5 Euroregions: institutional entrepreneurship in the European Union

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By the beginning of 2000, there were more than seventy initiatives in Europe that referred to themselves as 'Euroregions', 'Euregios' or similar names. These initiatives consist of more or less stable co-operative arrangements between neighbouring local or regional authorities across a European nation-state border, and can be subsumed under the rubric of 'cross-border co-operation' (CBC).

How can this phenomenon be understood? This chapter will try to uncover some of the 'conditions of possibility' of European CBC. In a sense, I provide a meta-analysis that focuses on the reasons why Euroregions have become so popular with non-central governments (NCGs) located on both intra-EU borders and the external borders of the EU. This implies that I will *not* focus on 'cross-border regions' *qua* spatially confined functional entities that might or might not emerge as a result of prolonged CBC.

Rather, the question pursued here is: Why is it that CBC activities have become a generally recognized part of the repertoire of public agency in European border areas? Theoretically, I believe this question can be answered on the basis of two main hypotheses which I will develop in this chapter. Firstly, Euroregions have become an *institution*. The post-war history of European CBC can thus be treated as a process of institution-building within the specific context of the European polity. Secondly, I argue that this institutionalization of the Euroregion can be attributed to the long-term activities of a trans-European policy network. The strategies and actions of the latter can thus be characterized as *institutional*

entrepreneurship. The hypotheses thus cover both the structural and the agency-related aspects of European CBC.

It is evident that European CBC cannot be seen as separate from the process of European integration. Its strong association with EU regional policy indicates the connection with what are often referred to as 'multi-level governance' structures in European public policy. Research in this field has made clear that the design and implementation of EU regional policy has lead to complex policy constellations in which supranational, national and regional/local agencies interact to achieve policy outcomes. The 'European factor' will thus play an important role in explaining the proliferation of CBC in Europe. Broadly speaking, in theoretical terms this implies that for explaining European CBC a policy network approach will be the most appropriate way of conceptualizing the issue.

This chapter consists of three parts. Firstly, I offer a brief overview of the history and main characteristics of Euroregions based on the wealth of existing empirical research in this area, particularly from a political science perspective. Secondly, I summarize the main theoretical building blocks that underlie the two hypotheses mentioned above. This involves a discussion of the concept of institution as well as a series of theoretical arguments about mechanisms of institutional change, notably institutional entrepreneurship. In the third section, these theoretical considerations are applied to the case of European CBC. I discuss the role of a transnational policy network that over the last four decades acted as an institutional entrepreneur in the area of CBC. This was achieved mainly through addressing supranational policy-makers, notably the EU, with the intention of providing supranational support for the establishment of cross-border regions across Europe. Thus, I conclude that European CBC must be analytically related to the newly emerging, 'networked' European polity, which provides a fertile ground for undertaking such initiatives. The emergence of Euroregions is therefore just one special case of a series of opportunities that are open to local authorities and other actors, allowing them to engage in institutional innovation.

5.1 Euroregions

5.1.1 A short characterization[1]

Euroregions can be characterized as *a more or less institutionalized collaboration between contiguous subnational authorities across national borders*. They have a long tradition in certain areas of post-war Europe, especially on the Germany-BENELUX border where this form of co-operation was 'invented'. The first initiative was the EUREGIO founded on the Dutch-German border in 1958. Organizationally, Euroregions usually have a council, a presidency, subject matter oriented working groups and a common secretariat. Thus, the term Euroregion can refer both to a territorial unit, made up of the aggregate territories of the participating authorities, and to organizational entities, usually identified with the secretariat. Legally, the co-operation can take different forms, ranging from legally non-binding arrangements to public law bodies. Typically, an Euroregion ranges in size from 50 to 100km in width and has a population of around two million.

In terms of their activities, Euroregions are mainly concerned with administrative matters that demand cross-border co-ordination at the local level. Traditionally, such co-ordination concerned issues including spatial planning, transport and environmental externalities. More recently, the scope of Euroregional action has been widened to include initiatives in economic policy, the labour market and social and cultural issues. It must be added, however, that the budget of Euroregions does not usually exceed 0.1 per cent of the GDP of the areas concerned.

Supranational factors play a crucial role in providing a viable context for CBC in Europe. The issue of local CBC was first raised in the supranational arena provided by the Council of Europe (CoE). The so-called Madrid Convention initiated by the CoE provides a legal framework for the completion of bi- and multinational agreements allowing for public law CBC between non-central governments (Dolez 1996).

From the seventies onwards, the European Union became the dominant arena from within which CBC was promoted on a supranational level. Compared with the legal focus of the Council of Europe, the CBC-related activities of the European Union are primarily financial. Many CBC initiatives are eligible for support under the Interreg Community Initiative launched by the European Commission in 1990 as part of its European regional policy.

All local areas located on external[2] and internal land borders, as well as some maritime areas, are eligible for Interreg which had an annual ECU 400 million budget in the late nineties, corresponding to approximately 1.5 per cent of the Community budget for regional policies. As Interreg is by far the most important source of funding for most CBC initiatives, they must comply with the modalities set out in the EU regulations. Therefore, effectively, many Euroregions function as implementation agencies for this specific type of transnational regional policy.

5.1.2 The supranational stage

The fact that European CBC is so tightly linked to the supranational regional policy measures pursued by the European Commission (that is, 'Cohesion Policy'), points to European multi-level governance patterns as a crucial explanatory factor.

Empirically, the multi-level governance literature is mainly concerned with the impact of Cohesion Policy on territorial organization in the EU Member States and focuses explicitly on the involvement of regional authorities in decision-making in the various stages of the policy process (cf. Hooghe 1996b). The primary hypothesis is that the pattern of decision-making and the actors implicated vary across these different policy stages and from country to country. The interdependence between public actors on different territorial levels means that the European polity is seen as an interconnected system of non-nested, interconnected political arenas in which the boundaries between domestic and international politics are increasingly blurred.

From this perspective one can relate the role of Euroregions as specialized governance structures to the implementation of Cohesion Policy. The discussion thus allows for relating CBC to some general tendencies currently affecting the European Polity. CBC constitutes a paradigmatic case for new patterns of European policy making that are based on genuine transnational links in both policy design and implementation.

However, some commentators do not agree that the European Union should be considered as a driving force behind the emergence and proliferation of CBC across Europe. Anderson observes that, at first sight, the EU could be regarded as an important causal factor here,

notably through the diminishing importance of borders, growing regional representation at

the supranational level and the Interreg programme (Anderson 1997). However, Anderson

adds that the EU's impact is often overestimated as many CBC initiatives are 'bottom-up'

driven. He notes that early initiatives such as the Regio Basiliensis[3] in the Upper Rhine area

or the Working Communities[4] in the Alps involved countries such as Switzerland that are not

members of the EU. For instance, according to Anderson, in the German part of the Upper

Rhine, 80 per cent of FDI is of Swiss provenance, and a cross-border labour market has

emerged. Similar patterns occur in the Geneva area. Thus, Anderson's argument is that many

CBC initiatives emerged as a response to growing cross-border functional interdependencies.

Anderson is correct regarding these early initiatives that emerged almost independently from

one another in the late fifties and sixties. At that time, these initiatives received no financial

support from supranational authorities although their very possibility depended on

macroregional integration driven through the CoE and the early European Communities.

However, given the recent CBC boom, this argument must be qualified in two respects.

Firstly, quantitatively, the extraordinary growth of CBC from 1988 onwards must certainly

be related to the launch of EU support schemes dedicated to CBC initiatives in Western

Europe, and, from the early 90s, increasingly in Eastern and Central Europe. From 26

initiatives in 1988, when the DG16 launched its first pilot projects, their number almost

tripled to over 70 in 1999. Qualitative evidence shows that the newly founded Euroregions,

for example those on the Eastern and Southern German borders, tend to be closely involved

in Interreg implementation. There were no Euroregions on the Austrian-German border

before Austria's accession to the EU but between 1994 and 1998 five new Euroregions were

established. Similar evidence can be provided for many Eastern and Central European CBC

initiatives. For instance, the establishment of the 'Carpathian Euroregion' was substantially

connected to its role in implementing Phare and Credo measures.

Secondly, apart from the relevance of EU programmes for the mere numerical increase of

CBC initiatives, their impact can also be accounted for in qualitative terms. As a matter of

fact, one can observe an increasing similarity among CBC initiatives in different European

areas. It appears that the Euroregion has become the standard model for pursuing CBC, and in this process, EU support certainly has an important influence. To cite again the Austrian example, Austrian *Länder* were involved in several Working Communities in the seventies but small-scale Euroregions were only established after 1994.[5] In terms of political importance and financial budget, many of the Working Communities have largely stagnated since their establish. However, the smaller Euroregions continue to flourish in part because they are more closely involved in the Interreg programme, which only applies to narrow border areas. Leresche and Saez (this volume) interpret the relative stagnation of the Working Communities in terms of a 'crisis of governability' in cross-border governance. They emerged at a time when the limited problem-solving capability of the (central state driven) inter-governmental commissions became obvious but no alternative, decentralized governance mechanisms had yet emerged.

A growing isomorphism of CBC can also be illustrated with various examples of institutional transfer from Western Europe, in particular Germany and its neighbours along the Rhine axis, to Eastern and Central Europe. Practitioners from the 'old' Euroregions on the Western German border advised local authorities on the German-Polish and German-Czech border when they set up their Euroregions after the break-down of the iron curtain. The Carpathian Euroregion, also far from being a fully-fledged 'Euroregion', co-operates with the Euregio Rhein-Maas on the Belgian-German-Dutch border to design a cross-border development concept modelled after similar concepts implemented by the more advanced Western European Euroregions. Thus, the impact of EU support programmes can be ascertained in both quantitative and qualitative terms. On the one hand, they increased incentives for establishing new CBC initiatives, particularly according to the Euroregion model, from the late 80s onwards, and, on the other, they helped to transform loose and poorly equipped communities into more institutionalized forms of co-operation (Schabhüser 1993).

5.1.3 The empirical evidence

The Euroregions' embeddness in the multi-level structure of EU Cohesion Policy has clear consequences for the way they operate and the effects they achieve. Over time, many Euroregions have been subject to studies from various angles, with contributions ranging from borderland geography, anthropology and sociology through to policy analysis and economics. In the following, I would like to stress three major conclusions that can be drawn from existing case studies, as well as my own empirical work on various Euroregions[6], from a political science perspective.

Firstly, CBC initiatives are mostly driven by policy considerations and embedded in a context of 'ordinary' administrative practice. In other words, Euroregions are technocratic entities. CBC initiatives are rarely linked to projects of popular mobilization, interpellating pre-existing cultural or ethnic commonalties among border people. On the one hand, this points to the continuing strength of national solidarities for the mobilization of identities. Anderson notes correctly that there is little evidence 'that the frontier as a marker of the limits of political identity has been effaced from the mentality of the populations of the frontier regions' (Anderson 1997). *De facto*, in the overwhelming majority of the Euroregions, such ideological considerations play no role. They can be even counterproductive in cases where strong cultural affinities between populations in border areas would lead one to expect that CBC might be easier to initiate.

This does not mean that CBC is insulated from territorial or sectional interests, party politics and issues of popular representation, nor that CBC is necessarily efficacious. But the modalities according to which CBC is pursued are largely embedded in the administrative regulations, routines and cultures prevailing within and between the participating authorities. In this sense, CBC is not merely 'low' politics as opposed to the 'high' politics of inter-state diplomacy. Rather, it is 'low' politics even within the regional, district and local administrations involved. CBC constitutes a new policy field for NCGs that is pursued in combination with other inter-regional activities in the wider context of new regional strategies.

Secondly, CBC initiatives do not appear particularly successful in constituting new, transnational scales of governance. Some anecdotal evidence is provided by research on the intensification of economic cross-border contacts, which is among the ultimate objectives of CBC initiatives. In fact, even in Euroregions that have existed for decades, such efforts have been successful only to a very limited degree (Geenhuizen et al. 1996). Research on the Euroregion Maas-Rhine, the Euregio Rhine Maas Nord as well as the Dutch-Belgian Euroregions indicates that the majority of inter-firm linkages are still confined by their national economic spaces (Hassink et al. 1995, Houtum 1997). Krätke provides similar evidence for the German-Polish border area and Sparke for the case of Cascadia (this volume).

Many observers take note of the barriers that prevent cross-border bodies from being effective and efficient governing units acting on behalf of cross-border units as a whole (that is, 'cross-border regions'). Beck's analysis suggests that the way Euroregions are organized, as transnational policy networks, does not constitute an efficacious governance mechanism to address distributive or even re-distributive issues (Beck 1997). He also argues that the participating actors are strongly oriented towards their own territorial and organizational interests. From a more policy-oriented perspective, it has been suggested that Euroregions are hardly a good means of co-ordinating economic development strategies for a cross-border space (Liberda 1996). This is even truer for Euroregions on the external EU border (Scott 1998). Church and Reid, observers of Franco-British cross-Channel co-operation, have pointed to the volatile and ad-hoc character of many attempts to devise coherent cross-border strategies. Their initial emphasis on possible emerging cross-border territories (Church and Reid 1995) is later questioned by increasing doubts about whether CBC effectively contributes to such a process. They now point out that the 'lack of genuine co-operation', mostly due to unilateral use of supposedly co-operative funds and proliferation of short-term funding coalitions, fails to induce any genuine political identity based on 'cross-border regionness' (Church and Reid 1999: 654).

These patterns can be interpreted in the broader picture provided by recent writings on 'neo-regionalism' (cf. Leresche and Saez, this volume). CBC cannot be equated with the emergence of new 'regions', that is, a level of territorial governance that would compete with existing levels such as intra-state regions or even nation states. Rather, CBC is only one moment in the territorial and functional complexification of political decision-making in the EU. Balme argues that the EU policy space provides a favourable context for more 'informal and fluid modalities of action' (Balme et al. 1996: 54). Thus CBC is a moment within the broader context of an increasingly 'networked' European polity.

Thirdly, CBC is a multi-level game in which supranational authorities, notably the EU, play crucial roles. Apart from the co-operating NCGs, CBC initiatives usually involve senior levels of government including the European Commission. The reason is that on the one hand many CBC initiatives were only started in response to the Interreg programme and on the other existing initiatives responded by aligning themselves to EU 'windows of opportunity'. Furthermore, national governments are involved as EU support for CBC is part of ordinary EU regional policy. Thus, *de facto*, CBC initiatives act as implementation agencies on behalf of the EU and their respective central state administrations. For border NCGs, this has the advantage of involving them in the implementation of Cohesion Policy. Obviously, this multi-level quality of literally all CBC initiatives in Europe explains why many observers note a 'lack of motivation' to engage in 'genuine' CBC.

Thus, CBC initiatives cannot be seen as purely 'bottom-up' mobilizations. They are also 'top-down' in the sense that supporting CBC is an explicit policy target of the European Commission. This adds an important supranational dimension to CBC as it is *de facto* constituted as an institutionalized policy field. Explicit attempts to induce the building of cross-border governance structures are among the objectives of CBC policy, operated by the EU as the main policy maker and the Member States as subsidiary policy makers. The CBC policy field is therefore an example of (supranational) 'meta-governance' (Jessop 1997).

5.2 the theory

5.2.1 exploring institutions

In the following, I propose a theoretically grounded interpretation that serves to explore the link between the proliferation of local cross-border units and the wider supranational framework of European integration. This must take into consideration the mechanics of the emerging supranational political system that has been evolving in Europe over the last decades, mostly under the umbrella of the EU.

If one accepts this supranational angle of analysis, the question to be addressed is that of the precise mechanisms that allowed the model of the Euroregion to became the model of choice for public agencies in border areas. Theoretically speaking, I believe this is best interpreted as a process of *institutionalization* of a specific mode of public agency. As this forms one cornerstone of the argument advanced here, in the following I introduce a working definition of institutions that is inspired by the New Institutionalism in sociology and organizational studies (for example, Powell and DiMaggio 1991). But New Institutionalist work has been criticized for its structuralist bias, hinting at its difficulties in accounting for institutional *change* as opposed to institutional *reproduction*. Thus I seek to incorporate further theoretical resources recognising that an analysis of institutional change becomes rewarding only if the underlying social agency can be revealed.

An institution can be defined as a regularized pattern of social life that exists on a supraindividual level and is reproduced over time. Institutions (a) differentiate themselves from other sets of regularities (b) are self-validating and (c) have a distributed nature that makes them difficult to change (Lanzalaco 1995).

Institutionalist authors of different colours disagree on the underlying conditions that sustain institutions in social life. For some authors, the action-shaping power of institutions lies in their juridico-formal capacity as sustained by economic institutionalists such as North. By contrast, the New Institutionalism in organizational studies and (non-rational choice) sociology emphasizes the *cognitive* dimension of institutions. This means that – in the tradition of authors such as Berger and Luckman – institutions constitute reality for social actors in the sense that they provide for intersubjectively valid and persistent modes of interpretation and ways of doing things.

In applied research, New Institutionalists in organizational studies have particularly emphasized the importance of institutionalized patterns prevailing in the environment of organizations as a key explanatory factor for their behaviour. Meyer and Rowan (1977) argue that 'myths and ceremonies', constituted as institutionalized routines and cognitive patterns in the environment of institutions, play a crucial role for decision-making within organizations and often override 'technical', that is, efficiency-oriented, considerations. DiMaggio and Powell (1983) ask why it is that organizations operating in specific organizational fields tend to become more similar over time. The concept of 'institutional isomorphism' is proposed as an explanatory principle that identifies various forces that impact upon organizations from the outside and induce them to converge. They distinguish three different types of isomorphic change: (a) coercive isomorphism, that is, change based on legitimacy granted by the state, (b) mimetic isomorphism, in other words, change oriented to efficiency or legitimacy under uncertainty, (c) normative isomorphism, meaning legitimacy produced by professionalization.

5.2.2 Institutional change and social agency

As (auto-)critics of the New Institutionalism have pointed out, the identification of isomorphic processes does not necessarily clarify the role of social agency involved in such processes. Authors such as DiMaggio (1988) are well aware of the structuralist bias of their analyses, but the remedy often risks throwing out the baby with the bath water by resorting to voluntarist modes of explanation. A structurally sensitive notion of agency and its role in institutional change is therefore needed.

To avoid the voluntarist trap, any action-centred theory of institutional change must consider that (a) actors are themselves embedded within institutionalized contexts and (b) they are most likely 'distributed' actors, as for interorganizational networks. But within these constraints, I argue that it is possible to uncover patterns of strategic action underlying episodes of institutional change. In my view, the notion of institutional entrepreneurship is particularly suited to this task.

DiMaggio (1988) himself elaborates on the notion of institutional entrepreneurship, but Colomy's (1998) recent work accomplishes some remarkable steps towards a more complex conceptualization of the role of agency in institutional change by building on Eisenstadt's legacy. In his attempt to bring functionalist sociology to life, Eisenstadt used the notion of the 'institutional entrepreneur' to refer to groups and individuals who act as leaders in episodes of institution-building (Eisenstadt 1964; Eisenstadt 1980). Institutional entrepreneurs are actors who modify and reconfigure institutions in order to achieve effects that are likely to serve their or their allies' interests in the future.

Colomy's work provides two fundamental insights into the mechanics of institutional change. Firstly, he emphasizes the importance of agency, strategy and power vis-à-vis the taken-for-granted nature of institutions often practised by the New Institutionalism. At the same time, he manages to steer clear of voluntarism by clarifying a frequently misunderstood issue: Agency is not necessarily *individual* agency while 'institutional' is not equalivalent to the supraindividual realm of organizations and organizational fields. Thus, institutional entrepreneurs are not necessarily individuals. They can be organizations or even (policy) networks. While in organizations or networks there will always be individuals with a particular drive or strategic orientation, it is important to see that these individuals are not disconnected from supraindividual social structures through which their agency is translated into effects.[7]

Secondly, a process of institutional change is not a voluntarist episode of 'pure' decisionist agency but involves a process of *bricolage* in which coalition-building and the continual adaptation of projects are crucial activities. Therefore, strategies of institution-building are never 'complete' and socially closed since the involvement of new actors goes hand in hand with the transformation of the projects and interests involved. While the importance of resources is stressed, these resources often need to be mobilized through discursive articulations, that is, 'accounts and narratives' which, at the same time, create legitimacy for new institutional set-ups.

But which situations are likely to produce institutional innovations? A reasonable assumption is that new or gestating organizations rather than 'old' entrenched organizations will be more effective in producing the knowledge and narrative frameworks for institutional innovations (cf. Ingram 1998). Initial variations brought about by institutional entrepreneurs acting through either one or a set of organizations can be associated with the 'innovative' phase of institution-building identified by Colomy. If successful, in the further stages, that is, the derivative and consolidative phases, a diffusion of the pioneered institutional form takes place. This is nothing other than a process of isomorphic change as introduced above (DiMaggio and Powell 1983). Theoretically speaking, isomorphism can therefore be seen as the structural complement to the action centred notion of institutional entrepreneurship. As DiMaggio notes, '... to understand the institutionalization of organizational *forms,* we must first understand the institutionalization and structuring of organizational *fields*' (DiMaggio 1991: 267). Thus, DiMaggio describes the derivative and consolidative phases of an episode of institution-building that is, for example, based on a 'nodal' institutional innovation brought about by institutional entrepreneurs, together with their strategies to prepare a broader organizational field to accommodate the new organizational form. A nodal innovation consists of a new institutional form created at a specific point in time and space which subsequently spreads to other places and organizational realms.

I will show below that the EUREGIO, as a specific early case of a Euroregion, is precisely such a nodal innovation that was subsequently generalized through a process of isomorphism driven by an institutional entrepreneur, which in this instance was an EUREGIO-centred transnational policy network.

5.3 CBC: an episode of institutional change

How does abstract institutionalist theory relate to European CBC? In order to fully realise the power of the institutionalist approach, it needs to be combined with a second theoretical strand: the theory of policy networks and policy analysis. As shown by political scientists, networks are crucial for explaining policy outcomes in many policy fields (Messner 1997).

In the case of the European Union, policy networks are of particular relevance, given the extraordinarily weak formal position of its executive agency, the European Commission. It is important to consider the role of policy networks for policy outcomes (in this case, the launch of Interreg) because it avoids attributing these outcomes exclusively to the formal policy maker (in this context, the European Commission). The policy network approach allows the relative openness of policy makers towards more or less organized social forces to be taken into account. In the case of supranational CBC policy this is particularly relevant since there are at least two supranational policy makers: the Council of Europe[8] and the European Commission. It is in fact an underlying policy network that provided for the continuity of CBC as a supranational policy field.

On the basis of the considerations so far, the theoretical and the empirical can be linked on the basis of the following assumptions:

a) the institution: the Euroregion is a *blue-print* for organizing public cross-border intervention, 'invented' in the fifties in the Dutch-German border area

b) the organizational field: a supranational *policy field*, EU regional policy, provided the transmission mechanism for the proliferation of Euroregions, that is, their effective institutionalization across the EU and beyond.

c) the institutional entrepreneur: a transnational policy network in the area of CBC has been crucial for advancing the interests of border authorities on both the national and supranational level in Europe over the last decades, thereby contributing to the institutionalization of the Euroregion as a legitimate model of public agency.

In the following, to illustrate my point, I provide a brief account of this particular episode of institution-building, based on my own field work on the transnational CBC policy network conducted in 1999.

Before going into detail, a comment needs to be made on whether a policy network can be treated as an actor, that is, as an institutional entrepreneur. The argument relies on the assumption that social actors are never 'nodal' actors in the sense that they would act as pure decision-making centres independent of structural constraints.[9] For instance, organizations

are obviously what I would call *distributed* actors since their actions are the compounded effect of a variety of actions both within and beyond themselves. It is a logical step to apply this argument to networks as they effectively represent a more loosely defined organization, which does not, however, prevent them from making a difference to their environment.

5.3.1 the story

One of the primary characteristics of policies aimed at the promotion of CBC is that they constitute a genuinely *supranational* policy field. As the addressees of CBC policies are always regional or local authorities originating in more than one country, central governments rarely promote CBC activities on a purely national basis.

In the early years of European integration, the Council of Europe provided the first supranational arena for the crystallization of what later developed into a durable network of local and regional authorities and other bodies united by an interest in supranational support for CBC activities.

When from the mid 70s the EU began to play a stronger role, notably through the initiation of a large-scale regional policy, the CBC network increasingly addressed the Commission as a potential CBC policy maker. This was helped by the fact that given its conceptual origins in spatial planning, the promotion of CBC had always been conceived of as *regional policy*, that is, structural economic policy targeted at less favoured areas.

The EUREGIO, the oldest Euroregion, provided the nodal point for the emergence of the network. In 1971, nine border regions and cross-border bodies founded the Association of European Border Regions (AEBR) under leading involvement of the EUREGIO. Most of the founding members were located on the Rhine axis from the Bodensee area on the upper Rhine to the Dutch-German border areas. These areas were relatively densely populated and, as a consequence, they were relatively well represented in the CoE Parliamentary Assembly and could secure political backing for the mobilization of border region interests. With the growing importance of the European Union, the network's focus shifted to engaging the European Commission and the European Parliament as primary addressees of its interest mobilization.

The AEBR is the formal expression of a transnational policy network, bringing together various organizational actors interested in the promotion of CBC. The network embraces three categories of individuals: firstly, CBC practitioners and advisors associated with the local authorities involved in CBC and formally organized in the Association of European Border Regions (AEBR); secondly, political representatives of border areas as members of national parliaments, MEPs and members of the CoE Parliamentary Assembly; thirdly, public officials of the European Commission, the CoE and, to a lesser extent, national and regional governments.

The CBC network succeeded in positioning CBC as a relevant issue within the more general framework of EU regional policy, which has been a 'growth industry' over the last 25 years. Given that regional policy is targeted at specific areas which are 'less favoured' in some way or the other, 'border regions' were constructed as a new, homogenous territorial category to function as an object of policy intervention. This was particularly important, as many border areas in the EU are not classified as standard 'objective regions' within the framework of EU regional policy.

To achieve this goal, the AEBR attempted to unite the European border areas behind a collective project. It positioned itself as a pressure group 'pursuing common objectives in all essential matters in spite of national particularities and differences'. The network achieved one of its long-standing goals when in 1988 the European Commission approved the first pilot projects for CBC support in various areas, notably the EUREGIO, followed soon after by the launch of the Interreg programme.

It is crucial to note that the significance of EU support for CBC goes beyond the merely financial aspects. European CBC policy explicitly promotes the development of cross-border organizations, that is, the building-up of governance capacities on the level of cross-border regions that are able to jointly deploy European funds. In the Commission's jargon, this figures as 'institution-building' although it would be more appropriate to speak of 'organization-building'. The Commission's 'preference' in this regard is for CBC arrangements that closely mirror the model of the Euroregion as exemplified by the

EUREGIO. The European Commission endorsed *de facto* the EUREGIO model as 'best practice' in Interreg implementation.

Thus, European CBC policy implicitly contributes to generalizing on a European level the model developed and experimented with by the CBC 'pioneers', notably the EUREGIO. This is no coincidence but is in part the result of the 'internationalization' strategy pursued by the EUREGIO and the AEBR over the last three decades. By working closely with the European Commission, the network managed to turn the EUREGIO blueprint into a reference model for a whole strand of EU regional policy.

In this strategy, the AEBR was decisively helped by the fact that the Cohesion Policy frameworks have been re-negotiated after every four to six years. Each round of negotiation therefore served as an opportunity for shaping the Interreg regulation according to the institutional model favoured by the AEBR.

The subsequent Interreg rounds thus provided the vehicle for exporting the EUREGIO throughout Europe. In advancing these demands in favour of more locally managed, integrated programmes, the AEBR clearly has a natural ally in the European Commission. In general, the less the design and implementation of individual Interreg programmes are controlled by national authorities, the more they tend to conform to the substantive and formal policy principles established in the relevant European regulations. In this situation, from the viewpoint of the Commission, the AEBR does a good job in mobilizing the local authorities situated on borders to demand more autonomy from their national governments in implementing EU measures.

The complementarity of interests between the AEBR and the European Union, in particular the Commission, can be demonstrated with the example of the preparations of the most recent reform of Cohesion Policy, and Interreg in particular. Interreg IIA ended in 1999 and its implementation will be concluded by the end of 2001. As already stated in the 'Agenda 2000' document, the European Commission had a strong interest in launching a follow-up initiative for the 2000-2006 period. The AEBR decisively contributed to the Commission drafts for Interreg III which is the largest of only three or four CIs remaining in the

programming period 2000-2006.[10] A close analysis of the relevant AEBR position papers reveals that the main demands put forward with respect to most recent reform of Interreg, Interreg III, are modelled according to what is practiced in the most advanced cases of CBC, notably the EUREGIO.

The shared interest of the Commission and the AEBR is expressed by the fact that – in a document on the 'institutional aspects of cross-border co-operation' – the AEBR implicitly advocates a strong convergence between the 'Euroregion' *qua* local cross-border organization on the one hand, and *qua* Interreg management unit on the other (AEBR 1998b). As a result, in most respects, Interreg III will conform to the institutional blueprint propagated by the AEBR, involving more local competencies and 'genuine' CBC structures. On the other hand, particular attention is paid to making Euroregions fit for their task in the design and implementation of Interreg OPs.

5.3.2 the network as an institutional entrepreneur

Two observations can be derived from this chronological account. Firstly, the incessant activities of the CBC network contributed to the construction of a new territorial interest formation: the interests of cross-border areas. From being a diffuse nationally rooted interest (as border areas within single countries), the CBC network contributed to the transnationalization of these interests, converted them into a European issue and won the support of supranational authorities. Evidently, for ideological and political reasons, the latter were more open for promoting these interests than single central governments. At the same time, the emphasis shifted from *border* interests to *cross*-border interests. From the viewpoint of supranational authorities pursuing the grand project of European integration, the cross-border aspect was obviously a crucial factor for granting their support.

In this way, the network – *qua* institutional entrepreneur - skilfully exploited the opportunities the international context provided for creating legitimacy for Euroregion-type CBC initiatives. An appropriate 'rational myth' consisting in arguments derived from scientifically grounded regional policy analyses was already available for such purposes in the broader discourse on European integration. It has to be remembered that the practical

origin of CBC lies in regional planning; and members of this profession have contributed considerably to creating 'cognitive' legitimacy for co-operation.[11] In other words, the new interest could be appropriately underpinned by scientific arguments that had, to certain extent, also to be recognized by central governments. The rationale given for *locally pursued* CBC was an early manifestation of the paradigm shift in regional policy in the 70s which involved a growing emphasis on the necessity of local and regional participation in regional policy measures. The institution of the Euroregion became increasingly compatible with the new paradigm.

In the early years, within the CoE arena, the newly organized interest of European (cross)-border areas had first demanded some relatively revolutionary legal and constitutional reforms to allow for the establishment of CBRs *qua* public authorities within the framework of ongoing European integration. However, at that time, the CoE had already been overtaken by the EC as the driving force behind (a different) European integration. While the CoE Madrid Convention turned out to be a paper tiger, with its economic focus the EC integration project proved an even more inappropriate supranational framework for providing any substantial legal prerequisites for formalized CBC bodies.

However, from the mid-70s onwards, EC regional policy offered new opportunities for the CBC network. *De facto*, CBC policy became a special branch of European regional policy. CBC fitted neatly into the newly emerging regional policy paradigm of the European Commission. On the one hand, it had a strong European dimension in the sense that it involved the co-operation of public authorities across borders. On the other hand, it had an intrinsic regional policy dimension insofar as *local* involvement in CBC was conceived as ideal for developing peripheral border regions under the 'partnership' principle. Under these circumstances, the formalized expression of the CBC network, the AEBR established itself as a stable partner of the European Commission in the design and implementation of EU CBC policies. The strong growth of CBC initiatives in the 90s can to a large degree be attributed to the launch of a large-scale CBC policy of the European Commission (Interreg).

As mentioned earlier, not all observers share this conviction about the strong impact of EU policy on CBC initiatives. However, such a view fails to take into account the informal activities of the CBC network, particularly from the early seventies onwards, that have provided political legitimacy and cognitive models for various CBC initiatives across Europe. The point is that the growing involvement of the CBC network with the European Commission has led to a streamlining of CBC initiatives as a result of the availability of Interreg support, and thus, to the promotion of the Euroregion as preferred institutional form. These considerations lead on to the *second* main conclusion, concerning the political dimension of CBC and, in particular, the institutional model according to which CBC is pursued in Europe. In fact, the spread of Euroregion type CBC indicates a process of *regionalization* set in the context of European integration. It was an important achievement of the CBC network that the prevailing level of public agency in CBC has been shifted downwards from a national level to the local or regional levels of NCGs. Thus, the political project of the CBC network consisted in turning the local authorities into the main actors in CBC.

As an institution for inter-municipal co-operation in immediate border areas, the Euroregion was successfully introduced as the better alternative with respect to the (inter-state) governmental commission, which in the seventies was the common model for cross-border co-ordination, particularly in spatial planning. This paradigm shift gave the border municipalities a stronger role in the field of cross-border planning. At the same time, importantly, the creation of Euroregions involved the opportunity for the participating municipalities to engage in a strategy of bottom-up region building.

Analytically, these considerations are a further indication of the fact that this is not region-building in the 'old' regionalist sense. Euroregional strategies are not based on primordial identities of borderland peoples divided by state borders. Rather, local and regional authorities pragmatically exploit the new opportunities that have been opened up in the new European policy space. Old regionalist strategies traditionally attempted to gain formal recognition as self-governed territorial constituencies or even as independent states on the

basis of popular mobilizations. By contrast, the neo-regionalist strategies, as exemplified by the Euroregions, are oriented towards *de facto* competencies in the policy realm that often rely on co-operation networks. Thus, what we observe here is not a regionalization process in the sense of a generic decentralization of state functions, but a relative power shift within the state apparatus that tends to re-enforce the executive realm at the expense of the legislative realm.

5.4 conclusions

How does this analysis relate to general theme of CBC pursued in this volume? I would like to point out two conclusions. Firstly, the analysis differs from many political economy accounts to the degree that it does not relate CBC back to more general tendencies affecting the world economy, such as globalization, regionalization or in general, 're-scaling'. Rather, it attempts to establish a more immediate causal relationship between the *explanandum* and the *explanans*, an analytical objective that is often missing from more general accounts. The more immediate causal relationship I refer to is between the emergence and proliferation of Euroregions and the changing opportunity structures local and regional authorities face within the context of the ongoing process of European integration.

This shows that apparent tendencies of 're-scaling' must not be necessarily and immediately related to changing geographies of capitalist production and consumption. Brenner has pointed out that globalization has opened up a space for scales themselves to become direct objects of socio-political struggle (Brenner 1999). Such statements are in stark contrast with the rather quiet, routine-focused life in Europe's Euroregions. These so-called cross-border regions are usually rather technocratic entities through which local and regional authorities in border areas pursue their usual goals. This is documented by the fact that Euroregions rarely meet any opposition as they usually engage in community-oriented issues that are aimed at improving the daily life of border populations. This goes hand in hand with their function as implementation units for EU regional policy programmes, which do indeed have a modernizing impetus. However, this is far from stating that Euroregions would be able to

use European or other funds for pursuing effective boosterist regional development strategies although discursively many of them claim to do so.

This leads on to the second conclusion, which connects with other contributions in this volume. Sparke (this volume) makes it very clear that the rhetoric implied in the 'region-building' in 'Cascadia' has little resonance in terms both of mico-economic transactions and 'cross-border' policy-making. The same is true for most Euroregions. Usually, the political discourses associated with Euroregions are strongly pro-European as the involved actors aim to stress both their commitment and their effective contribution to the overarching project of European integration, notably in guise of the EU. In these discourses, cross-border regions are presented as the 'bridge-builders' between different countries and as micro-laboratories of European integration on the 'small scale' (Goinga 1995). At the same time, Euroregions attempt to distance themselves from the allegedly centralist and bureaucratic EU and position themselves as citizen-friendly and non-bureaucratic institutions.

But the existence of these discourses must not distract from the fact that the activities of Euroregions focus on ordinary aspects of daily administrative activities in local authorities. These discourses function as institutionalized 'rational myths' that can help to legitimate a more autonomous role for local authorities in the implementation of supranational EU policies. This corresponds with the interest of the European Commission in profiling itself as a more independent policy maker vis-à-vis central governments.

Concluding, I argue that the logic of European cross-border regions has to be more strongly related to the way the European polity is developing than to the tendencies inherent in the reorganization of global capitalism. This is the more immediate causal relationship one can infer from an empirical analysis that looks at the role of a trans-European policy network in constructing and launching a new institution: the Euroregion.

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[1] Many empirical details in this chapter are taken from my recent study on European CBC and are either based on secondary data or primary interview evidence (Perkmann 2000).

[2] Border with non-EU members.

[3] Strictly speaking, the Regio Basiliensis is *not* a cross-border body but an exclusively Swiss organization established in 1963 for promoting co-operation with its German and French neighbours (Speiser 1993).

[4] As opposed to the small-scale Euroregions, 'Working Communities' are large transnational groupings of contiguous regional entities, often stretching across several countries. Working Communities had their high time in the seventies and eighties and since then they have been largely confined to programmatic and symbolic activities.

[5] Notably, the Arge Alp (1972), the Alpen-Adria (1978) and the Internationale Bodenseekonferenz (1975).

[6] Notably, the EUREGIO, the Viadrina Euroregion (Germany-Poland) and the Europaregion Tirol (Austria-Italy).

[7] A special case of such network-type collective action is described by Scharpf who, on the basis of game-theoretic considerations, shows that collective actors can be treated as strategically acting, unitary actors if they rely on institutional arrangements that permit collectively binding decision-making (Scharpf 1994).

[8] The Council of Europe is an international organization founded in 1949 on the initiative of pro-European movements in various countries associated in the 'International Committee of the

Movements for European Unity'. Although the organization counts most European states

among its members it is not associated with the European Union and has its own parliamentary

assembly.

[9] Cf. my earlier work for further clarifications (Perkmann 1998).

[10] The total budget for Interreg III is EUR 4.875b for the period 2000-2006. Interreg

[11] Aldrich and Fiol argue that entrepreneurs increase the cognitive legitimacy of their strategies

by using symbolic language and appropriately framing their activities (Aldrich and Fiol 1994).