

# A comeback of the 'Europe of regions'?

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## 1. Introduction: clarifying the terminology

The notion of a "Europe of the Regions" waxes and wanes in European politics. There are periods when it seems high on the political agenda and other times when it is rarely mentioned. In this position paper, I would like to assess whether we are currently in a period of "waxing" rather than "waning".

First, some clarifications of terminology are necessary. The term "region" may be understood in a variety of ways. Etymologically, it is derived from the Latin word 'regionem', the accusative case of 'regio', and simply meant a piece of territory. But implicit in this definition was the notion of a piece of territory that is 'ruled' by someone. In the contemporary period, it refers to different kinds of territory and rule:

- **Socio-economic regions.** These are territories defined by a particular geographical, social or economic character. Examples are 'coastal regions', 'industrial regions', 'mountain regions', 'agricultural regions', etc. They sometimes, although not always, have institutional structures.
- **Administrative regions.** These are simply territories of a state which have been designated as distinctive for purposes of statistics gathering or for administration. The most striking example is the EU's designation of N.U.T.S. (Nomenclature d'unités territoriales statistiques) of which there are 3 levels. Other examples include the French *établissements publics régionaux* which were created in 1972 and lasted until they were 'upgraded' to become regional assemblies in 1982, the Regional Development Agencies in Sweden and in England (before they were abolished in 2010), etc. The regional entities are typically run by councils which are not elected although the councils may include both local politicians elected to other levels of local government as well as civil servants, and representatives from civil society. Administrative regions usually exist to promote the socio-economic development of the territory.
- **Historic/ethnic/cultural/linguistic regions.** These are regions defined by the characteristics of their human population who share a common history, culture, language, religion, etc. They sometimes have sets of institutions which are designed to protect and preserve these characteristics.
- **Political regions.** This refers to regions with elected assemblies and governments with varying degrees of legislative powers (ranging from none in France to significant powers in what are in effect 'nations' such as Scotland, Catalonia and the Basque Country).

It is rare that any one region will have all these characteristics. Those that do are usually islands such as Corsica or the Åland Islands.

A second useful distinction is between **regionalization** and **regionalism**. *Regionalization* refers to top-down processes whereby national governments devise regional policies or forms of regional administration with a view to realising the goal of national economic consolidation and harmonization. *Regionalism* is both an ideology and political movement (similar to federalism) which is bottom-up. It advocates a form of regionalization which includes political autonomy by which the regional population (or, at least, their representatives) can exercise control over the political, social, economic and cultural affairs of the region. The two phenomena are not identical. It is possible to have regionalization without regionalism in the sense that the process may be driven from the top downwards and does not involve the local populations in any meaningful way. Indeed, this kind of regionalization has provoked reactions based on regionalism. And regionalism can question existing forms of regionalization whether in policy terms or in terms of administrative organization if these do not correspond to the demands of the regional population and its elites.

Finally, the term **Europe of the Regions** has been understood in different ways. It was originally formulated in the context of European federalism in the 1950s and 1960s when some federalists proposed the abolition of the existing nation-states and the creation of a federal system whose units were 'regions' like Scotland, Brittany, Catalonia, etc. Denis de Rougemont, a prominent Swiss thinker, seems to have been the initiator of the term "Europe of the Regions" used in this sense. Another European federalist, Guy Héraud, used the term "l'Europe des Ethnies" (difficult to translate into English) which understood regions in their historical, cultural, linguistic sense as mentioned above. In the end, neither of these formulations was adopted and the more influential European federalism finally adopted was the more pragmatic version of Robert Schuman and Jean Monnet who accepted the existing nation-states as the possible units of a future United States of Europe. The latter, influenced by American federalism, was sometimes called 'Hamiltonian' The more radical kind was known as 'le fédéralisme intégral' as it was based on a holistic philosophy known as 'personalism' and concerned much less with pragmatic administrative procedures and more with the whole (*integral*) development of the human person. As we shall see below the slogan returned in the 1990s but with rather a different meaning.

## **2. The evolution of European regionalization and regionalism after World War II (1945-2014)**

One can distinguish a number of distinct phases in the position of European regions in the post-war period. Very schematically these are as follows:

- i) The period of economic and demographic expansion during the *Trente Glorieuses* (1945-1975)

This was the period of the consolidation of national states across the capitalist world but especially in western Europe with the creation of welfare states, booming economies based on Keynesian approaches, low unemployment, and strengthened top-down regional policies. In this paradigm, subnational authorities, including regions, became 'agents' of central governments – the 'principals' - both for the delivery of public policies and as the recipient of state aid in the form of regional policies which could be seen as a territorial expression of Keynesian interventionism. However, this was much more 'regionalization' than 'regionalism' as the approach was top-down rather than bottom-up and often the local populations were not consulted. It is significant that the first regionalist movements make their appearance in France, Belgium, and Italy during this period in reaction to what many regionalists regarded as their own marginalization in the process. The

perspective was 'national' rather than 'regional' or 'local'. Typical was the planning approach of Jean Monnet who invented *Le Plan national* which at first had no regional component and only in the late 1950s began to have a regional dimension following agitation mainly in Brittany but also in other French regions, notably Corsica. In the United Kingdom at this time there was little regionalism but rather nationalism in Scotland and Wales.

ii) The period of neo-liberalism (1980-late 1990s)

The period of post-war expansion began to slow down in the late 1960s and early 1970s for a variety of reasons including the fiscal problems of funding the welfare programmes, the two oil shocks in 1973 and 1979, the collapse of the Bretton Woods system and a new phase of globalization. In response to these challenges, western states, led by Mrs Thatcher's Britain and Ronald Reagan's United States, began to adopt an approach to economic policy and public policy retrospectively known as 'neo-liberalism'. It would take us too far afield to analyse this phenomenon and it will suffice here to say that it had a profound effect both on the administrative organization of states, on policy approaches, on economic production systems and on society, since the 'market' became the dominant factor in all these areas. Previously, the 'state' had been dominant and both markets and society were subject to this. Now the market began to assume a dominant, or at least less passive, role with regard to the state and even society began to be affected by this.

One of the first policies to be reduced and even abolished (in the UK) was regional policy. The result was that many regions and local authorities found themselves cut off from central aid and were forced to adopt new approaches based on mobilisation of internal resources. This was a period when subnational authorities in particular had to redefine their position with regard to central governments. In many countries, even in highly uniform countries such as the Nordic states, there was a shift from the 'principal-agent' model mentioned above to a 'choice' model as central states began to loosen their controls over subnational authorities. For example, in the Nordic countries the 'self-regulating municipality' was an experiment tried with slight variations in the different members of the Nordic Council. This allowed the previously highly regulated municipalities to develop different approaches in policy areas agreed with the central government. During this period, there was also an emphasis on the 'new regionalism' both as a paradigm of economic development and as a form of political organization. This was the hey-day of political regions rather than just administrative regions which was in tandem with a general trend towards political decentralization (and not simply administrative deconcentration) and an emphasis on local autonomy. The Council of Europe, concerned with both human rights and democracy, published the European Charter of Local Self-government in the 1980s.

iii) The period of the various 'Third Ways' (late 1990s – 2008)

In the late 1990s, in several western countries, neo-liberal governments were replaced by centre-left governments. In the US, Clinton Democrats came to power and in the UK Tony Blair's New Labour was elected in 1998. Schroeder came to power in Germany and Jospin in France. This led to a reformulation of policy approaches which did not abandon completely the market-based approach of neo-liberalism but rather sought to incorporate elements of social democracy into it. In the UK, this was known as the Third Way (following the title of a book by Anthony Giddens, a close adviser to Tony Blair). During this period, the 'choice' model of territorial governance gave way, in theory, to a more collaborative model, although competition was still regarded as a good thing. This can be seen

in the Blair government, which reached out to local government in an attempt to repair the damage done to central-local relations during the Thatcher-Major period. Blair's government also launched the devolution programme. More generally, across Europe, the emphasis was on creating or strengthening regional government, that is, political regions. This can be seen in France, Italy, Spain, the UK and even in the Nordic countries where experimental regions were created in Sweden, Norway, Denmark and Finland, although these were more administrative than political regions.

iv) The current period (2008- present)

This rather cosy picture of the evolution of subnational, especially regional, government was rudely interrupted by the financial crisis in 2007/8. This affected our economies and states but little work has so far been done on its effects on territorial governance. It undoubtedly diluted the 'choice' model as external finances (in the form of loans) was less available as a result of the crisis thus making it more difficult for subnational authorities to pursue policies that were relatively autonomous from their national governments. As national governments were the level of ultimate accountability for fiscal policy, this led to a recentralization back from the subnational level. But more research needs to be carried out in this area.

3. The European dimension and regional mobilisation

The above schema can also help us to trace the evolution of EU Regional Policy and the notion of a 'European of the Regions'. It is useful to think of this in terms of **regional mobilisation**.

i) The period of expansion: regionalism within nation-states

During this period, regional policy was primarily nationally based and there was no EU Regional Policy until the ERDF was created in 1975 and even then this was more an attempt to harmonize existing *national* regional policies with a view to preventing distortions of the Common Market as it then was. Regional mobilisation took place within the nation-state and was primarily concerned with ensuring that regions obtained resources from national funds. Some regionalists were conscious of the European dimension and many were connected to the European federalist movement but this seemed rather utopian at the time.

ii) The crisis and neo-liberal period: the new 'Europe of the Regions' movement.

The relaunch of the European integration process in the late 1970s and early 1980s was a response to the crises of the post-war Keynesian state and to the new globalization that was then gathering steam. Very summarily, the key element of the relaunch was the drive to complete the Single Market by 1 January 1993 which, in turn, led to the upgrading of EU Regional Policy through the creation of the Structural Funds in the mid-1980s. Two developments occurred then: a vast mobilisation of regions and local authorities across Europe in response to the possibility of funding; and a reaction by the German Länder who felt their competences in the field of regional policy were being undermined by the new policies thus provoking them to launch the 'Europe of the Regions' movement. The regional question was now high on the political agenda of the EU and of the Intergovernmental Conference at Maastricht. There were high expectations among European regionalists that this would lead to the creation of some body composed of regions as a kind of 'Third Level' of EU governance rather like the German *Bundesrat*.

The end result of this vast mobilisation was the founding of the Committee of the Regions as a purely advisory body, modelled on the Economic and Social Committee. This disappointed many regionalists. There followed a certain 'demobilisation' although the CoR did evolve rather differently from the ESC. Without exaggerating its importance we can say that it has carved out a niche for itself in the architecture of the European institutions and has evolved in a positive way. But the great 'Europe of the Regions' movement seemed to be dead.

iii) The 'Third Way' period: the advance of regional government

Regions, nevertheless, did not simply disappear off the political agenda either in the member-states or at the EU level. On the contrary, the period following the establishment of the CoR saw a new phase of regionalization in many states and an increase in the number of political regions across Europe. These developments were encouraged by the Commission and, to some extent, by the European Parliament. Outside the EU, the Congress of Local and Regional Authorities of Europe, in the Council of Europe, worked on European Charter of Regional Self-government although this has not yet been approved by the Council. Finally, the broader European regional movement changed in nature from what it was in the 1980s and 1990s. The following are just some examples of these developments:

- There was a perception that good governance today means good regional and local governance.
- Existing EU members such as Ireland and Greece created at least regional administrations to qualify for EU funds.
- The UK launched its devolution programme, partly influenced by European considerations.
- New members of the EU such as Sweden, Finland and then later the countries of East and Central Europe also adopted either administrative regions or political regions. Sweden created two experimental regions and Poland created real political regions.
- The creation of European regional associations representing regions with legislative powers who argued that as they have to implement EU legislation, they should also be involved in its formulation.

iv) The financial crisis

The financial crisis, including the crisis of the Eurozone, seems to have had the effect of a certain 'recentralization' and a clawing back by national governments of the fiscal autonomy that subnational authorities were gaining during the 1990s. National governments were ultimately responsible for fiscal rectitude and it was regarded as imprudent to leave this to subnational authorities. In the UK, however, (admittedly outside the Eurozone), there are proposals to increase the fiscal autonomy of Scotland (if they do not vote in favour of independence) and Wales, so there may be a less stringent approach developing in this area.

**4. Conclusions: not a Europe *of* the Regions but a Europe *with* the Regions**

The answer to the question posed, therefore, is that we are witnessing not a 'comeback' of the Europe of the Regions (which, in any case, is an ambiguous expression) but, in Liesbet Hooghe's phrase, the continuation of a Europe *with* the Regions in a context of increasing interdependence among different levels of government and governance.