Determining Commission Influence in Integration: A Process- and Results-Oriented Model

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Introduction

Scholars have used various theories to understand the process of European integration from the beginning of the European Coal and Steel Community in the 1950s (see Caporaso and Keeler 1995--in Rhodes and Mazey 1995). Intergovernmentalism and multi-level governance are two contemporary models of European integration that make very different claims concerning the process of European integration. Intergovernmentalism maintains that states control integration: national leaders aggregate domestic interests to form national preferences and then bargain with other national leaders to secure them. Multi-level governance maintains that national leaders vie with supranational and subnational actors to influence integration. The major point of contention between intergovernmentalism and multi-level governance concerns the role of supranational actors, in particular the role of the Commission. Intergovernmentalists view the Commission as the servant of the member states charged with doing the bidding of the most powerful states. Multi-level governance scholars see the Commission as an independent actor.

This paper explores the contrasting hypotheses of the two theories about the preferences and tactics of the member states and the Commission during the initiation, negotiation and implementation of the 1999 structural funds reform; the relationship between Commission and member state preferences and tactics (independent variables) and the integrative value of a reform (dependent variable); and the extent to which the Commission attains in the 1999 structural policy reform what it set out in its initial proposal.

The 1999 structural funds reform significantly altered regional policy. The number of Objectives was reduced from 7 to 3; a performance reserve was created to encourage efficient and sound management; the procedures for verifying additionality were strengthened; and pre-accession funding was extended to the applicant states. The reform merits investigation for its accomplishments alone. However, it is also an interesting case for examining integration because it was undertaken within the context of enlargement preparations and in conjunction with the Agenda 2000 financial package. To what extent did the enlargement debate influence the reform? Were there trade-offs and linkages within the reform and/or between elements of the Agenda 2000 package, as there were with Delors 1? Additionally, the reform merits investigation because it was conducted in the midst of leadership changes in the three most powerful member states. In 1995 in France Socialist President François Mitterrand was replaced by Gaullist Jacques Chirac. In 1997 there was a change from a Conservative to Labor administration in the UK when Tony Blair defeated John Major, and the rise of cohabitation in France when Lionel Jospin replaced Alain Juppé as Prime Minister. Perhaps, the most significant change came in Germany when Helmut Kohl's long-lived Christian Democratic administration was replaced by a Socialist government headed by Gerhard Schröder in 1998. These leadership changes provide an excellent opportunity to assess the importance of national politics on EU integration. Finally, the reform took place in the midst of internal disputes within the Commission and the resignation of the Commission, providing an opportunity to assess the impact of internal politics, and organization of the Commission on integration.

Intergovernmentalism

Intergovernmentalism arose in the early 1970s as an approach to European integration (Rosamond 2000, 80). Intergovernmentalism is a neo-realist theory in that it assumes member states' calculations of national interests to be central to understanding integration (Rhodes and Mazey 1995). Intergovernmentalism is best understood by examining its assumptions concerning, states, inter-state bargaining, integration agreements and supranational institutions (Hoffmann 1966; 1982; 1995; Taylor 1983; 1991; 1997; Moravcsik 1991; 1993; 1995; 1998; Milward 1992).

Intergovernmentalism maintains that states are the central actors in European integration. More than subnational, transnational and supranational interest groups and institutions, states control the pace and scope of integration. According to Intergovernmentalists, states are rational actors in that they seek to realize preferences with appropriate tactics (Moravcsik 1998, 22-23). State preferences are the result of competition among domestic interest groups for various goods. State leaders are the gatekeepers of integration, aggregating domestic interests into national preferences for (or against) integration and entering into international agreements that, by satisfying domestic demands, maintain or increase their political support (Moravcsik 1993, 481-484; Hoffmann 1995, 5).

Scholars utilizing the intergovernmentalist approach examine and compare member state preferences with respect to given ERDF reforms. They identify what member states want or do not want included in a given reform and why. Wallace (1977, 144; 149-154), for example, focuses primarily on the preferences of two of the most powerful member states, Germany and the UK, and argues that the creation of the ERDF in 1975 was due to member states seeking to extend "pork barrel" politics to the international level. Pollack (1995) examines the preferences of the UK, France and Germany for greater oversight and monitoring capabilities for the Commission and greater value for money in the 1988 and 1993 reforms.

According to Intergovernmentalists, integration is the result of the unanimous agreement of member states voting in the European Council or the Council of Ministers. Member states initiate integration agreements and are the sole participants in bargaining over the breadth and depth of those agreements. The relative power capabilities of states and the balance of power among coalitions of states are fundamental for understanding integration agreements. In particular, the preferences of the three most powerful member states, Germany, France and the United Kingdom, must converge if integration is to be achieved (Keohane and Hoffmann 1991, 23-25). Recalcitrant and/or less powerful member states are bought off with side-payments or coerced with threats of exclusion (Moravcsik 1991, 25-26; 1993, 502-507).

Intergovernmentalist scholars examining the development of regional policy emphasize the balance of power within the Council of Ministers during ERDF reforms. In her examination of the creation of the ERDF, Wallace (1977, 144) argues that an impasse between Germany and the UK would have caused plans for the fund to languish if Ireland and Italy had not weighed in on the side of the UK and strongly advocated the development of a fund. Pollack (1995, 365) maintains that over the development of the fund, poorer member states have been able to secure budgetary increases in the ERDF in exchange for their acceptance of the "pet projects" (such as economic and monetary union) of the wealthier member states. Furthermore, he argues that the 1998 and 1993 institutional reforms would never have occurred if not for the convergence of the preferences of the three largest member states, Germany, France and the United Kingdom, around the issue of greater efficiency or "value for money" in the administration of structural funds (Pollack 1995, 372; 378)

Intergovernmentalism's concern with inter-state bargaining is coupled with a focus on the history-making or grand bargains of integration. Intergovernmentalists view integration agreements as minimalist and contingent. Since integration agreements must meet with the approval of the three most powerful states, Germany, France and the United Kingdom, they often embody the lowest acceptable level of joint action and funding among the preferences of these three key states (Moravcsik 1991, 25-26). In addition to being minimalist, integration agreements are also viewed as contingent. Member states will only adhere to the agreements to the extent that they continue to strengthen the hand of member state executives. If integration agreements no longer suit state needs or if needs change, member states will withdraw from such agreements.

According to intergovernmentalism, supranational institutions, such as the European Commission, are of secondary importance to member states. The Commission reduces transaction costs by facilitating bargaining and implementing and monitoring agreements, but does not have an autonomous impact on integration (Hoffmann 1966, 910; Moravcsik 1993, 518). Like a good agent, it does not have an independent agenda, but does the bidding of the member states and is firmly under member state control. At its weakest, it is merely the pawn of states, acting at the behest of the most powerful. At its strongest, it is a neutral referee or umpire mediating between competing national interests (Taylor 1991, 117). According to Bache, the Commission proposals for the 1999 reform "were relatively modest and in some areas hinted at a further renationalization of the fund (1998, 127).

Multi-level Governance

Recently, scholars dissatisfied with intergovernmentalism's concentration on member states have argued for a multi-level governance model of the European Union. The multi-level governance model integrates insights from comparative politics and public policy approaches to the European Union, particularly those associated with new institutionalism (Marks, Hooghe and Blank 1996, 346; see Jupille and Caporaso 1999). The multi-level governance model highlights the roles of supranational institutions, subnational actors, and existing national and European policy frameworks in the integration process (Hooghe and Marks 2001; Marks 1996; 1993; 1992; Marks Hooghe and Blank, 1996; Hooghe 1996a).

Multi-level governance scholars accept that member states are key actors in the integration process; and affirm that in certain policy contexts and at certain times in the policy process they are the most important actors (Marks, Hooghe, Blank 1996, 346; Sutcliffe 2000). However, multi-level governance scholars maintain that the independence of member states is circumscribed in three ways. First, member states are constrained in the preservation of interests by voting rules and procedures governing the adoption of EU legislation. In particular the rise of the cooperation and co-decision procedures and the increase in qualified majority voting (and decrease in Luxembourg veto) have restricted member state control and augmented the ability of supranational institutions, such as the Commission, to influence legislation (ibid, 361-2; Bulmer 1994, 359-60; Nugent 1995, 616). Second, multi-level governance scholars maintain that member states are constrained by existing levels of integration. Drawing from neofunctionalism, multi-level governance scholars argue that spillover pressure from one policy sector can restrict member state independence in a second area (Marks 1992, 198; Pierson 1996, 139). Similarly, they maintain that the creation of a common policy entails large fixed costs and gives rise to domestic constituencies, both of which encourage "path dependence" or "lock-in" and limit a member state's independence once it has embarked down a particular policy path (Pierson 1996, 144-46). Third, member states are collectively constrained by a set of factors related to the inability of principals to control agents, including: the agent's ability to exploit disagreements among principals; the requirement of unanimity to control an agent; an agent's possession of greater information; and the inability of principals to foresee the results of their actions (Marks, Hooghe and Blank 1996, 353-355; see also Pierson 1996; Pollack 1997; 2000).

As a complement to their assertion that member states are not completely independent but constrained in the pursuit of national interests, multi-level governance scholars hold that supranational institutions are autonomous in the pursuit of their interests in significant respects. Multi-level governance scholars maintain that supranational institutions such as the Commission "have independent influence in policy-making that cannot be derived from their role as agents of state executives" (Marks, Hooghe, and Blank 1996, 346). According to the multi-level governance perspective, the Commission can have an independent impact on integration through agenda-setting, nurturing policy networks, brokering or mediating agreements and implementing EU policy (Marks, Hooghe and Blank 1996, 357-368; see also Sandholtz 1993; Cram 1994; Smyrl 1998; Verdun 1999). While multi-level governance scholars accept that the Commission does not have a monopoly on agenda-setting, they argue that it retains a significant capacity to influence how, when and why certain policy reforms are considered, which in turn allows it to influence integration (Marks, Hooghe and Blank, 357). Additionally, multi-level governance scholars maintain that the Commission's ability to mobilize support among subnational and transnational actors enhances its influence on integration by giving it leverage *vis-à-vis* member states (ibid 359-60). Multi-level governance scholars also maintain that the Commission's role of mediator or broker between member states during the decision-making stage allows it to influence integration. Because the Commission possesses asymmetrical knowledge and expertise (it knows more about common policies and has greater skill negotiating with diverse national styles), it can shape integration agreements according to its interests (ibid, 365). The Commission's role in policy implementation is also cited as a source of Commission autonomy (ibid, 366-68).

Multi-level governance scholars maintain that the Commission has played an independent role *vis-à-vis* the member states in all aspects of regional policy from setting the budget to implementation (Marks 1992; 1993; 1996; Hooghe 1996b; Hooghe and Keating 1994; Hooghe and Marks 2001). Hooghe and Marks argue that the Commission can influence the cohesion budget by linking spending in regional policy to other policy areas; and that it has even greater ability to influence the allocation of the budget within member states (2001, 95). Additionally, multi-level governance scholars maintain that the Commission "has played a vital role in designing the institutional framework...[and]...is the key actor in the process of policymaking and implementation (Marks 1993, 399)." Marks (1993, 400-401) maintains that the Commission's role as agenda-setter, in addition to its control of a portion of ERDF funds, gives it leverage *vis-à-vis* the member states to control the institutional design of ERDF. Hooghe (1996b, 100) argues that the 1988 institutional reforms were drafted by an insulated group within the Commission and were largely unchanged by the Council of Ministers. With respect to the design and implementation of regional policy programs, multi-level governance scholars find that the Commission's influence varies depending upon which member state is involved (Hooghe and Marks 2001, 100).

In addition to illuminating the role of supranational institutions such as the Commission, the multi-level governance approach highlights the role of subnational actors. In contrast to the intergovernmentalist perspective, which holds that member states act as gatekeepers and aggregate, the interests of subnational actors to their benefit, the multi-level governance perspective holds that subnational actors have been increasingly active at the supranational level. "[S]ubnational actors", they hold, "operate in both national and supranational arenas, creating transnational associations in the process" (ibid 346). Recent research by multi-level governance scholars has supported the contention that subnational groups are increasingly active at the supranational level (Hooghe 1995; Marks, Nielsen, Ray and Salk 1996). Because of their ability to lobby at the supranational level, subnational and/or transnational actors can have a significant impact on integration (Sandholtz and Zysman 1989). In general, research has shown that the impact of subnational actors, in particular, varies across policy stages and member states (Anderson 1990; Marks 1996).

As a result of the possibilities for subnational and supranational actors to influence integration and the limited autonomy of member states, multi-level governance scholars maintain the EU is best understood by examining interactions across the national, supranational and subnational levels. The chief finding of the multi-level governance model is that the degree of control of each of the actors fluctuates across policy areas and across stages in the policy-making process (Hooghe and Marks 2001, 93). With respect to regional policy Hooghe and Keating (1994, 372) find that it "has been increasingly contested, first between member states and the Commission and latter in a triangular competition in which regions themselves have emerged as actors."

Research Design

This study seeks to test whether intergovernmentalism or multi-level governance better explains European integration by examining member state and Commission preferences and tactics in the 1999 reform of the structural funds. This study is both process- and result-oriented. [1] The process-oriented analysis entails evaluating intergovernmentalist and multi-level governance hypotheses concerning the roles of Commission and member state within and across three stages of the reform: initiation, negotiation and implementation.[2] The results-oriented analyses entail evaluating intergovernmentalist and multi-level governance hypotheses concerning: the relationship between Commission and member state preferences and tactics (independent variables) and the integrative value of a reform (dependent variable): and their hypotheses concerning Commission influence. A results-oriented inquiry is interested in establishing cause and effect or correlation in the integration process.

Process-Oriented Analysis

Both intergovernmentalism and multi-level governance have predictions concerning the initiation stage (see Table 1.). The intergovernmentalist approach expects member states to initiate policy proposals that reflect their interests and utilize tactics such as agenda-setting to ensure that their preferences are realized later in the negotiation stage. They expect that the Commission will propose reforms that reflect the interests of the largest states. The intergovernmentalist hypothesis on initiation will be supported if the Commission develops a reform agenda which wholly reflects the preferences of the UK, France and Germany; or some subset of large state interests; and/or the Commission substantially alters its agenda to accommodate large state interests without a corresponding capitulation by a particular member state.[3] According to intergovernmentalists, tactics utilized by the Commission during this stage should be non-existent or designed to facilitate an agreement in line with the preferences of the largest states.

The multi-level governance approach accepts that member states will form policy preferences during the initiation stage, and use tactics to achieve their preferences. The multi-level governance perspective also predicts that during the initiation stage, the Commission will propose an autonomous agenda and utilize tactics to support it. This hypothesis will be supported if the Commission in fact develops an autonomous reform agenda. An autonomous reform agenda will include long-standing goals of the Commission and policy innovations that originate from within the Commission, and serve the Commission's interest as defined by the Commission. An autonomous agenda may include provisions that suit the interests of member states, but cannot be limited to such provisions. The multi-level governance approach can tolerate adjustments in the Commission's agenda, as long as they are in pursuit of a greater payoff for the Commission. In addition to the development of an autonomous agenda, the multi-level governance approach will be supported if the Commission utilizes tactics in support of its preferred outcome.

In addition to having verifiable hypotheses for the initiation stage, both approaches have hypotheses for the negotiation stage (see Table 1.). During the negotiation stage, the intergovernmentalist approach expects member state preferences and tactics to dominate. Member states will create side-payments, and or package deals that primarily reflect the interests of the UK, France and Germany with alliances, threats of exclusion, and vetoes. The intergovernmentalist approach expects the Commission to be uninvolved; or to work to bring about an agreement in line with large state interests. Commission tactics will be limited to the exchange of information to reduce the transactions costs associated with negotiation. If the Commission does not make use of any tactics or if mediates in favor of large state interests, then the intergovernmentalist approach is supported. Additionally, if the final decision exclusively reflects the lowest common denominator of large state interests, then the intergovernmentalist approach is supported.

Like the intergovernmentalist approach, the multi-level governance approach predicts that member states will utilize a range of tactics, including veto threats and side-payments, to realize their preferences. They, however, also expect the Commission to utilize tactics during the negotiation stage to further its own agenda. While the multi-level governance approach anticipates some accommodation on the part of the Commission, it must further other Commission interests and not merely be a capitulation. With respect to tactics, the multi-level governance approach expects the Commission to utilize a range of mediation tactics including meeting with heads of state to convince them to accept side-payments, issue-linkages, trade-offs, and/or package deals.

Table 1.--Competing Predictions of Commission Preferences and Tactics

Stages	Intergovernmentalism	Multi-Level Governance
Initiation		
Preferences	Commission preferences reflect large state interests; or are non-existent	Commission preferences are autonomous
Tactics	Commission tactics are non-existent; or are aimed at preparing for mediation (exchange of information)	Commission uses wide range of tactics including mobilization of support, consensus-building, agenda-setting, internal organization and implementation
Negotiation		
Preferences	Commission preferences may be amended to be more like member states	Commission preferences may alter slightly but remain generally autonomous
Tactics	Commission tactics are non-existent; or limited to mediation (exchange of information)	Commission uses wide range of tactics including mediation (meeting with states to accomplish issue-linkage, side-payments, package deals and trade-offs and issuing sanctions and incentives), and implementation
Preferences	Commission preferences are non-existent or reflect member state interests	Commission preferences are autonomous but may change slightly; seeks to preserve and further reform gains
Implementation		
Tactics	Commission tactics are non-existent	Commission tactics include agenda setting, rule-making, watchdog

Likewise, the multi-level governance perspective would expect the Commission to bring sanctions or incentives to bear on particularly obstinate states through its powers of initiation and/or implementation. For multi-level governance scholars, the final reform will reflect more than the lowest common denominator of large state interests. To some degree the final agreement will reflect independent policy preferences of the Commission. If the Commission utilizes a range of tactics in its own interest and if it achieves an agreement, which is greater than the lowest-common-denominator of large state interests, then the multi-level governance view of the negotiation stage is supported.

The roles of the various actors during the implementation stage are also disputed by intergovernmentalism and multi-level governance (see Table 1.). Intergovernmentalists maintain that member states will defect from reform agreements according to their preferences during implementation. Multi-level governance scholars maintain that the Commission will preserve and further policy preferences during initiation stage. If during the implementation stage, the Commission is unable to keep member states from defecting from reform provisions that they find burdensome, then the intergovernmentalist approach is supported. Alternatively, if during the implementation stage, the Commission is able to enforce provisions burdensome to the large member states; or if it furthers its agenda and achieves long-standing goals through the use of its power of implementation, then the multi-level governance view of implementation is supported. Verifying whether or not member states defect from agreements is a straight forward endeavor. Either member states conform to the spirit of a provision and comply with precise requirements and overall objectives or they do not. Likewise, verifying the extent to which the Commission is able to further its agenda through implementation is a straight forward endeavor. The Commission can fail to attain precise goals in implementation; it can attain them; or it can exceed them. Investigating implementation involves reviewing annual reports of the ERDF and structural funds and press accounts for information on the implementation of the funds.

Results-Oriented Hypotheses

In addition to having competing hypotheses with regard to the role of the Commission and member state preferences and tactics during the different stages of integration, the two theories have competing hypotheses concerning the relationship of the Commission and member state preferences and tactics to the integrative value of a reform. According to intergovernmentalists, member state preferences, and particularly the preferences of Germany, France and the UK, are the most important factors determining the integrative value of a reform. The preferences of these states will dominate the final agreement. If the preferences of all three states are in favor of a strong integrative agreement, then a strong integrative agreement will result. Conversely, if these states are all in favor of a weak integrative agreement, then a weak integrative agreement will result. Member state tactics in cases where their preferences are aligned will be relatively weak--few, infrequent and uncoordinated--and aimed at the smaller member states (tactics discussed further below). If only two of these member states are in general agreement, then their tactics will increase in strength (variety, frequency and coordination) and be aimed at the third large state in addition to the smaller states. The final agreement will still primarily reflect a subset of large state interests. Intergovernmentalists accept that reforms vary in their degree of integration, but assert that it is because of member states' preferences (and tactics secondarily) and not the Commission's.

While multi-level governance scholars do not deny a role for member state preferences and tactics, they assert that Commission preferences and tactics are also important. Multi-level governance scholars expect Commission preferences and tactics across the reforms to be positively associated with integration agreements. If the Commission favors a strong integrative agreement and utilizes a variety of coordinated tactics throughout the reform process ("strong" tactics) then a strong integration agreement will result. If, however, the Commission favors a strong integration agreement but utilizes only a few, uncoordinated tactics at infrequent intervals, then multi-level governance scholars would expect the resulting integration agreement to be relatively weak. For multi-level governance, it is Commission preferences and tactics (in addition to member state preferences and tactics), which determine integration outcomes. Integration agreements cannot be explained without examining them.

In addition to asserting competing hypotheses about the relationships between Commission and member state preferences and tactics and the integrative value of a reform, intergovernmentalism and multi-level governance offer different predictions on the matter of Commission influence.[4] Commission influence in this sense means the extent to which the Commission can attain in the final agreement what it sets out in the initial proposal (and does not imply anything particular about the nature of the proposal or final agreement--i.e. whether they are integrative or not).

Intergovernmentalists expect Commission influence to depend upon how reflective initial Commission proposals are of member state interests. If initial proposals only minimally incorporate member state interests, then the final agreements will be greatly modified by member states and Commission influence will be non-existent or weak. Strong Commission influence will result from a hardy correspondence between member state interests and initial proposals. Multi-level governance scholars, on the other hand, expect Commission influence to fluctuate from strong to weak depending *not* on the initial correspondence of Commission and member state preferences, but on the strength of Commission tactics. Description and Measurement of Variables

The Dependent Variable--European Integration

Both intergovernmentalism and multi-level governance are concerned first and foremost with explaining European political integration. Integration in this sense means policy and institutional integration (Nye 1968). Policy integration refers to the joint policy commitments to which states bind themselves in a given sector. Such commitments may extend to the formulation, implementation, monitoring and evaluation of a common policy and include guiding principles, specific goals and objectives, budgetary obligations, and management and oversight functions. Institutional integration refers to the creation of decision-making structures for the common policy. Such structures may involve member states and/or the Commission. Integration in this sense ranges from total standardization of a policy under a central authority to complete independence for member states in a particular policy area.

Integration will be measured along two dimensions: the number of policy commitments and the balance of control over decision-making. The number of policy commitments dimension allows one to examine the scope of policy coordination undertaken in each reform. Policy reforms that bind member states to a larger number of commitments are more integrative than those that bind them to a smaller number. The number of policy commitments in the 1999 reform will be counted and compared to the average number undertaken in all regional policy reforms (1975-1999).[5] If the 1999 reform entails a number of policy commitments greater than or equal to the average number accepted in regional policy reforms, it will be more integrative. Conversely, if the 1999 reform entails a smaller than average number of policy commitments, it will be less integrative.

The second dimension allows one to examine the balance of control for decision-making between supranational institutions and member states across the various types of policy commitments. Each policy commitment undertaken in a reform will be assessed on the basis of whether it shifts power to the Commission or the member states (including the Council of Ministers and the relevant committees).[6] If on balance the reform shifts more control to the Commission, it is more integrative. Alternatively, if the 1999 reform shifts the balance of control across policy commitments to the member states, it is less integrative. In order to account for the fact that not all provisions reflect equal degrees of control over regional policy, provisions will be weighted according to whether they pertain to the formulation, implementation, monitoring or evaluation of regional policy.[7] The weighing scheme is based on the assumption that the independence of control of each type of policy function is circumscribed by preceding functions; and is as follows: F=4; I=3; M=2; E-1. The two dimensions lead to the following typology of the integrative value of reforms: moderate-weak, weak, moderate-strong, and strong (see Table 2.).

Table 2.--Measuring Integration

Policy Commitments	Member State Control	Commission Control
≥average number of policy commitments	Moderate-Weak	Strong
< average number of policy commitments	Weak	Moderate-Strong

Commission Influence

How do we judge the Commission's influence in a given reform? Evaluating the extent to which the Commission was influential in a given reform will entail evaluating the extent to which the Commission attained at the end of the reform process the goals that it had set at the beginning. In order to do this, it is necessary to compare initial Commission agendas with the final reform outcomes to see how they differ with respect to specific Commission reform provisions. To what extent were proposed Commission policy commitments accepted unaltered, modified or rejected outright? Final legislative reforms will be assessed for the number of provisions accepted by the member states; the number of provisions rejected outright by the member states; the number of provisions modified by the member states beyond the Commission's intent; and the number of provisions modified by the member states within the Commission's intent.[8] A simple assessment of the number of provisions accepted in full in conjunction with the sum of provisions accepted in full plus modified within the Commission's intent provides a basic measure of Commission influence (see Table 3.). If the Commission attained an acceptance rate greater than or equal to 60% and if the total percentage of accepted provisions plus those modified within intent is greater than or equal to 80%, then the Commission can be said to have had strong influence in a given reform. If the Commission attained an acceptance rate of between 50% and 59% and the total percentage of accepted provisions plus those modified within intent was between 70% and 79%, then the Commission can be said to have moderate influence. If the Commission attained an acceptance rate of less than 50% and the total percentage of accepted provisions plus those modified within intent is less than 70%, then the Commission can be said to have had weak influence in a given reform. These categories will serve as general indicators of Commission influence rather than as exact or precise measures.

Table 3.--Categories of Commission Influence

	Strong Influence	Moderate Influence Provisions	Weak Influence
Percentage Accepted	≥60%	50-59%	<50%
Percentage Modified within Intent	X%	X%	X%
subtotal	≥80%	70-79%	<70%
Percentage Rejected	X%	X%	X%
Percentage Modified beyond Intent	X%	X%	X%
Total	100%	100%	100%

Independent Variables

The preferences and tactics of the Commission and the member states are the independent variables. Preferences are the policy inclinations or goals of an actor across various policy commitments; sets of preferences will be referred to as "agendas." Tactics are the means the actors use to secure their preferences. A set of tactics will be referred to as a "strategy."

Establishing the preferences and tactics of member states in integration is a classic intergovernmentalist project.[9] For each of the member states, one must establish what it seeks to attain in a given reform, which issues it deems more important and which issues it deems less important. Additionally, it is essential to establish the domestic and international sources of the preferences that may serve as constraints in the negotiation phase. Establishing member state preferences will entail investigating the objectives of the heads of state and government, the issue positions of ruling and opposition parties, the amount of support enjoyed by the ruling party, and the demands and resources of interest groups. Member state preferences may vary during a given reform in type, direction, and intensity and durability. Differences in type refer to the fact that preferences pertain to different policy commitments. For example, one state may hold a preference related to the size of the fund; whereas a second state may hold a preference related to the inclusion of a specific region for funding. Difference in direction refers to the particular objective of a certain type of preference. For example, one state may prefer the Commission to select eligible regions and, a second may prefer member states to select eligible regions. Intensity and durability refer to how important a preference is to a state and how flexible or willing a state is to compromise the preference.

Likewise, for each of the member states it is necessary to investigate the tactics it utilizes to secure preferences. Member states can seek to form alliances, build coalitions, lobby for side-payments, make threats of exclusion, and/or threaten to veto reforms. Member state tactics can be discerned by investigating statements and biographies of member state officials, press reports, literature on policy reforms; and through conducting interviews. Member state tactics can vary in type, frequency and coordination. Type refers to what kind of tactic(s) the state employs. Does it consistently lobby for side-payments; does it also seek to build coalitions? Frequency refers to how often a state employs tactics within a reform. Does the state seek to use a tactic(s) throughout the reform; or does it use a tactic at one point in the reform process? Coordination refers to how connected a tactic is to other tactics--do states use two or more tactics in conjunction with one another to achieve their objectives? Sets of member state tactics can be assessed in terms of whether they are "strong," "moderately strong" or "weak." A strong set of tactics fulfills all of the criteria: variation, coordination and frequency. For example, it will be one that involves a variety of individual tactics coordinated with one another and used consistently throughout the reform process. A moderately strong set of tactics will fulfill at least two of the criteria. It will consist of tactics that are either: varied and frequent; varied and coordinated; or coordinated and frequent. A weak set of tactics will fulfill only one of the criteria. For example, it will be a set, which employs various examples of one kind of tactic frequently in the reform but not in a coordinated manner.[10]

In addition to the preferences and tactics of the member states, this study examines a second set of independent variables to explain integration--the preferences and tactics of the Commission.[11] Because the Commission is a "multi-organization," and not a "monolith," examining preference formation in the Commission requires examining the interactions among Directorates General, the Commissioners and the President (Cram 1994, 197). This entails interviewing Commission officials where possible and reviewing Commission reports on regional policy, Commission programs, speeches by Commission officials, press reports on the Commission, and literature on regional policy reform. Commission preferences, like those of member states, can vary within and across reforms according to type, direction, and intensity and durability. For example, the College of Commissioners may hold one specific policy commitment, such as the size of the fund, to be the sole preference of the Commission; whereas DG16 may hold preferences across the entire range of policy commitments. Likewise, DG16 may want to increase the size of the fund, whereas another DG may want to decrease it. Alternatively, the Commission as a whole might hold a preference for concentrating the fund intensely in one reform year and only weakly in another reform year.

In determining Commission preferences one must discern the autonomous policy preferences of the Commission from those of member states; yet the two may be intertwined. As

Christiansen notes, the Commission "is faced with a dilemma between its duty to develop and apply common rules and continuous political pressure for deviation" (1997, 77). While seeking to further its own agenda, the Commission must also mediate between the agendas of the various states. During the initiation of a proposal, the Commission will be lobbied by various interest groups and will in turn consult with member state representatives (Mazey and Richardson in Edwards and Spence 1994). Commission officials want to craft politically sensitive proposals and must be aware of the preferences of key actors--in particular the member states. As a result, Commission proposals may represent an amalgam of Commission and member state preferences, and disentangling them is difficult. Furthermore, as Pollack so aptly points out, the problem is compounded in that

> agents such as the Commission may *rationally anticipate* the reactions of their principals, as well as the possibility of sanctions, and adjust their behaviour in order to avoid the costly imposition of sanctions. If this is so, then agency behaviour which at first glance seems autonomous may in fact be subtly influence by the preferences of the principals, *even in the absence of any overt sanctions by the principals* (2000, 118-119).

While Pollack asserts that it is difficult to determine Commission autonomy and that one must not merely equate it with Commission activity, he maintains that "careful case studies" provide an opportunity for such assessment. An investigation into Commission and member state preferences during the initiation stage of a reform will allow one to assess the degree of independence in a Commission proposal. By comparing the development of Commission communications (speeches, press releases, work programs, white papers) both within the initiation of a given reform proposals and over the development of regional policy, to member state communications, one can determine where various agendas diverge and intersect and how they respond to one another.

In addition to establishing Commission preferences, it is also important to investigate Commission tactics--the means used by the Commission during the various stages of integration to achieve its agenda. This paper seeks to specify a model of Commission action--to delineate the range of tactics available to the Commission and to discuss how they might vary. This is necessary if one is to uncover the conditions of Commission influence and test the relative explanatory power of intergovernmentalism and multi-level governance. The Commission may utilize five tactics stemming from designated functions: mobilization of support and consensus building; agenda-setting; mediation; implementation; and internal organization.[12]

The Commission's duty to inform the member states, subnational and supranational actors and in turn consult or listen to them gives rise to the Commission's ability to *mobilize support* and engage in *support-* or *consensus-building* (Cini 1996, 28-29; Stevens and Stevens 2001, 143-145). The Commission can use its duty to inform and consult as opportunities to advocate and increase support for its agenda at the national, subnational and supranational levels during any stage in the integration process. *Mobilization of support* and *consensus-building* activities are limited to persuasive discourse between the Commission and other actors and include press releases, face-to-face meetings with heads of states, speeches to EU institutions and meetings and conferences with subnational and transnational groups. At the national level, the Commission can meet with heads of state and government during the initiation stage to ascertain state positions and determine major stumbling blocks (tour of capitals) and during the negotiation stage to attempt to persuade them (this overlaps with coalition-building--see below). At the subnational level, the Commission can meet with local and regional officials and hold conferences for them during any stage in the integration process. At the supranational level, the Commission can meet with the EP, ECOSOC and the Committee of Regions and meet and hold conferences with transnational interest groups during any stage. The ultimate aim of mobilizing support is to create a climate or consensus of opinion, which favors the Commission's agenda. Support mobilized at the national level--among member states--has a direct impact upon integration outcomes, as member states vote in Council; whereas support raised at other levels may serve to increase pressure on member state governments.

The Commission also derives tactics from its power of initiation--its right to initiate legislation and policy (Nugent 1999, 117-121; Cini 1996, 19-20). The Commission's right to initiate gives rise to its ability to engage in *agenda-setting*--or the capacity to define policy problems and possible solutions and frame the means of reaching compromises which maximize its goals. The Commission's right to draft and amend legislation allows it to craft proposals so that they are likely to succeed by offering *incentives* and/or *sanctions* to potentially recalcitrant states. *Agenda-setting* may entail the framing of *side-payments*, *trade-offs*, *issue-linkage* and *package deals*. The Commission can design proposals to include special provisions known as *side-payments* to satisfy recalcitrant states. Additionally, it can craft proposals in anticipation of a *trade-off*. For example, it can include a provision that it knows will be opposed by a problematic state to divert attention from other provisions that the state would also oppose, but the Commission holds to be more important. The Commission can then offer to trade-off the less important provision for the more important one. The Commission can also craft proposals in anticipation of *issue-linkage* (Lindberg and Scheingold 1970, 118; Vahl 1997, 47). For example, it can link two sets of provisions within a proposal together logically to encourage a compromise between to opposing coalitions of states. In this way the Commission maximizes its chances of attaining a compromise that includes both of its provisions. Last, it can simultaneously issue legislative proposals and policy recommendations in separate policy areas to encourage the creation of *package deals* involving the adoption of multiple legislative proposals in conjunction with one another (Rometsch and Wessels 1994, 219-20; Vahl 1997, 47). When two policies are initiated or negotiated simultaneously, opportunities for *trade-offs*, *issue-linkage* and *side-payments* between policy areas arise and the possibilities for compromise multiply. The Commission's capacity for agenda-setting or the framing of *side-payments*, *trade-offs*, *issue-linkages* and *package deals* is typically undertaken in the initiation stage, but may also be utilized during the negotiation stage in conjunction with *mediation*.

A third function strategically used by the Commission, is *mediation*.[13] In mediation, the Commission seeks to bring about agreements on specific legislative proposals between member states with conflicting preferences in the Council of Ministers (Nugent 1999, 140-141; Vahl 1997, 17). In order for mediation to be successful, the Commission must persuade a winning coalition of states to accept a compromise.[14] Typically, this is more difficult under unanimity than under qualified majority because the Commission must build a larger coalition (Vahl 1997, 18). When mediation is used tactically, the Commission is more than a neutral broker (Rometsch and Wessels 1994, 210). During the negotiation stage, either the President or the Commissioner responsible can meet with states as a group in the European Council or Council of Ministers and individually to persuade them to accept compromises which optimize the Commission's interests. During these meetings, Commissioners may use *persuasive mediation* or *leveraged mediation* to convince states to accept *issue-linkage*, *trade-offs* and/or *package deals* framed during agenda-setting to further the Commission's agendas. In *leveraged mediation*, the Commission employs its right of initiative (ability to amend a proposal or initiate legislation in other policy sphere) to offer incentives or sanctions to problematic states to encourage them to agree to proposals and to facilitate mediation. In this way it can increase its chances of building a coalition that shares its interests.

A fourth function that the Commission can use as a tactic is its power of *implementation*. In particular, the Commission can use its *rule-making* and *watchdog* duties tactically. As part of its executive function, the Commission is able to issue rulings on administrative and technical matters, that have the status of law, and that may or may not be reviewed by management or regulatory committees (Nugent 1999, 123; 131). The Commission can use *rule-making* strategically in the initiation, and implementation stages. During the initiation stage, the Commission can use its *rule-making* power to offer incentives or sanctions to states deemed hostile to future reform proposals. During the implementation stage, the Commission can use its *rule-making* power in such a way as to further policy goals, which were implicit during the initiation stage, but not enshrined fully in final agreements. In addition to *rule-making* the Commission also has the power of overseeing implementation done by member states--*watchdog* or guardian of the treaties. The Commission must ensure that member states correctly enforce EU law, and take them to the Court of Justice to impose sanctions if they do not comply (Nugent 1999, 128; 133-135). The Commission can use this power during any time in the policy process to maximize its agenda.

The final function that the Commission may use strategically is *internal organization*. The Commission may use its ability to shape its internal structure not merely as a means to enhance operational efficiency but also to achieve policy goals. First, the President of the Commission may use his or her power to recommend Commissioners, and assign portfolios to ensure the success or failure of particular policy developments. For example, a President seeking to further regional policy might seek to choose a competent Commissioner from a member state that was to hold the Presidency of the Council during the regional policy reform. The Commission President might use the power to create and/or reorganize task forces or DGs to further his or her goals. Other characteristics of the Commission's internal organization, such as its tendency toward and procedures for rectifying horizontal fragmentation, (particularly its system of cabinets and inter-service consultation) may also be used strategically (Bulmer 1994, 361). For example, if a DG expected its policy reforms to be opposed by another DG or a Commissioner, it might seek to obscure inter-service consultation or appeal to the head of cabinet of the President.

Each of the Commission's tactics can vary individually and as a set according to type, frequency and coordination. Sets of tactics can vary according to type, frequency and coordination.

Is the set made up of various kinds of tactics; are tactics used throughout; are they coordinated as a whole? Sets of Commission tactics can be assessed in terms of whether they are "strong," "moderately strong," or "weak." A strong set of tactics fulfills all of the criteria: variety, frequency, and coordination. It will be one, which involves a variety of individual tactics coordinated with one another and used consistently throughout the reform process. A moderately strong set of tactics will fulfill only two of the criteria and a weak set of tactics will fulfill only one.

Discerning Commission tactics requires investigating Commission reports and communications, interviewing Commission officials, examining press reports, reviewing the secondary literature on the Commission and regional policy. Determining Commission activity is easy, but determining whether or not the Commission is acting independently is a bit harder (Pollack 2000, 119). The question of Commission independence, therefore, must not be assumed but left to empirical verification. Rather than subscribing to an *a priori* definition of the Commission's independence or autonomy, it is better to explore Commission activity and discern, based on what aims it seeks, whether it is independent or constrained. Commission activities that fit into the above five-fold categorization of tactics and which can be shown to be in the service of Commission preferences will be taken as independent.[15]

Process Analysis

Initiation

A review of the Commission's agenda and tactics from January 1995 through March 1998 supports a multi-level governance approach to the initiation stage. Tracing the development of the Commission's agenda from the 1996 IGC, through the preparation of Agenda 2000, to the 1998 proposals for structural funds legislative reform reveals that the reform was not intended to renationalize the funds but to prepare the structural funds for enlargement and were based not on short-term member state demands but long-standing Commission goals.

Early in the initiation stage during the summer of 1996, regional policy Commissioner Monika Wulf-Mathies laid out the principles that would guide the regional policy reform: further financial concentration of the funds on the neediest regions; gradual extension of the funds to the Central and Eastern European applicant states; and a further increase in structural funds budget within the own resources ceiling of 1.27% of EU GDP (Agence Europe, 13 July 1996, 10). At this stage, the Commission rejected France's proposal to make structural funds receipts contingent upon a member state's compliance with EMU convergence criteria (*European Report*, 1 August 1996). The proposed linkage would have eliminated the Commission's budgetary discretion and made structural policy merely a tool of monetary policy. Given Germany's desire for a mechanism to ensure compliance with convergence criteria, defeating the French proposal and preserving the essential feature of the structural funds as an independent tool for addressing regional economic imbalances, was no small achievement.

During the preparation of the Agenda 2000 proposals, internal disputes shaped the development of the Commission's regional policy agenda. At the European Cohesion Forum in April of 1997, Commissioner Wulf-Mathies advocated reducing the number of Objectives from 7 to 3 (lagging, industrial decline and border); reducing the number of Community Initiatives; creating a mechanism to reward efficient development projects (Agence Europe, 9-10 May 1997, 8). Commissioner for Social affairs Padraig Flynn proposed reducing the Objectives to 2—lagging and industrial decline regions and human resources, training and education (*European Report*, April 30 1997, 222; *The Financial Times*, 25 March 1997, 2). Flynn's proposal would have forced DG16 to share power equally with DG5 in the first Objective where currently it had the lead. The agreement reached was a compromise that met the interests of the Commission Directorates. DG16 would have the lead in a new Objective 1, lagging and remote regions (formerly Objectives 1 and 6); DG16 and DG5 would share control over a new Objective 2 for industrial decline and rural development (formerly Objectives 2 and 5); and DG5 would take the lead on a new Objective 3, training and development (formerly Objectives 3 and 4).

Commissioner Wulf-Mathies' proposal to focus on fewer priorities, initiatives and programs—to increase functional concentration--was intended to enhance the effectiveness of the structural funds. Functional concentration arose as a concern of the Commission under the Delors Presidency, when DG16 adopted an outlook of managerial realism. Realizing that it did not have sufficient staff to manage all of its programs, it began to seek to narrow the scope of its activities. In the words of one DG16 official, the Commission recognized that "if everything is a priority, then nothing is" (interview 31 May 2000). To some in DG16, the rising concern with functional concentration, and enhanced efficiency threatened to eclipse the long-standing Commission concern with increased financial concentration on the neediest regions (interview 14, June 2000).

The Agenda 2000 budgetary and policy recommendations for the structural funds were geared to prepare for the accession of the CEECs. The Commission proposed increasing the structural funds budget by 37.5%; reducing resources of the existing 15 member states and gradually extending 45 billion ecu to the applicant states for the 2000-2006 period (Bull. EU S/5—1997, 21; 74 Table 3). To further concentrate resources among the existing 15 member states, the Commission proposed reducing the population covered by the new Objectives 1 and 2 from 51% of EU population to 40% of the EU population by more strictly enforcing the eligibility requirements and reducing the number of Community Initiatives to three (ibid, 22-24). Financial and geographic concentration on the neediest regions had been a long-standing goal of the Commission, dating back to 1979 reform when the Commission proposed to limit the eligibility of quota financing to the poorest regions in the 1981 reform proposals.

Member state reactions to the proposal predictably centered on the size of the budget and net contributions. Spain argued for a greater increase in the budget; Portugal opposed a general increase in the burdens of the poorest states; and Germany and the UK objected to the increases in their net contributions (*The Financial Times*, 17 July 1997, 3; *European Report*, 30 July 1997, 2245 and 10 September 1997, 2249).

The Commission's proposals for the 1999 regional policy reform included and elaborated on the principles of functional, geographic concentration and financial. In addition to reducing the number of Objectives to three, the Commission proposed to reduce the number of Community Initiatives to three and decrease the percentage of the fund dedicated to them in order to enhance the effectiveness and visibility of the funds. To increase the geographic concentration of the fund, the Commission pledged to enforce the 75% of EU GDP cutoff for Objective 1 regions strictly and reduce the population covered under Objective 2 to 18% of EU population by setting a population ceiling for each member state (Article 3 in OJ C 176, 9 June 1998, 8). In addition to increasing the impact of the funds by focusing on fewer regions, the Commission's proposals would also increase its control over regional eligibility. With respect to financial concentration, the Commission maintained its practice of devoting 2/3 of the structural funds to Objective 1 regions; and proposed increasing the amount of those funds on the neediest of the Objective 1 regions (CEC 1998, 17).

Much of the rest of the Commission's legislative proposals were also consistent with its long-term agenda. As it had in past reforms, the Commission sought to increase control over national allocations, to further coordinate programming, enhance partnership and strengthen additionality, monitoring and assessment. The Commission proposed giving indicative allocation of member state shares of Objectives for 90% of the fund and reserving 10% to allocate on discretionary basis, mid-way through the programming to projects which the Commission judged to be efficient and in compliance with additionality (Articles 7; 43 in OJ C 176, 9 June 1998, 10; 29). This idea of a performance reserve that would allow the Commission to move funds between regions and member states in order to enhance efficiency and effectiveness reportedly came from the cabinet of Monika Wulf-Mathies (interview, 9 June 2000). The Commission's desire to increase control over discretionary spending dates back to the creation of the non-quota section of the funds in 1979.

Similarly as it had in the past, the Commission sought to simplify the programming procedures and strengthen partnership. The Commission proposed that each region adopt one integrated program that received funding from all the funds rather than separate programs for each fund (Article 17, OJ C 176, 9 June 1998, 15). Having the funds operate together would compound effectiveness through a synergy effect and involve less planning decisions per region. The Commission also proposed to encourage states to submit a Single Programming Document that included regional development plans and applications by considering these more quickly (Article 14 in OJ C 175, 9 June 1998, 13). The hope was to encourage states to match their projects and programs to their planning objectives, rather than to pork-barrel necessities; and to get all states operating according to the same planning time frame. With respect to partnership, the Commission proposed to extend it to include organizations promoting environmental protection and gender equality; and strengthen it by requiring member states to consult regional and local partners on regional development plans (Article 8, OJ C 176, 9 June 1998, 10; Articles 14(10, 15(2d) OJ C 176, 9 June 1998, 13-15). Since the early 1980s, the Commission had consistently worked to refine partnership.

A final set of proposals related to enhanced monitoring, financial management and additionality verification procedures. With respect to monitoring the Commission proposed requiring states to designate managing authorities to check on physical and financial management, draw up implementation reports and undertake mid-term evaluations of projects (Article 33, OJ C 176, 9 June 1998, 23-24). The Commission had begun to increase member state's responsibilities with respect to monitoring beginning in 1993 (Article 25-26, OJ C 118, 28 April 1993, 37-38). The proposed procedures for financial management involved shifting from an arbitrary 3 segment payment schedule to one based on progress of the project. Rather than giving the majority of money upfront, the Commission recommended steady, flexible payments over the life of a project tied to compliance with monitoring and evaluation procedures (Article 31 in OJ C 176 9 June 1998, 22-23). With respect to additionality, the Commission proposed replacing hypothetical additionality with negotiated additionality and utilizing the performances reserve to encourage compliance (Article 10, OJ C 176, 9 June 1998, 12; Article 43 OJ C 176, 9 June 1998, 29). Rather than attempting to judge what a member state should be spending on development in the absence of structural funds, member states and the Commission would agree in advance on what level of spending member states needed maintain. The diluted definition of additionality was more than offset by the inclusion of strengthened procedures for verifying additionality, and was consistent with past reforms where the Commission had relaxed the definition but strengthened verification procedures.

Contrary to the intergovernmentalist view, the 1993 reform was not inspired by a desire to renationalize the funds. Rather the reform agenda was based to a large extent on long-standing regional policy goals of the Commission including improving financial and geographic concentration, increasing control over national allocations, increasing the coordination of programming and enhancing monitoring, partnership, and additionality. While the bulk of the reform agenda was drawn from long-term goals, key parts were influenced by the Santer Commission's newfound concern for efficiency as manifested in the performance reserve, enhanced financial management procedures and the elevation of functional concentration.

The Commission's tactics during the initiation period also support a multi-level governance perspective. Rather than acting on behalf of the most powerful member states, the Commission acted on its own behalf. The primary tactic employed by the Commission was support building. In contrast to past reforms where the Commission focused persuasive efforts on member states, in the 1999 reform, the Commission focused on EU institutions and transnational groups. The Santer Commission's unprecedented support-building efforts were aimed at the European Parliament, the Committee of Regions, the Council of European Municipalities and Regions, Association of European Industrial Regions, and the Network of the European Union's Capital Regions (*European Report*, 24 September 1997, 2253;19 November 1997, 2269; 28 November 1997, 2272; Agence Europe, 10 October 1997, 14, 7 November 1997;). The fact that these tactics were far-reaching illustrates that the Commission was actively engaged in promoting its own agenda and marshaling political capital *vis-à-vis* the member states. Despite broad-based support building, the Commission's tactics during the 1999 reform were circumscribed compared to the initiation tactics of earlier reforms, particularly the 1989 reform. While frequent, they were not varied and only minimally coordinated. Undoubtedly, Santer narrowed the scope of tactics in order to counteract the image of the Commission as over-active and interventionist.

Negotiation

Member state reaction to the structural funds reform proposals came in during June 1998 prior to and during the Cardiff summit. Member state preferences with respect to the size of the budget and national contributions were unchanged from the previous July. In particular, Germany argued in favor of budgetary discipline and a reduced net contribution; while Spain argued for a larger budget for the structural funds and a larger share for Spain (Agence Europe, 5 June 1998, 7235:9). Likewise with respect to the cohesion fund, net contributors argued that once member states qualified for EMU, they should no longer receive funds, while net recipients maintained that eligibility should continue until a state exceeded the 90% EU average GDP (Agence Europe 8/9 June 7237, 9). Member states also took disputed the Commission's proposals for reforming regional eligibility and the performance reserve. The UK and France opposed loosing Objective 1 funding and Germany opposed the performance reserve (European Report, 19 June 1997, 2242); Bache 1998, 131). Chancellor Kohl's departure from his traditional policy of largess vis-à-vis the structural funds were due his need to silence criticisms of his handling of rising unemployment and deteriorating federal finances in an election year. Likewise Spain's position was equally intransigent due to President Aznar's coalition government--to accede to any reduction in Spanish receipts would have angered the regional parties that were needed for coalition and his 2000 reelection bid.

The Commission was more afraid that Spain would veto its proposals because they were insufficient than that Germany would veto them because they were too large. The Commission believed that German opposition to the budget proposals would lessen after the September election, but feared Spanish opposition would be more intransigent. According to one senior Commission official, "we were a bit afraid the Spanish would sink our proposals. The Spanish knew very well that this was the last time they could have a go at the structural funds....[without having to compete with CEECs, and we were] afraid they would go into brinkmanship and veto the whole package" (interview June 8 2000). Commissioner Wulf-Mathies attempted to raise support for the Commission's proposals from the Economic and Social Committee, and the Committee of Regions (Agence Europe, 18 September 1998, 9-10; *European Report*, 19 September, 2343). Additionally, the Commission held firmly to its proposals for the size of the total budget and that of the structural funds. Rather than acquiescing to the most powerful member states' wish to hold spending at the average 1993-1999 level, the Commission continued to advocate its position of keeping spending at the 1999 level (*The Irish Times*, 10 December 1998, 12). By holding its line against Germany, the UK, the Netherlands and France, the Commission was able to win the support of states such as Spain and Portugal who had initially vigorously opposed budget stabilization, and others such as Italy and Ireland who had been luke-warm (*Extel Examiner*, 24 November 1998; *The Financial*

Times, 28 November 1998, 2; Agence Europe, 7/8 December 1998, 8; *The Irish Times*, 10 December 1998, 12).

To encourage the wealthier member states to adopt its proposals for the size and distribution of the structural funds, the Commission utilized it power of initiation. The Commission purposefully did not release the actual figures for national allocations until 1998 and then did so in dribs and drabs in order to make it difficult for member states to determine their precise shares (interview, 9 June 2000). Additionally, according to a DG 16 official, the Commission proposed an exceptionally high amount for Objective 3 from which northern wealthier members benefited in order to make Objective 3 the primary focus of potential cutbacks (ibid). Finally, the Commission used leveraged mediation against the UK. The Commission judged that if it turned up the pressure by saying that the rebate was no longer justified, it could win concession out of the UK on the structural funds (interview, 8 June 2000). In the fall of 1998, during a meeting of the Council of Ministers for Economics and Finance, the Commission argued that the rebate was no longer justified since agricultural spending had been reduced from 70% of the budget to less than 50% and that the continuation of the rebate would release the UK from having to bear any of the costs of enlargement (Agence Europe, 19/20 October 1998, 4). The Commission hoped to put the UK in a position of having to fight for the rebate, rather than of fighting for budget stabilization and of allowing the UK to keep its rebate in exchange for a structural funds budget in line with the Commission's proposals. According to one Commission official, the Commission derives significant bargaining power from the existence of special exceptions or derivations that belong to individual member states. The Commission is able to extract concessions from these member states in order that they are allowed to keep their special exceptions (interview, 14 June 2000).

With respect to the remaining issues of disagreement, the cohesion fund and the performance reserve, the Commission took a more hands-off approach. The Commission was in fact pleased that states were arguing over the cohesion fund. According to a Commission official, the Commission "left the cohesion fund as a political football so we could keep the ERDF objective" (interview, 8 June 2000). The Commission hoped that the net recipients would have to give a little on the issue of size and allocation—support the Commission's position--of the structural funds in order to maintain the cohesion fund. Likewise, the Commission did not marshal significant resources to maintain the performance reserve at 10% of the total budget. Instead, the Commission proposed reducing the performance reserve to 5% in order to win the goodwill of Germany prior to its assuming the Presidency of the Council (Agence Europe, 23 September 1998, 11; 7/8 December 1998, 7).

The Vienna Summit of December 1998 saw movement on key reform issues, but no final agreement. Whereas it initially wanted budgetary stabilization and a 7 billion Deutschmark reduction in its net contribution, Germany settled for budgetary rigor and the promise of a less generous and more gradual cut in its net contribution (*AFX News*, 14 December 1998). Spain too made concessions. Originally seeking to expand the Community's own resources ceiling from 1.27%, Prime Minister Aznar agreed to budgetary rigor and acknowledged the principle that the structural funds (not cohesion fund) allocations for the poorest member states should diminish as they achieved sustained economic prosperity (Agence France Presse, 16 December 1998). Disputes related to agricultural financing prevented the member states from finalizing agreement on the entire Agenda 2000 package that needed to be adopted *en masse* (Agence France Presse, 16 December 1998; *The Financial Times*, 14 December 1998, 2).

The Commission stood firm on most of its proposals and relied on support-building tactics to encourage the member states to reach agreement. With respect of the size of the structural funds, Objective 1 eligibility the Commission did not budge from its original proposals (Agence Europe, 1/2 February 1999, 9; Agence Europe 13 February 1999, 15-16; Agence Europe 22/23 March 1999, 11). The Commission, did, however, revise the performance reserve down to 4.3% and in so doing earned the support of Belgium, Denmark, Greece, Finland, Italy and Ireland (Agence Europe 25/26 January 1999, 7). The Commission also released a report on the positive contributions of the structural funds to economic productivity in February 1999 increasing pressure on the wealthier states to increase to accept Commission proposals (Agence Europe, February 5 1999, 14). Furthermore, Director General of DG 16, Eneko Landaburu spoke at a cohesion conference in Madrid to raise awareness of the continued need for economic and social measures in Agenda 2000 (Agence Europe 10 March 1999, 14). Commission President Santer asserted the inviolable of the Commission's proposals that economic and social cohesion was "one of the pillars of the European Union and must remain so" (Agence Europe, 11 March 1999,6).

In mid-March of 1999, just prior to the Berlin summit, fraud allegations and the resignation of the College of Commissioners threatened to derail the Agenda 2000 negotiations. While no Commissioner was charged with personally benefiting from irregular dealings, the entire Commission was charged with a lack of responsibility (The Financial Times, 16 March 1999, 1-2). President Santer deemed the resignation of the Commission necessary to restore confidence in the Commission and avoid a censure by the Parliament (ibid, 17). Despite the resignation, Commissioner Wulf-Mathies was perceived to continue to advocate effectively on behalf of the structural funds by Commission officials (interview, 9 June 2000). Effective leadership by the German Presidency also ensured that the Agenda 2000 negotiations would proceed on the same course. Just prior to the Berlin summit, Chancellor Schröder undertook a tour of EU capitals to attempt to ascertain member state's negotiating positions and the possible lines of compromise between them (*The Financial Times*, 24 March 1999, 3). Following a meeting with Schröder, Ramón de Miguel, Spain's secretary for Europe, revealed that Spain would reduce its demand from increasing the Commission's proposals of 239.4 billion euros (the Commission's proposal) to between 210 and 220 billion euros (*The Financial Times*, 24 March 1999, 3).

Final agreement on outstanding issues of the Agenda 2000 structural funds reform was reached at the Berlin summit in March 1999. The most contentious issue, the size of the funds was settled at 213 billion euros—195 billion euros for the structural funds and 18 billion euros for the cohesion funds. In exchange for conceding to a smaller fund, Spain was guaranteed 62% of the cohesion fund--an increase over what it had received from 1994-1999 (*European Report*, 31 March 1999, 2395: 4-5). National allocations were also contentious. To encourage states to accept a 4% GNP cap, the Commission authorized special grants to particular regions and retained its ability to determine national allocations after the negotiations (*European Report*, 31 March 1999, 2395: 5). The Commission's proposals for narrowing the coverage of Objective 1 and 2 were also contested. The UK argued for the continued inclusion of Northern Ireland and Highlands and Islands under Objective 1, even though they no longer met the 75% average EU GDP cutoff; while France, the Netherlands, Portugal and Greece, argued against the Commission's making exceptions for the sparsely populated Nordic regions (Agence Europe, 22/23 March 1999, 10). With respect to Objective 2 eligibility, France and Spain opposed the Commission's proposals to restrict a reduction in Objective 2 eligibility to no more than 33% of the previously eligible population while the UK insisted upon it. With respect to both Objective 1 and 2 eligibility, the Commission's proposal were adopted (Bull. EU 3-1999, 1.16.32; 1.17.33). Following agreement by the member states in the Council of Ministers, the Parliament utilized its new power of assent (130d and 130e) to compel the Council to retain the URBAN initiative (OJ C 279, 1 October 1999).

The Commission obtained most of what it sought in the 1999 reform of the structural funds (OJ L 161, 26 June 1999). With respect to enhancing the functional, geographic and financial concentration of the funds the Commission was unquestionably successful. The number of

Objectives was reduced; the number of Community Initiatives was reduced; eligibility for Objective 1 and 2 regions was tightened; and the neediest regions would receive 69.7% of the funds, slightly more than the Commission proposed. The Commission was equally successful with respect to programming, partnership and monitoring. The Commission won single integrated programs, re-enforced two-stage planning procedures; the extension of partnership to environmental and gender equality NGOs in partnership; increased involvement of regional and local actors in the preparation for RDPs; and the establishment of managing authorities to monitor implementation.

While the Commission secured much of its agenda, it did not secure everything it wanted. First, while it won the revised definition of additionality and strengthened verification procedures, it failed to win the ability deny states funds from the performance reserve. It would be able to move money from projects and programs but not across member states. Second, the Commission lost in the replacement of advisory committees for each of the funds to management committees, which would have the ability to refer Commission decisions to the Council of Ministers for review. The final area that the Commission lost in was the proposed increase in the size of the fund. While the Commission proposed 239.4 billion euros (218.4 billion for the structural funds and 21 billion for the cohesion fund), it secured 213 billion euros--195 for the structural funds and 18 billion for the cohesion fund (1999 prices) (Bull. EU 3-1999, 23, Table 1). While a difference of 26.4 billion euros is significant--11% less than what the Commission had requested--it did not substantially curtail the Commission's ability to deliver regional policy. Furthermore, the loss in total size was more than made up for by the gains made with respect to national allocations and concentration.

A review of the Commission's tactics during the negotiation stage of the 1999 reform reveals them to have been strong: varied, frequent and coordinated. The most frequent tactic employed by the Commission was its power of mediation. As a mediator between state interests, the Commission could influence the sequence of negotiations, and compromises on particular issues. Acting as a mediator, the Commission revised its position on the performance reserve in the hopes of fostering momentum for the conclusion of the Agenda 2000 negotiations. Likewise, the Commission came out against the UK rebate in order to bring about a tradeoff whereby the UK kept its rebate in exchange for accepting a larger structural funds budget than it desired, and reduced Objective 1 funding. Furthermore, by standing firm on size of the funds, the Commission hoped to prevent the Spanish from derailing the negotiations. Through its use of meditation the Commission was able to arrange trade-offs whereby the size of the structural funds was exchanged for eligibility requirements of the cohesion fund, the UK rebate and the continued use of national prosperity to determine national allocations.

In addition to mediation, the Commission also utilized support-building, and its power of initiation to attain its preferences on the reform. Throughout the negotiation stage, the Commission met with the Committee of Regions, the European Parliament and ECOSOC ostensibly to inform and consult, but also with the intention of encouraging members of these bodies to support the Commission's proposals to their national governments. Additionally, the Commission participated in a conference on cohesion to increase pressure on the wealthier member states to increase their offers for the structural funds budget. The Commission also utilized its power of initiation, or power to propose legislation in order to realize its agenda for regional policy. During the negotiation stage, the Commission released inflated figures for Objective 3 funding in the hopes that when funding was cut, it would be the bloated Objective 3 rather than Objective 1. Additionally, the Commission released data and calculations for national allocations in such a way as to make it difficult for member states to make accurate projections and released a report the economic situation in the regions that supported the Commission's reform agenda.

Implementation

A preliminary investigation of the implementation of the 1999 reform supports a multi-level governance interpretation of this stage. The Commission was able to advance several of its agenda items. Through the exercise of its authority over the selection of regions and national and regional allocations, the Commission was ale to secure increased geographic and financial concentration of the funds. Additionally, through the exercise of its authority over SPDs and programming, the Commission was able to secure better plans fewer, integrated programs, and improved partnership.

A review of the selection of Objective 1 and 2 regions reveals that the Commission achieved its objectives for geographic and financial concentration of the structural funds on the neediest areas. The Commission was able to increase the geographic concentration of the fund by reducing the percentage of the population covered by Objectives 1 and 2 (and 5b) from 49.8% of EU population during the 1993-1999 programming period to 41.3% during the 2000-2006 period (CEC 2001, Part III: 2.1, 124, Table 11). This came very close to meeting the Commission's goal of reducing coverage to between 35% and 40% of the population. The Commission was able to achieve enhanced geographic concentration by strictly enforcing eligibility requirements for Objective 1, and by setting strict population ceilings for Objective 2. With respect to Objective 1, the Commission enforced the 75% average EU GDP ceiling except in areas specified by the Commission in the regulation to be exceptions. Whereas in past reforms, member states had successfully argued to keep marginal regions, this time the Commission's criteria was decisive. With respect to Objective 2, the Commission set population ceilings for each member state (Commission Decision 1999/50/EU in OJ L 194, 27 July 1999). In all cases the eligible population fell from the previous programming period, allowing the Commission to meets its goal for Objective 2 coverage of 18% of the EU population (CEC 2001, Part III:.2.1, 124: Table 11; Statistical Annex, Table A32).

In addition to attaining its goals for geographic concentration, the Commission also attained its goals for financial concentration. First, the Commission made slight adjustments to national allocations. Using objective criteria, the Commission determined member state shares of the structural funds. The majority of member states only lost or gained less than 1 percentage point from their previous shares. The major exception was Ireland which lost nearly 2.5 percentage points from its previous share falling from 4.1% to 1.7% of the total funds (excluding Community Initiatives).[16] The Commission was making up for the 1993 reform in which it had allocated to Ireland slightly more than the Commission deemed appropriate (but still less than what Ireland had sought). In addition to distributing the funds to better suit need, the Commission raised the concentration of total funds on Objective 1 regions from 68% to 70% (ibid, 122). The distribution of funds between states and regions benefited the poorest regions. While average aid per capita in the Objective 2 regions fell by 5 euro, average aid per capita in the poorest, Objective 1 regions increased by 33 euro (ibid, 122: Table 10). Furthermore, the cohesion four member states were granted more aid per capita than the rest to the member states (ibid, 122: Graphs 29 and 30).

In addition to bring about greater concentration, the Commission was also able to enhance programming and partnership. With respect to programming, the Commission was successful in getting member states to opt for SPDs whereby they submitted both RDPs and applications at the same time over CSFs. The majority of member states submitted SPDs, which were approved by the Commission by the fall of 2000.[17] While many operational programs have been adopted, programming for Objective 1 is expected to be completed by the fall of 2001 and for Objective 2 by the end of 2001 (*European Report*, 6 January 2001, 2557). According to the Commission, the requirement that member state plans include *ex-ante* evaluations of regional problems led to plans being better suited to meet actual regional development needs (CEC 2001, Part III.2.3, 148). Additionally, as required by the Commission, the plans evidenced an improved assessment of the equal opportunities for men and women. The Commission singled out Finland, Germany and Wales and Italy as particularly good (ibid, 151). Lastly, the Commission maintained that it has succeeded in reducing the number of programs form 1134 to 400, and from encouraging integrated programs where previously they were separated by funds (ibid). With respect to partnership, the Commission maintained only that member state awareness of partnership provisions had increased on the whole and cited Italy has having made an excellent effort to include representatives from non-governmental organizations in the preparation of plans (ibid).

Results Analysis

According to an analysis of the final regulation, the integrative value of the 1999 reform of the ERDF was moderately weak because it exhibited a balance of control in favor of the member states and a greater than the average number of policy commitments. As Table 4 indicates, the balance of control over the formulation, implementation, monitoring and evaluation of the common regional policy was slightly in favor of the member states in the 1999 regulation. While the Commission and member states attained equal control over formulation, member states gained more control over implementation. The member state increase in implementation responsibilities was due to the creation of managing authorities and the expansion of the authority of the committees.

Table 4.--Balance of Control in 1999 Reform

Provisions	Commission Control	Member State Control
Formulation	64	64
Implementation	24	39
Monitoring	10	3
Evaluation	4	1
Total	102	107

*All values are weighted according to specifications in introduction.

While member states attained slightly more control, the Commission attained 140 policy commitments in the 1999 regulation, substantially more than the average number of policy commitments across all reforms, 104 (see Appendix B). The fact that the number of policy commitments was roughly in line with those attained in the 1989 and 1993 reforms, showed that the member states were binding themselves to about the same scope of joint policy coordination.

An assessment of the integrative value of the reform offers support for the multi-level governance view of the relationship between Commission and member state preferences and tactics and the integrative value of the reform agreement. The intergovernmentalist hypothesis that member state preferences and tactics are enough to determine the final agreement is not supported. Member state preferences, particularly those of Germany, France and the UK were opposed to a whole host of Commission proposals including the size of the structural funds, net contributions, Objective 1 eligibility, the continuation of the cohesion fund, and the performance reserve. Given this opposition, these states should have whittled down the Commission's proposals more than they did. They should have, according to intergovernmentalism, attained an agreement that manifested a smaller increase in the structural funds, and less concentration of resources, in exchange for the continuation of the cohesion fund. Focusing on Commission tactics explains why they did not. The Commission utilized strong tactics during the 1999 reform to ensure a structural funds budget, and geographic concentration greater than the least-common-denominator of large state interests.

Strong Commission tactics brought about moderately strong Commission influence. An assessment of the relationship between Commission and member state preferences and tactics and Commission influence supports multi-level governance. According to Table 5, the Commission's rate of acceptance of 61.0% in the 1999 reform meets the 60% threshold for strong influence. The combined acceptance plus modified within intent rate of 79.7%, just misses the 80% threshold, placing the Commission in the category of moderately-strong influence.

Table 5.--Commission Influence in 1999 Reform

Provisions		
Accepted	87	60.8%
Modified Within Intent	27	18.9%
subtotal	114	79.7%
Rejected	2	1.4%
Modified Beyond Intent	27	18.9%
Total	143	100.0%

According to intergovernmentalism, Commission influence depends upon a coincidence of Commission and member state preferences. As mentioned above, there was not substantial overlap between Commission and member state preferences. Commission influence in the 1999 reform depended upon Commission tactics. As multi-level governance predicts, moderately strong tactics allowed the Commission to realize most of its agenda for regional policy.

Conclusion

A review of the initiation, negotiation and implementation of the 1999 reform indicates the validity of a multi-level governance approach to integration. The reform was not simply the result of intergovernmental bargaining. The Commission was a central actor in the initiation, negotiation and implementation of the reform. At each stage the Commission utilized tactics to maximize its agenda. During the initiation stage, the Commission developed a plan for regional policy reform as part of its Agenda 2000 proposals to prepare the EU for enlargement of the CEECs. The Commission's regional policy agenda was based on long-standing Commission goals such as improving concentration, control over national allocation, and the coordination of programming, partnership, and monitoring and evaluation arrangements. It was also based on the Santer Commission's concern for efficiency. To win support for its agenda, the Commission lobbied other EU institutions such as the Parliament and transnational groups such as RETI. During the negotiation stage, the Commission used an even broader range of tactics including its power of mediation, initiation, support-building and disseminating information, to secure the major part of its agenda. Through a strategic use of meditation the Commission was able to link the size of the structural funds, the continuation of the cohesion fund, the use of national prosperity to determine national allocations, and the UK rebate. The Commission surmounted internal disputes and the resignation of the College and attained all of what it desired with respect to enhancing programming, partnership, monitoring and evaluation and financial management and nearly all of what it desired with respect to functional, financial and geographic concentration. While much of the Commission's success was due to its own prudent tactics, it was assisted in the final moments by German Presidency. A preliminary review of the implementation stage reveals that thus far the Commission has succeeded in enhancing geographic and financial concentration, better coordinated programming and enhanced partnership.

Endnotes

[1] Process-oriented frameworks have been utilized by Marks, Hooghe and Blank 1996; Marks 1996 and Richardson 1996; and are implicit in other studies of the Commission (see Smyrl 1998).

[2] At the *initiation* stage of a policy reform, which includes the time leading up to and including the tabling of a formal proposal, the relevant questions are who initiates a policy reform, what do they want and why do they want it? Do member states initiate policy reform to increase sovereignty or does the Commission initiate policy reform to increase the depth of Commission power? The *negotiation* stage is understood to begin at the tabling of a formal proposal, continue through the modification of the proposal and end at its formal acceptance. At issue in the *negotiation* stage is who participates, what they want and why, how initial preferences are modified; what was achieved and why. Are member states the sole participants in the bargaining process, or is the Commission a

participant? Do decisions overwhelmingly reflect the preferences of Germany, France and the UK? To what extent does the final decision reflect the Commission's preferences? The final stage, the *implementation* stage, begins at the adoption of a final decision and ends at the initiation of another major reform. The focus of this stage is how successfully the decision is implemented and whether or not it has any unintended consequences. Was the Commission able to enforce the decision; or did member states evade provisions of the decision they did not like?

[3] Intergovernmentalists do not consider Italy to be among the most powerful states. Although it is large in the sense of territory, institutional development, etc, its influence is not commensurate with its size. This is perhaps due to the frequency with which governmental leadership changes hands. (See for example Moravcsik 1991, 47).

[4] Assessing Commission influence within and across reforms and determining whether or not it arises from the correspondence between member state preferences and initial proposals, or on Commission tactics, provides a subsidiary test of the intergovernmentalist and multi-level governance hypotheses concerning the role of Commission in integration and makes a needed contribution to the study of European integration. Recent studies on the Commission's role in integration have shied away from determining Commission influence in favor of establishing Commission leadership (Vahl 1997; Endo 1999). Rather than assessing the extent to which the Commission was responsible for a specific outcome, these studies focus on how well the Commission used the tools at its disposal. They adopt a process-oriented rather than results-oriented assessment of Commission influence. As mentioned above, this study seeks to incorporate both process- and results-oriented perspectives. We are concerned with both how well the Commission used its tools, and how much it achieved.

[5] Policy commitments, or reform provisions, are specific items in a reform that qualitatively or quantitatively effect the way in which the policy operates. They include rules for the formulation, implementation, monitoring and evaluation of the common policy. Because each successive reform provides states with the possibility of incorporating or rejecting previous policy commitments, all policy commitments in a given reform (not just new ones) will be counted.

[6] If a policy commitment/provision bestows a power or prerogative related to the formulation, implementation, monitoring or evaluation of the common policy on the Commission, then it will be counted toward Commission control. If a provision imposes an obligation on a member state that is intended to assist the Commission and not to increase the aggregate control of the member states, it will be counted toward the Commission. If a provision bestows a power or prerogative on member states and increases their aggregate control over the formulation, implementation, monitoring and evaluation of the common policy, then it will be counted toward Member State control. If a provision bestows powers on both actors simultaneously, it will be counted for both. If several provisions pertain to the same prerogative or obligation only one of these sets will be counted. Provisions that do not involve control at all will not be counted.

[7] Formulation (F) entails functions from the setting of the budget to the designing of RDPs; implementation (I) entails any function from the submission of project applications to the payment of assistance; monitoring (M) entails any function aimed a verifying implementation; evaluation (E) entails any assessment of the results of formulation, implementation and monitoring.

[8] "Accepted" applies to provisions adopted nearly verbatim. "Rejected" refers to provisions included in proposals but excluded from final regulations and provisions not included in proposals but included in final regulations. "Modified Within Intent" applies to provisions altered in a minor technical way to give them greater detail and to provisions added to give other provision more detail. "Modified Beyond Intent" applies to provisions whose purpose has been partially or wholly altered and to provisions in which institutional control/responsibility moves from the Commission to the member states. Concerning the scoring of added provisions, they will be assigned to "rejected" if they move control to the member states; "Modified Beyond Intent" if they are elaborations which impose an obligation on the Commission which it did not seek and which suits member state interest; and "Modified Within Intent" if they are merely technical elaborations.

[9] As such it requires no elaborate theoretical framework or justification. This study will treat states as unitary actors in that it will focus primarily on the federal or national level of government and in particular on the heads of government. However, it will take account of the influence of party, bureaucratic and regional politics on national preference formation where appropriate. Additionally, in keeping with intergovernmentalist analysis, this study assumes that member states act rationally, that is they seek to maximize preferences with tactics judged appropriate. (See Moravcsik 1998, 22-23).

[10] These categorizations are intended to facilitate comparison of sets of tactics across cases and should not obstruct an assessment of the importance of individual tactics. They are general indicators or signposts rather than precise measures or roadblocks of the strength of tactics.

[11] In this study, I assume the Commission (and its component parts) is a rational, if not always unitary, actor. It is imperative to be sensitive to the Commission's potential for fragmentation. The various component parts of the Commission may have separate and opposing agendas and/or policy preferences. Disagreements occur between Commissioners, and disputes arise between DGs (see Christiansen 1997). That said, the Commission--in particular the College--often operates as a unitary actor. In researching the role of the Commission in regional policy, I have cast my net wide to uncover relevant disputes within the College, between the College and the DGs, and between and within DGs. While making no assumptions about the unitary or fragmented nature of the Commission, the following study does assume the Commission and all of its component parts to be goal-oriented actors. I assume that the Commission creates an agenda with specific policy preferences and then utilizes resources or tactics to maximize its agenda--to achieve as many of its preferences as it can. While I expect the Commission and all of its parts to be intent on achieving goals according to means judged appropriate, I do not assume that the Commission or all of its divisions will pick the best or most efficient means; or that goals and means of component parts will not conflict.

[12] As Cini notes, the Commission's functions may overlap (1996, 15). Likewise, as will be demonstrated, Commission tactics may also overlap and intertwine. Nonetheless, it is important to distinguish between functions and tactics in order to assess Commission influence.

[13] The Council Presidency and COREPER also engage in mediation.

[14] *Mediation* is distinct from the aforementioned *mobilization of support*. While both are aimed at persuading actors to support the Commission's agenda, the former is directed at member states, takes place in the negotiation stage and may include persuasive discourse and dialogue, but is not limited to it. The latter is limited to persuasive discourse aimed at states, other EU institutions, interest groups, subnational and transnational actors and non-governmental organizations, and may take place at any stage.

[15] Several a prior limits on the Commission's independence, stemming from EU rules and procedures have been posited. Most obviously, the Commission's independence *vis-à-vis* the member states is limited by the fact that the Commission is appointed by the member states. One might argue, that Commissioners must follow member state interests in order to ensure reappointment; or that they are unwilling to oppose the interests of the most powerful member states for fear of not being reappointed. While certain Commissioners may in fact act upon such considerations, it is not always the case. The case of Lord Cockfield going against the wishes of his own head of government--Margaret Thatcher--serves to illustrate that Commissioners do not always capitulate to the interests of member states. Moreover, other institutional checks upon the Commission, such as the requirement of collegiality, the ability of the EP to dismiss the Commission *en masse*, and reviews by the Court of Justice and the Court of Auditors, may serve to remind Commissioners of their supranational allegiance. Rather than assuming that Commissioners are apt to acquiesce to member state influence, it is important to leave the question open to empirical investigation.

A second *a priori* restriction on the Commission's independence is the system of comitology. Under its rule-making function, the Commission is required to submit its proposals for implementing policy (Commission legislation) to three types of committees made up of member state representatives for review: advisory, management and regulatory (Nugent 2001, 268-270). According to Pollack, member states use committees as a form of "police patrol"--to monitor and control Commission activity (Pollack 2000, 114-115). Advisory committees give the Commission non-binding recommendations and are the least restrictive. Management committees, the next most restrictive, can refer a Commission proposal to the Council of Ministers with a qualified majority vote against the proposal, but cannot actually squash a proposals. Regulatory committees, the most restrictive, can stop a Commission proposal unless a qualified majority approves it--a minority can force the proposals to the Council. The committee system does restrict the Commission's independence in that the Commission must be sensitive to member state views. However, the Commission can guide proposals through committees without major losses because a Commission member acts as chair of each of the committees and because the Commission usually possesses greater expertise and information about proposals (Nugent 2001, 271). The ability of committees to control the Commission's independence in regional policy implementation is limited. For much of the history of EU regional policy, the governing committees have been advisory in nature. This was altered only slightly in 1993 when a management committee for one type of regional policy decision--the implementation of Community Initiatives--was established. In any case, the existence or lack of member state control afforded by committees is best left to investigation.

In addition to comitology, Pollack notes that decision-rules also serve to curb the Commission's autonomy (2000, 116-117). Pollack points out that the type of voting and amending rules used for the passage of a legislative proposal effect the Commission's agenda-setting capacity (Pollack 1997, 122-23; 2000, 120-22). Under unanimity voting, each member state has a veto over Commission proposals. The Commission must therefore persuade each state to accept its agenda and, depending upon the configuration of member state preferences, this may require the Commission to alter its agenda to suit member states. The wider the distribution of Commission and member state preferences, the less independence the Commission will have. Furthermore, the easier it is for the Parliament and the Council to amend the Commission's proposals, the more restricted is the Commission's agenda-setting capacity. The voting rules governing regional policy reform have changed over time. From 1975-1985, unanimity and consultation were required; from 1989 to 1993, unanimity and consultation were required for framework regulations and qualified majority and cooperation were required for coordinating regulations; and from 1999, unanimity and assent were required. According to Pollack, the Commission's independence *vis-à-vis* the Council in regional policy reforms should be limited in all reforms except for the coordinating legislation of the 1989 reform; whereas its independence *vis-à-vis* the Parliament should be strong except for the 1999 reform. A second restriction on the Commission's independence is a default condition, which would result in the expiration of the Commission's powers. For example, Pollack argues that if member states fail to agree to a Commission proposal for a regional policy reform, the Commission's regional policy competence expires. This default condition of expiration gives the member states the opportunity to "clip the Commissions wings" and acts as a limitation on the Commission (Pollack 1996, 447; 2000, 117). The Commission will have to bend to the wills of the states if it does not wish to see its powers expire.

Three considerations cast doubt on the universal applicability of Pollack's *a priori* limits on the Commission. First, the dampening effect of unanimity holds if and only if all other things are equal. This condition is not met throughout the development of regional policy. A factor that confounds the relationship is the Commission's ability to propose other pieces of legislation simultaneously. On several occasions in the development of regional policy, the Commission has proposed regional policy reforms in conjunction with other policy reforms, allowing it the opportunity to structure package deals, side-payments, issue-linkages and trade-offs and recoup the limitations on its agenda-setting capacity imposed by unanimity. Additionally, the dampening effect of unanimity presupposes that member states will perceive and veto provisions that threaten their national interests. As Pierson notes, because of issue density, asymmetrical information and spillover effects, member states may not always perceive the long-term consequences of Commission proposals as threatening their interests and if they do they may discount them for political expediency (1996, 135-39). Under certain circumstances, getting the deal done may be more important than the actual deal made. Finally, the default condition of expiration of the Commission's regional policy competence may have an equal or greater dampening effect on the member states. The expiration of regional policy equally threatens the member states' "sunk costs" (Pierson 1996, 144-46). If the regional policy competence of the Commission expires, member states lose expected funding, and national governments risk angering important constituencies. Member states have at least as much incentive to renew regional policy, as does the Commission. While decision rules may restrict the Commission's autonomy, they may not in all cases. Further empirical investigation is required to understand fully the impact of decision rules on Commission autonomy.

[16] Calculations are based on data from The First Cohesion Report (CEC 1996b, Table 25) and from DG16 web page at http://www.europa.eu.int/comm/regional_policy /activity/erdf/erdf3_en/htm).

[17] This conclusion is based upon data from various issues of *European Report* from 2000-2001 (2474, 2493, 2498, 2502, 2504, 2516, 2517, 2518, 2519, 2521, 2523, 2532, 2534 , 2536, 2537,

2539, 2540, 2541, 2545, 2559, 2563, 2566, 2576) and from press releases from RAPID (IP/00/228, IP/00/471, IP/00/685, IP/00/811, IP/00/861, IP/00/1084, IP/00/1097, IP/00/1316, IP/01/193, IP/01/262, IP/01/372, IP/01/389, IP/01/390, IP/01/391).

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