be focused on for funding

| Regional and local innovative action (ECU 90 Million) | Regional Cooperation internal (ECU 110)/external (ECU 70 million) |
|--|---|
| <p>Implementation of the White Paper</p> <ul style="list-style-type: none"> • promotion of technological innovation • information society • new sources of employment: local jobs, equal opportunities <p>Development of culture and the cultural heritage</p> <ul style="list-style-type: none"> • implementation and development of network projects on the Community and cultural heritage • link between the networks' cultural activities and local and regional economic development <p>Seeking new areas of innovation (by negotiation and/or call for tenders)</p> <ul style="list-style-type: none"> • laboratory function based on priorities of European interest | <p>Transfer of existing know-how</p> <ul style="list-style-type: none"> • modernisation of local government administration • techniques for local economic development through partnership between public and private bodies <p>Introduction of shared resources</p> <ul style="list-style-type: none"> • exploitation of specific local potential • development of regional partnership between firms, research centres and regional authorities to promote innovation • improved supply of services to small forms (shared experiences) • internationalisation of small firms (access to European markets) <p>Access to other Community policies</p> <ul style="list-style-type: none"> • environment • research and technology • energy |

Source: European Commission 1995a: 24).

Third, it has sought to ensure the effective dissemination of know-how - that is the real transfer of skills and development tools. While the above analysis suggest that this may have taken in some of the projects funded under the various programmes, it has certainly not been that widespread and there is a desire to try to rectify this situation by placing an emphasis on the dissemination of results. How this will be done is not made clear and this raises some doubts as to whether experiences can be shared with a wider audience and whether they will impact on the approaches to development being utilised by the main-stream structural funds and other Community policies.

Fourth, there is an attempt to harmonise the size and duration of projects. This however cuts across the idea of Article 10 measures being innovative and funding very localised initiatives. There may also be fewer projects funded and fewer regions and cities involved in the process, which would seem to contradict the objective of interregional cooperation, which is to get the regions involved in the European process. Similarly, the desire to fund those projects that are

more likely to match national/Community policy objectives and actions also cuts across the original objectives of the policy.

In summary, then, there is a renewed emphasis on interregional cooperation under the new guidelines with new projects funded under Article 10 to receive more funding and involve greater number of partners. There is also a desire to relate these projects to concrete achievements, such as job creation, and to mainstream Community policies. This is also reflected in the list of eight priority areas detailed in the Commission's guide-lines which are in areas related to other Community priorities and policies. In addition, the emphasis on better project management and financial control reflects lessons learnt from the first round of funding. Nevertheless, despite these changes many of the original programmes continue to provide the focus for funding and there is still a need to undertake a systematic evaluation of the programmes.

7. Conclusions

In concluding I would briefly like to return to the questions asked at the outset of the paper. The first question concerned what impact interregional cooperation had had on local economic development? It should be noted that the nature of what is meant by development has undergone considerable change in recent years, with an increasing emphasis placed on bottom-up development rather than development from the top down. The process of economic development, however, is still a matter that involves the national governments, although the changing spatial organisation of Europe to reflect a multi-level system of governance means that the EU and the regions are also important actors in the economic development process. The promotion of interregional cooperation, however, has been far from perfect, as the above analysis suggests, its funding and initiatives have been important in stimulating exchanges of experience and cooperation among the regions, but its impact on the economic development process is more uneven. The Commission's programmes have been a political success in generating such cooperation, but at an economic level its contribution to development has been more problematic. The Commission readily accepts that concrete results have not been very forthcoming and have therefore during the current round placed an emphasis on being able to point to more concrete successes. However, while the problem partly lies with the design and implementation of Commission policy, there are also difficulties with relying on regional and local actors to undertake such tasks, as there is still a great variance between the different regional actors and their capacity to cooperate in such a manner.

The second question raised the issue of what impact interregional cooperation has had on the Europeanisation of local and regional government? In answer to this question, the programmes which begun under Article 10 have had a positive impact on interregional cooperation between the regions and localities in Europe. This represents one level at which regional and local actors have become Europeanised. Thus, the process of dialogue and the sharing of experiences has provided the basis for a deepening of further cooperation and a greater awareness of other EU programmes. However, many local authorities were already very aware of EU programmes and were usually involved in the implementation of such policies through their national authorities.

Article 10 was significant because it provided direct EU funding to regional and local actors and therefore removed the national authorities as the interlocutors in the process. Local authorities were therefore faced with both an opportunity and a challenge in that these programmes required them to initiate proposals and to form partnerships with other sub-national actors in other states. The response of local authorities has been mixed, with some local actors becoming involved, while many others have been reluctant to do so. The process of interregional cooperation has not gone far enough and more regions and localities need to become involved to ensure a more even process of cooperation and development. Hence, while there has been a process of Europeanisation it has been a rather uneven one that is hard to generalise about.

The final question, concerns what potential role interregional cooperation can play in the reform of the local and regional institutional structures in Europe? In regard to this question, interregional cooperation has provided both an opportunity for exchange of experiences and for making some administrative changes within local authorities. For example, the attempt to utilise more fully information technology in the delivery of local services, or the creation of strategic regional plans, are important in providing the right conditions under which development is likely to occur. There is, however, little evidence to suggest that the programmes for interregional cooperation have led to any significant structural changes in the local and regional institutional structures of Europe. While the programmes are important, the amount and duration of funding is unlikely to change attitudes overnight, and the process of change is much slower and more likely to be affected by what is going on in the states. In the Irish case, while the EU may have been an important factor in providing an impetus to the many changes underway county and regional levels, Article 10 funding has not been a very important issue for those concerned. Indeed, rather than looking for further institutional change, we might be better to concern ourselves with managing development through the structures we already have. In particular, more attention needs to be paid to the principle of partnership, which has been seen as integral to the development process and which needs to be better understood and to developing more practical skills to maximise the results from such cooperation.

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