HAL open science

States of convergence in territorial governance

Alistair Cole, Jean-Baptiste Harguindéguy, Ian Stafford, Romain Pasquier, Christian de Visscher

To cite this version:

Alistair Cole, Jean-Baptiste Harguindéguy, Ian Stafford, Romain Pasquier, Christian de Visscher. States of convergence in territorial governance. Publius: The Journal of Federalism, 2015, 45 (2), pp.297-321. 10.1093/publius/pjv001 . halshs-01128020

HAL Id: halshs-01128020

https://shs.hal.science/halshs-01128020

Submitted on 8 Jan 2024

HAL is a multi-disciplinary open access archive for the deposit and dissemination of scientific research documents, whether they are published or not. The documents may come from teaching and research institutions in France or abroad, or from public or private research centers.

L'archive ouverte pluridisciplinaire **HAL**, est destinée au dépôt et à la diffusion de documents scientifiques de niveau recherche, publiés ou non, émanant des établissements d'enseignement et de recherche français ou étrangers, des laboratoires publics ou privés.

ORCA – Online Research @ Cardiff

This is an Open Access document downloaded from ORCA, Cardiff University's institutional repository:https://orca.cardiff.ac.uk/id/eprint/80478/

This is the author's version of a work that was submitted to / accepted for publication.

Citation for final published version:

Cole, Alistair , Harguindeguy, Jean Baptiste, Stafford, Ian , Pasquier, Romain and De Visscher, Christian 2015. States of convergence in territorial governance. Publius: The Journal of Federalism 45 (2) , pp. 297-321. 10.1093/publius/pjv001

Publishers page: http://dx.doi.org/10.1093/publius/pjv001

Please note:
Changes made as a result of publishing processes such as copy-editing, formatting and page numbers may not be reflected in this version. For the definitive version of this publication, please refer to the published source. You are advised to consult the publisher's version if you wish to cite this paper.

This version is being made available in accordance with publisher policies. See http://orca.cf.ac.uk/policies.html for usage policies. Copyright and moral rights for publications made available in ORCA are retained by the copyright holders.

STATES OF CONVERGENCE IN TERRITORIAL GOVERNANCE

Abstract:

This article engages with questions of policy convergence and divergence in four social-democratic European regions (Andalucía, Brittany, Wales and Wallonia) in a period of economic crisis and ongoing political decentralisation. It develops an analytical framework, the 'States of Convergence', as a useful heuristic for understanding the interplay between convergence and divergence pressures, and processes of territorial adaptation and translation. Processes of hard and soft convergence and divergence operate in distinctive ways depending upon whether inputs, outcomes, processes or institutions are considered. Hard convergence arguments are most convincing in terms of inputs (referring to pressures of international ranking and rating, tougher EU budgetary rules, enhanced central steering and tighter controls on public expenditure). They are less cogent for understanding outputs, institutions and processes.

Are States in contemporary Europe driven to enforce new forms of territorial convergence under the impact of economic crisis, enhanced European steering and international monitoring? This article engages with questions of policy convergence and divergence in a period of economic crisis and ongoing political decentralisation. Debates about convergence and divergence are usually framed in relation to the capacity of nation-states to pursue distinctive policies. Pressures of hard and soft convergence and divergence also affect the styles of and rules governing inter-governmental relations; the institutional, material and constructed capacities of sub-national administrations and the reform of regional and local service delivery.

The principal aim of the article is to contribute to the development of an operational analytical framework for framing issues of convergence and divergence at the territorial level of analysis. A secondary aim is to apply the framework to four European social-democratic regions. The States of Convergence framework is designed to provide a heuristic tool for exploring complex processes of convergence and divergence. The cases examined within this article are centred on specific regions within the contemporary European context but the processes explored by the framework are by no means limited to the meso-level nor are they particularly Europe-specific. Our approach considers subnational spaces, regional spaces in particular, as relevant units of analysis for understanding the changes in European political systems. The article has a more generic interest insofar as it contributes to reconceptualising political change in regional spaces by using empirical research strategies which are both comparative and multidimensional. Such as enterprise is of obvious interest to scholars of federalism. The core research questions go beyond state typologies. They concern the impact of exogenous and endogenous variables on different models of sub-national governance in a period of economic crisis. The approach adopted is designed to capture broad transnational material trends in political economy and regulation, as well as contextually rich accounts of

interactions within four comparable European regions. Section one presents the analytical and theoretical framework. Section two expounds the core similarities and differences between our sample of regions. Sections three and four consider in turn convergences and divergences. The conclusion offers our preferred explanations and raises questions of broader significance for students of territorial politics.

THE STATES OF CONVERGENCE: A FRAMEWORK OF ANALYSIS

The 'States of Convergence' typology is proposed as the starting point for understanding the interplay between convergence and divergence pressures, on the one hand, and processes of territorial adaptation and translation on the other. The typology identifies four distinct forms of policy convergence and divergence. 'Hard' convergence is 'top-down' in nature. It operates on the basis of clear institutional and policy templates and commitment to 'download' these; it involves specific criteria, intrusive monitoring and sometimes sanctions for non-compliance. A soft convergence perspective emphasises the exchange of policy relevant information, benchmarking 'best practice' or at least cognisance of other models. In our typology, soft (mainly constructed) divergence focuses on a specific form of lesson-drawing or policy learning whereby organizations and institutions construct themselves against perceived negative models. Our final position is labelled hard divergence, which is understood in terms of place specific material, structural, institutional, regional and local explanatory factors.

Our first position is that of hard convergence (Knill, 2005; Pollitt, 2001; Bennett, 1991). One widely cited definition of convergence is as 'the tendency of societies to grow more alike, to develop similarities in structures, processes, and performances' (Kerr 1983: 3). Contemporary European States are subject to powerful and potentially converging

transnational economic, ideational and institutional pressures, which spillover into their management of inter-governmental relations. Different empirical referents of hard convergence might encompass fiscal coordination (Dyson, 2014), technical norms (Borraz, 2007), policy conditionality, conformity to new trans-national policy instruments (Gilardi, 2005), respect for formal democratic and market norms by the European Union (EU), the International Monetary Fund (IMF) and the World Bank, or the external imposition of tough performance indicators by these international organisations (Eymeri-Douzans and Pierre, 2010). What indicators would we use as a proxy of hard convergence? The Europeanisation of budgetary policy would provide one reasonable proxy, as would the impact of the post-2008 economic crisis on local fiscal autonomy. The relationship between economic crisis and territorial governance is thus interpreted as a contender for hard convergence, as is a certain form of Europeanisation.

Soft convergence is better captured in terms of institutional mimetism or looser pressures towards emulation and policy transfer. In our framework, 'soft convergence' involves a more or less conscious effort to import tools or instruments, copy institutions or policies or, at a minimum, refer to a common stock of ideas, or transnational models that have demonstrated their worth elsewhere (Rose, 1991; Evans and Davies, 1999; Dolowitz and Marsh, 2000). How would we confirm a soft convergence hypothesis? The highest level of proof would be that of institutional isomorphism (copying institutions), or policy learning (copying policies); a weaker, yet probably more realistic, approach is to identify whether there are similar perceptions of policy challenges in cognate panels in European regions, irrespective of their regional or national context. Evidence is provided later in the article to support this second position.

Two versions of a divergence hypothesis are now presented: the soft (mainly constructed) and the hard (material). In our typology, soft divergence focuses on a specific

type of cognitive or interactional mechanism whereby organizations and institutions construct themselves against perceived negative models. The identification of 'negative' lesson drawing is well established in the policy learning literature (Dolowitz and Marsh, 2000; Rose, 1991; Stone 1999). How would we confirm a soft divergence hypothesis? Ideally, by engaging in longitudinal process tracing over a more or less sustained period of time; and identifying the role of 'outsiders' in specific territorial action repertoires. Answering this question assumes the capacity to provide longitudinal responses, based on a diachronic mode of investigation, favouring thick description on the basis of individual case studies. Such an endeavour lies beyond the present exercise, though it has been applied to individual regions in our sample elsewhere (Cole and Pasquier, 2015; Cole and Stafford, 2015). Hard divergence is understood in terms of the 'non-comparable' regional and locality factors (demographic, geographical, legal, economic, political) that drive or maintain divergence in particular places. Policy divergence is driven by these territory-specific factors and the scope of choice available to actors is constrained. Keating (2002, p.13), for example, identified Welsh language policy and community relations to be exemplars of 'non-comparable' policies within the UK context.

---Table 1 around here ---

Table 1 summarizes the comparative theoretical framework. Two main axes can be identified in the Table: convergence and divergence (mainly referring to results, but also involving varying degrees of strategic choice); and top down and bottom up (as processes). The four positions identified in our typology are more ('soft') or less ('hard') receptive to human agency. Hard convergence and divergence are best explained by material variables (economic indicators, institutional pathways, legal orders, locality factors), which create tensions, sometimes evolve in opposing directions and require individual or collective level interventions. 'Soft' convergence and divergence allow more room for human agency,

specifically strategic choices and forms of discursive legitimisation. The two axes are linked by an intervening variable that we label as voluntary versus constrained. The common thread between the two axes is the degree to which actors make a voluntary and deliberate decision to converge or diverge.

Processes of hard and soft convergence and divergence are likely to operate in distinctive ways depending upon whether inputs, outcomes, processes or institutions are considered. Pressures of international ranking and rating, tougher EU budgetary rules, enhanced central steering and tighter controls on public expenditure represent a theoretically credible move in the direction of a convergence of inputs, and, more tangentially, outcomes. Hard convergence arguments are theoretically less convincing in terms of processes and institutions. The various 'new institutionalisms' emphasize path dependency (historical), logics of appropriateness (sociological) or framing (discursive) as elements of institutional endogeneity (Hall and Taylor, 1997, Steinmo, 2008, Schmidt, 2011). Formal process or network-based accounts highlight actor-configurations and practices that are unlikely to be replicated irrespective of context (Lazega, 2007).

If it is to take into account the mix of material and constructed elements present within the states of convergence framework, the central hypothesis needs to accommodate a logic of causality and a logic of contingency. In a broad-brush manner, a logic of causality might take two rather different forms. In the pure hypothetical deductive tradition of variable- based comparisons, convergence and divergence are best understood as results. The main analytical challenge is to identify a preferred order amongst several competing independent variables that might explain variation. Such an approach is not particularly suited to the preferred comparative case study, which requires more interpretative depth and which favours theory building over formal modelling. A rather more subtle form of

causality is that theorised by Tilly (2001), whereby causal mechanisms are interpreted in terms of 'partial causal insights' rather than context averse Covering Laws.

Both versions of causality can indicate the direction of change. The central hypothesis (engaging with the normative Europeanisation and political economy literatures referred to above) is that converging pressures, and in particular budgetary retrenchment and the requirements of normative Europeanization, have been intensified by the context of the fiscal and sovereign debt crisis since 2008. The clear variation in our types of region allows institutional and monetary policy differences to be taken into account. The direction of change is one of diminishing territorial capacity. Europeanisation has produced a lessening of divergence in legal systems and in the provenance of much public policy and, in most cases, has strengthened the instruments of central oversight.

Contingency is explicitly embraced insofar as process is concerned. Converging pressures do not necessarily produce converging outcomes or outputs (Radaelli, 2005). The logic of causality needs to be supplemented by the logic of contingency. Within their own interpretive worlds, territorial actors operate as facilitators of convergence, or prophets of divergence. Direct causalities are much more difficult to establish within such a contingent approach: whether regularities exist or not is a manner of sustained empirical investigation and comparison. Herein lies the importance of theorising on the basis of comparable social-democratic regions. Drilling down, we expect broadly similar challenges to be identified by decision-makers in our cognate regions in a period of economic crisis.

CASE SELECTION

The empirical data underpinning this article is focused mainly on sustained empirical investigation of sub-national governments and governance communities in four social

democratic European regions (Andalucía, Brittany, Wales and Wallonia), where data was collected over an 18 month period from November 2012 to May 2014.[1] These regions share many similarities, but are distinguished by one or two key differences, which make them appropriate for a most similar research design.

These four regions are economically challenged, comprising two old industrial regions (Wales and Wallonia) and two traditional agricultural-intensive regions deeply affected by the onset of economic crisis since 2008 (Brittany and Andalucía). The poorest French region in 1900, Brittany experienced rapid growth rates during the *trente glorieuses* (1945-1975) and had risen to the 7th or 8th most prosperous French region by the turn of the century (Cole, 2006). By the time of fieldwork in 2013, however, Brittany's position in the informal hierarchy of French regions was declining. Wallonia was traditionally Belgium's heavy industry region; for over three decades it has been engaged in a painful process of economic and industrial restructuring, symbolised by the downsizing of the steel industry (involving massive lay-offs by Arcelor-Mittal and the closure of one site) and by the downturn in the automobile sector (Reid and Musyck, 2010; interviews). Though Wales attracted a wave of foreign direct investment in the 1980s and 1990s, the region has suffered from the exit of footloose capital (Sony, LG, Toshiba), as well as the painful closure of the coal mines and reduction of steel capacity (Pickernell, 2011). Andalucía's economic crisis since 2008 has highlighted the impoverishment of households with a GDP per inhabitant (17,544 euros) that only reaches 77% of the Spanish average and a very high level of unemployment, eight points superior to the Spanish rate (34.6% (Consejería de Economía, Innovación, Ciencia y Empleo, 2013).

Table 2 around here

The GDP figures in Table 2 clearly delimit each of our regions as lying below their national median. Notional rates of unemployment varied greatly between our four states : 7.5% in Belgium, 7.9% in the UK, 10.3% in France and 25% in Spain (Eurostat, 2012). Drilling down to the regional level, Wallonia (10% overall unemployment) scored far worse than the national average, with Hainualt provice (12.1%) on a par with Portugal. Likewise, Wales (9.2%) performed less well than the UK average, with pockets of deprivation concentrated in the West Wales and the Valleys NUTS region. In Spain, unemployment in Andalucía reached 34.6%. Only in Brittany (8.4% in 2012) was the regional unemployment rate less marked than the national one (10.3%), but the trend was deteriorating. Educational findings from the 2012 PISA exercise also identified Wallonia, Wales and Andalucía as laggards, falling behind their national performances in Mathematics, Reading and Science (OECD, 2013)[2].

Third, all four are traditionally pro-European regions, or at least regions benefiting from substantial EU investment. Wales has benefited from massive investment through EU structural funds; West Wales and the Valleys have had the highest level of assistance for the past 3 rounds (2000-2006; 2007-2013 and 2014-2020)[3]. Andalucía (responsible for approximately one third of the cohesion policy spend in Spain in 2007-2013) was also covered by objective one in 2000-2006 and the convergence objective in 2007-2013; it was recognised as a transition region for the 2014-2020 period. In Wallonia, the industrial region Hainault (1.1€B) obtained convergence status (2007-2013); and four Wallon regions in 2014-2020 were granted transition status (Hainault, Liège, Luxembourg and Namur). The figures were less striking for Brittany, with no specific priority objective since 2000 (Pasquier, 2012). On the other hand, Brittany, as France's largest agricultural region, has drained a large proportion of CAP funds, as well as obtaining 'retributions' in specific sectors such as poultry.

All four regions also have ingrained traditions of social-democratic party control. Andalucía has been governed by the PSOE-A since the democratic transition in the 1970s, and Brittany has also been a PS stronghold since 2004. Wales and Wallonia are traditional bastions of the Labour Party and the PS respectively. In each case, the Social democratic party sustained a coherent territorial narrative that mixed signifiers from the centre-periphery and the left-right axes. Collectively these regions have a distinctive territorial identity, or at least a developed sense of regional milieu (Storper, 1995). The 'Moreno' question, which captures the balance of civic and ethnic identities in European regions, has been regularly asked in two of our regions, Brittany and Wales. Wales displays the most sharply divided identity in our sample; in the 2009 Citizenship after the Nation-State survey, 40% expressed an exclusive (11%) or predominant (29%) Welsh identity, but even the Welsh outlier came nowhere near to approaching the predominantly 'ethnic' identity displayed in Scotland (60%) (Hendersen, 2014). In Andalucía and Brittany, there was a clustering towards the median position, which accommodates regional and national identities in equal measure. [4] Wallonia stands apart somewhat: the 1999 PIOP survey confirmed a bunching around the median position (as Wallon as Belgian, 41.8%), but a high proportion of Wallon respondents claimed to feel exclusively (22.5%) or mainly (22%) Belgian (de Winter, 2007). The French-speaking community traditionally looked to the survival of the Belgian state. Faced with an increasingly assertive Flemish nationalism, however, Wallon politicians of all parties envisaged (in interviews) a more autonomous Wallonia within a Belgian confederation, or even an independent Wallon State.

Against this background of overarching similarity, the research identified key differences that provide insights into the substance of territorial capacity *in this family of regions*.

The institutional configuration is a source of some variation. The four regions exist in state types that cover the range of logical possibilities for comparison: a loose federal state (Belgium), a hybrid state with some federal characteristics (Spain), a predominantly unitary state modified by forms of asymmetrical devolution (United Kingdom) and a decentralised but still unitary state (France). As a minimum, each region has a directly elected Assembly. These regions have variable degrees of decentralised authority, however, ranging from full 'reserved' legislative powers in Wales, a specific statute in Andalucía that confers a mix of primary and subordinate legislative powers on the Autonomous Community and a general administrative competency in Brittany (along with a de facto co-decision of EU funding decisions). The case is complicated by the institutional mosaic in Wallonia, where regional legislative authority is divided between the francophone community (FWB) for matters of education and culture, and the Wallon regional council for most other competencies.

The EU context provides the core similarity between these regions: all belonging to European Union states. Three of the four regions belong to states that participate in the euro and are signed up to the Treaty on Stability, Coordination and Governance (TSCG). The European variable provides for similarity, but also for variation, insofar as Wales does not form part of the Eurozone.

Finally, each region displays aspects of the 'non-comparable' differences that are the core of our fourth position. The strategies of regional elites, the functioning of the party system, the content of territorial narratives and repertoires are each contextually embedded and represent place specific divergences. Analytically, notwithstanding their real differences, a case might be made for recognising family resemblances between these regions. From a territorial politics perspective, we refer to Wales, Andalucía and Wallonia in particular as second order strong identity regions because they have had to adapt to the overarching presence of a more powerful, autonomist- or independence-minded region

within the state (Scotland, Catalonia, Flanders), a presence that has encouraged endogenous institutional affirmation[5]. From a political economy perspective, Dyson (2014) contends that sub-national status and power are deeply conditioned by 'stand-alone' fiscal capacity; Wales, Wallonia, Andalucía and Brittany each appear as debtor regions[6]. Notwithstanding their diverse economic trajectories, these regions do not figure very highly up the informal hierarchy of European cities and regions. In the main body of the article, we now present comparative findings in relation to the core research questions of convergence, divergence, the economic crisis and decentralisation.

CONVERGENCES

There are two versions of a convergence hypothesis: hard and soft. The relationship between economic crisis and territorial governance is interpreted in this article as a contender for hard convergence, as is a certain form of Europeanisation. Soft convergence, on the other hand, is better captured either in terms of institutional isomorphism or looser pressures towards emulation and policy transfer.

Has economic crisis recentralised decentralisation?

If the hard convergence hypothesis is robust, then broader exogenous fiscal, economic and political pressures drive domestic policy change. In extreme cases, such as that of Greece, where the Troika (the European Commission, the International Monetary Fund and the European Central Bank) has intervened directly in domestic institutional arrangements, there would appear to be a clear association between externally imposed efforts at state retrenchment and domestic policy change (Zahariadis, 2012). More routinely, convergence presupposes an increasing oversight by the European Union (EU) into internal budgetary affairs, including local government and welfare expenditures. Across Europe devolved or

regional governments are facing enhanced international economic monitoring (embodied by the ratings agencies), European budgetary supervision (the 'Six pack', the TSCG) and a reinvigorated EU-level control over member-states and their sub-state governments. In Germany, for instance, demands for greater Länder autonomy from more powerful regions have run against countervailing trends of fiscal equalisation, tighter federal controls over expenditure and borrowing, central definitions of minimal standards in fields such as education and administration and a model of European integration that has challenged traditional Land competencies (Benz, 2007; Vetter, 2010). In Spain, the economic crisis has produced new budgetary and regulatory controls over the autonomous communities (Sala, 2013; Colino, 2013). Even in highly decentralised Belgium, the economic crisis has empowered the Belgian central bank in its dealing with the regions and communities. [7] Central Bank officials do not hesitate to check if (and how) the governments of those entities comply with the European System of National and Regional Accounts.

That economic crisis strengthens central government control over regional and local government financial circuits is a plausible hypothesis. As central governments are now threatened with stiff fines if they do not control the revised budget and debt criteria, enshrined in the TSCG, they are less willing to tolerate 'spendthrift' local and regional authorities. What does the balance of evidence point to? In France and Spain, the proportion of local and regional government expenditure directly transferred by central government grants has been rising (usually with forms of hypothecation). Enhanced centralisation of local financial circuits could be observed in France, for example, mainly as the result of a major tax reform in 2010 that involved the abolition of the local collection and setting of business rates and its replacement by a more centralised formula-based method of tax collection (Le Lidec, 2011). President Hollande has not rescinded the measure and has frozen, then reduced the overall block grant to local authorities as part of the effort of

budgetary rigour. In Spain, though many competencies have been devolved or are shared with central government, 80% of the autonomous communities' financial resources are transferred by central government. Investigation in Andalucía revealed a region under sustained financial pressure, suffering budgetary cuts from central government, a decreasing performance of regional taxes and a drying up of bank loans (Ruíz Almendral, 2013; Simon Cosano et al., 2013). The creation by the Madrid government of the CORA (*Comisión para la reforma de las Administraciones Públicas* – Commission for the Reform of Public Administration) in October 2012 was presented by actors interviewed as presaging a new agency for the budgetary control of the Autonomous communities . Even more than in France and Spain, public finance remained a highly centralised policy field within the UK during fieldwork; the core block grant mechanism of financing devolution, based on the Barnett formula, affords the Welsh government substantial freedom to determine how money is spent, but very little autonomy is varying rates of taxation (Trench, 2013).

The case of Belgium, finally, represents an opposing trend in terms of public financial management; once the sixth reform of the State has been fully implemented, the Federal government budget will be limited to servicing the national debt and funding part of social security, with many other functions having been regionalised (Deschamps, 2013). To ensure the stability of the economic and monetary union of Belgium, the Federal Authority maintains its authority for matters of monetary policy, price policy, policy on competition, income policy and (part of) social security policy. The one key area where the federal and federated units make common cause is in terms of agreeing efforts to be made to reduce the debt (interviews, 2014). Retaining credibility as a good European player incited the main actors to agree on key measures of budgetary retrenchment; controlling the public debt was experienced less as an intolerable constraint than as a gauge of managerial credibility (Beyer and Bursens, 2013).

Rather more general analysis of the impact of the economic crisis on the decentralised and devolved forms of government revealed contrasting findings in our regions. Wales and Wallonia, in rather different ways, were tied up with endogenous programmes of state reform, and socio-economic issues of economic crisis were given less saliency than in either Andalucía or Brittany. In Wales, at the time of empirical investigation (November 2012-July 2013) the Welsh Government had begun a process of streamlining public service provision, encouraging collaboration between service providers and introducing timid performance management measures, but local government spending on frontline services had been sheltered from the worst of the cuts. Welsh political debates were tied up in constitutional futures: whatever happened in the Scottish Independence referendum and its aftermath would have an impact on Wales. Likewise, the panel in Wallonia (interviewed in early 2014), though touched by economic crisis, was preoccupied with implementing the sixth state reform programme and deeply anxious about the prospect of further institutional and political deadlock after the 2014 federal elections. The French and Spanish regions, on the other hand, were more fully engaged with enduring economic crisis and the effects of the economic downturn on the broader territorial model.

From the above survey, the differences between the regions influenced the way they reacted to the economic crisis. Regional reactions were formulated within specific national contexts and in line with varying institutional incentive structures (whether to favour autonomous regional strategies [Andalucía, Wallonia], for example, or to lobby central government [Brittany, Wales]). Regional elites varied in the priority they accorded to fighting the economic crisis (Brittany, Andalucía) over promoting (Wales) or resisting (Wallonia) further political decentralization. Our regions each defended particular economic and material interests whose existence was threatened by economic crisis (*inter alia* farming, construction and the public sector in Andalucía; farming, telecommunications and the

defence industry in Brittany; manufacturing [especially the Steel industry] in Wales and Wallonia). However, they adopted contrasting strategies: the direct action and sabotage tactics in the case of the 'red bonnet' protests in Brittany, though consistent with an established territorial model, were beyond the pale in the other three regions (Cole and Pasquier, 2014).

Converging Europeanisation? An end of the Europe of the Regions?

The European Union is sometimes presented as the symbol of hard convergence, especially by euro-sceptics. In what direction is the relationship between European integration and regional governments heading? Empirical investigation in the field of European integration revealed clear differentiation between these traditionally pro-European regions, all key beneficiaries in the past of EU structural funds and the Common Agricultural Policy (Tuñón, 2010; Cole and Palmer, 2011; Pasquier, 2012; Beyers and Bursen, 2013).

The principal cause of variation related, first, to whether or not a region is within the Eurozone and, second, to the degree of influence exercised domestically in relation to monetary policy (a highly Europeanised policy domain). Interlocutors in the euro-zone Regions were conscious of operating in the context of a hardening budgetary regime. The Treaty on Stability, Coordination and Governance, agreed in December 2011 and signed in 2012 by 25 of the then 27 EU member states, strengthened the penalties to be paid by states who are unable to control their debt, or to bring into line their budgets to zero deficits by 2015. 'Reverse QMV' will make it more difficult for states to avoid automatic penalties should they prove unable to fulfil the strict Stability Pact criteria[8]. The TSCG came after a significant fiscal and budgetary tightening in the form of the Six Pack and the Two Pack, allowing the European Commission, through the European semester process, a much more intrusive oversight into national budgets (including making recommendations on member-

state budgets before they are presented to national parliaments) [9]. The European Semester process produces annual reports on the strengths and, more usually, structural weaknesses of all EU states (including those, such as the UK and the Czech Republic, not having signed the TSCG). The details of these reports filter down into fields such as the housing market, wage indexation, pension ages – the core of traditional economic sovereignty. Numerous competencies dealt with by local and regional authorities are concerned; especially in those areas of infrastructure and investment such as road building, urban transport or education that required long-term capital investment.

Interlocutors in our three euro-zone states expressed varying degrees of engagement with the European project. In Brittany, interviewees stressed their fundamentally pro-European sentiment. One of the core novelties of the 2013 round of interviews, however, related to disillusion with the European Union as an institution (though not with the European ideal). The 'neo-liberal' European model of the Barroso Commission was contrasted unfavorably, in interviews, with the traditional Breton model of partnership, cooperation, support for public services and direct aids from the French government. In Andalucía, also traditionally a strongly pro-European region, fieldwork suggested diminishing enthusiasm for the European project. Interviewees regretted diminishing resources from the EU and the budgetary consequences of complying with the troika's demands. Above all, the PP-led government in Madrid was blamed for using the crisis as an argument to recentralise control over a number of policy sectors and tighten budgetary steering (Harguindéguy, Pasquier and Cole, 2014) Belgium offered another interesting case of disjunctive Europeanisation. In the words of one interlocutor, Belgians were the 'last Europeans', now that even neighbouring Netherlands and France had moved in a less pro-European direction. One interviewee believed Belgians to be 'naïve', however; the European semester process and the recommendations made by Brussels to stop indexing salaries with inflation were met with

consternation by the Belgian government[10]. The commitment to zero deficit budgets by 2015 was proving extremely difficult for Belgium's regions, communities and local authorities. In the case of Wales, finally, the UK's position outside of the Eurozone and the TSCG was perceived by interviewees to limit the impact of direct European budgetary supervision. There were clear signs of tension with UK premier Cameron and the commitment to hold a referendum in 2017 on the UK's future membership of the EU.

Even in the Belgian case, fieldwork suggested diminishing enthusiasm for the Europe of the Regions. Against this general conclusion, some distinctions can be drawn, the most obvious of which is between: Spain and Belgium, whose regions were at the forefront of attempts at budgetary discipline, and Brittany and Wales, somewhat further removed. We conclude provisionally that the economic crisis is producing tensions between the EU, central governments and this sample of social-democratic regions. This conclusion invites a reinterpretation of the existing literature on territorial governance and Europeanisation. Studies of the impact of European integration on regions have typically been articulated in the language of multi-level governance, an approach that usually sustains a decentralisation narrative in the broader context of Europeanisation (Hooghe and Marks, 2001; Piatonni, 2010). Carter and Pasquier (2010) identify strategic Europeanisation as being one active response to European integration that can empower regions in terms of their own identity, strategy and networks. In contrast, Carter and Pasquier (2010) identify normative Europeanization as the process whereby domestic laws and regulations are adapted to conform to EU directives and rules. Such top-down Europeanization is typically analysed in terms of reception, of adaptation, of goodness of fit, or conforming to European templates and best practice (Börzel, 2002; Ladrech, 2010). The above survey suggests that the economic crisis has reduced the space available for strategic Europeanisation and enhanced the constraints of normative Europeanisation, experienced by three of our four regions in

terms of the constraints of the revised Stability pact, the new budgetary treaty, the new European fiscal architecture and the rules of competition policy. Stand-alone fiscal autonomy was weakened and traditions of public service delivery and public investment were threatened, even in traditionally unconditional Belgium. In these social-democratic regions, 'neo-liberal' hard convergence was experienced as a weakening of political capacity, even when (in the Belgian and Spanish regions) Brussels was not directly targeted.

Soft convergence

In our framework, 'soft' convergence involves a more or less conscious effort to import tools or instruments that have demonstrated their worth elsewhere. One indicator of soft convergence identified in the literature lies in the diffusion of neo-managerial policy instruments, assumed to respond to demands for enhanced efficiency, economy and effectiveness (Eymeri-Douzans and Pierre, 2010; Hood, 1998). The content of this neo-managerialist repertoire includes well-known features such as agencification, benchmarking, performance indicators, accreditation procedures, management by objectives, programme budgeting, one-stop-shops, public-private partnerships and delegation of public missions to private entities. These flagship recipes and techniques have repeatedly been broadcasted as 'best practices' in international and European forums, as witnessed, for example, by the various programmes and networks on 'good governance' and the administrative reforms handled by the World Bank, the IMF, the OECD and the EU (Eymeri-Douzans and Pierre, 2010).

None of our regions comfortably fitted the NPM model, however. In Brittany, the Breton model of cross-partisan consensus was based on negotiated compromises rather than binding targets (Pasquier, 2012). In Andalucía, the available evidence suggests that regional agencies have been captured by political parties and involve clientelistic politics by other

means (Robles-Egea and Aceituno-Montes, 2013). In Wales, new public management ideas of competition, arms-length agencies or the private management of public goods, defined as being against the constitutive beliefs of Welsh (and to a lesser degree Scottish) devolution, had difficulty in gaining legitimacy (Cole and Stafford, 2014). The strongest case is that of Belgium, where policy learning played an important role in the circulation of managerial models between Flanders, the Federal Authority and Wallonia, following the Copernicus reforms of the 1990s. In contrast to both Flanders and the Federal Authority, French-type legalistic mechanisms initially hampered the introduction of managerial reforms in Wallonia, but the French-speaking part of the country has moved gradually towards modernization since the decade 2000 as a result of economic investments (the so-called Marshall Plan) and EU funding (Brans, de Visscher and Vancoppenolle, 2006; de Visscher and Montuelle, 2010)[11]. In at least three of the four cases, however, there was only limited convergence of form; less a case of institutional isomorphism, in short, than one of instrumental endogenisation of cross-national fashions.

Our actor-focussed approach nonetheless facilitated the identification of soft convergences between our regions, as gauged in responses to a common question asking interlocutors to identify the three principal challenges over the next five year period. Beyond regional specificities, five common challenges emerged, irrespective of state type. In order of priority, these concerned: unemployment, and especially youth unemployment; economic reconversion and the adaptive capacity of established territorial models; education and the levels of basic skills; political decentralisation, its challenges and opportunities, and, finally, the preservation of public services. In each region, there was soul-searching about the capacity of existing territorial models to cope with economic crisis, the challenges of (industrial and agricultural) reconversion and high unemployment. There was a general acceptance that the levers of macro-economic policy escaped the control of regional decision-

makers. These social-democratic regions all identified the preservation of public services (especially health and education) as core to preserving their own territorial model.

Our four regions were also compared in terms of a standard question asked of each of our interlocutors about models. From this overview, Wales stands out as the exception. In its first decade, the policy entrepreneurs driving Welsh devolution developed an original form of emulation based on using examples from other Small Country governments to justify policy directions and choices, especially in the field of employment, education and training. Early years' learning examples from Finland and Denmark, for example, were specifically identified as a source of inspiration for the devolved Welsh government's education policy[12] There was not much evidence of bilateralism making a difference in our other three regions. In Andalucía, comparators were within Spain, with few reference points elsewhere. Members of the Andalucía panel viewed the Catalans with a mixture of resentment and emulation. Several interlocutors expressed their belief that Andalucía had as strong a claim to a more autonomous future as Catalonia. As a poor region on the steps of North Africa, however, the prevailing view was that Andalucía did not have the means to consider a future outside of Spain. In the case of the French region of Brittany, cross-national policy learning was in the main limited to formal relationships, either bilateral Memoranda of Understanding (such as with Wales), or relationships mainly in the context of EU programmes. In the case of Belgium, finally, interlocutors identified distinctive styles between the Flemings and the Walloons. The francophone community shared a number of prevailing beliefs associated with their powerful southern neighbour, France: public service oriented, favourable to state economic interventionism, on the centre-left, in quest of a new model based on preserving the region's industrial legacy (Marshall Plan) as well as adapting to new challenges. From the francophone perspective, the Flemish community was seen as much more neo-liberal, market-friendly, looking to Anglo-Saxon democracies for inspiration.

The overview of our four regions thereby provided some evidence of indirect cross-national learning, but much less evidence of interaction-based learning and agent-based policy transfer.

DIVERGENCES

Two versions of a divergence hypothesis were presented in the introductory section: the soft (mainly constructed) and the (mainly material) hard.

Soft divergence, in our typology, is *mainly* of the constructed variety; actors choose to pursue a divergent policy. It focuses on a specific type of cognitive or interactional mechanism whereby organizations and institutions define themselves against perceived negative models. One part of our empirical investigation sought to establish whether actors reasoned in terms of a territorial model or repertoire (Breton, Welsh, Andalucían, Wallon) as comprising a shared set of understandings, practices and identified adversaries[13]. In Andalucía and Brittany, soft divergence (in its 'constructed' form) is one dimension of the territorial repertoire. Our survey in Brittany uncovered a tried, tested and challenged territorial model that proved its worth in terms of obtaining scarce resources from central government, while proclaiming resentment of the 'Jacobin' logic of centralisation (Cole and Pasquier, 2015). The Andalucían government also uses identity markers to promote claims in Madrid, but the Spanish region was less capable of sustaining a territory wide discourse, more tied into traditional partisan and centre-periphery cleavages, low trust and the east-west division[14]. The case of Belgium challenges somewhat the boundaries between the constructed and the material as indicators of soft and hard divergence respectively. In Belgium contemporary francophone politics and policies are equally well explained in terms of ideational forms of divergence (specifically the representation of a separatist-minded Flanders undermining the Belgium state) as they are by the ongoing reaction to a hard

material-based divergence process between the Wallon and Flemish communities with its origins in the late 19th century.

The first decade of post-devolution Wales illustrated best how such divergence works. This mechanism is to be understood both positively, in terms of defining a domestic political programme, and negatively, by identifying England as a neo-liberal adversary. In the positive frame, interviews with Welsh politicians and civil servants from 2001 to 2010 were replete with references to Team Wales, to cooperative modes of public service delivery, to policy innovation, to small country governance, to 'genuinely joining up' policy [15]. Defining the devolutionary project in terms of joined-up public service delivery and against market solutions (believed to prevail in England) was a constitutive article of faith for many policy-makers in Wales (Martin and Webb 2009). In the negative frame, Welsh policy entrepreneurs explicitly rejected English policies in education, orientated around league tables, academies and perceived heavy handed inspection regimes and health, specifically the creation of foundation hospitals and the purchaser-provider split (Greer, 2007). In the field of public services reform, while England introduced hard edged, top down performance regimes, policy makers in Wales preferred 'partnership' between central and local government (Andrews and Martin, 2010). The devolved administration in Wales also rejected the involvement of private firms and finance in providing and investing in public services, refusing the use of the Private Finance Initiatives used extensively in England to build new hospitals. There were, arguably, sound political logics to each of these decisions. But were officials discouraged from drawing positive policy lessons from English experience under the broad steer to develop 'Made in Wales' policies? The evidence, though inconclusive, suggests this to be the case[16]. Post-devolution Wales provides a critical case which suggests that processes of ideational institutionalisation are especially strong at the early phase of organisational foundation.

In Table 1, *hard divergence* was identified by the persistence of what Keating (2002) labels as the 'non-comparable' regional and locality factors (demographic, geographical, legal, economic, political). Place-specific contexts (national, regional, local) are key to understanding divergence. This contextual relativist position produces two rather different levels of analysis: first, the broad brush approach represented by contrasting state clusters and regime types; second, drilling down into more precise material, structural, institutional, regional and local explanatory factors.

In their work on sub-national democracy in Europe, Loughlin, Hendriks and Lidstrom (2010) identify state traditions as independent variables that are compared across 27 countries and mobilised to explain variations in subnational democracy. Page and Goldsmith (1987) provided the classic distinction of northern and southern families of European sub-national experience. They contrasted countries with Napoleonic traditions like France, Spain and Italy, with their strong states and weak local government from the functionally stronger local governments in states like Sweden and England. In their more recent comparative study, Loughlin, Hendriks and Lidstrom (2010) identify five clusters of states: the British Isles, the Rhinelandic states, the Nordic states, the Southern European states and the new democracies. In none of our regions, however, does state form or state type determine trajectories. Three of our four states were initially unitary, and/or Napoleonic models (France, Spain, Belgium); only the original version, France, has retained sufficient features to be easily recognised as coming from a Napoleonic lineage. In the case of Wallonia in particular, and Belgium more generally, reference to a state tradition, or even a state type, is not especially helpful. Interviewees consistently expressed doubts about the future of the country and recalled the artificial nature of the creation of the State itself in 1830, as a buffer state between France and the Netherlands. Likewise, the federal versus non-federal distinction appears rather artificial; there is a world of difference between Germany's normatively uniform cooperative

federalism and Belgium's loose confederation. State traditions and regime types are framed at too broad a level of generality that does not adequately capture the variation demonstrated in our cases.

More precise material, structural, institutional, regional and local explanatory factors are required to enable grounded comparisons. Hard divergence is given substance by material factors. Two rather different material approaches are pertinent. First, hard divergence might be considered as a result, rather than a process. Divergence is interpreted in terms of objective indicators, such as performance in relation to other European regions in levels of GDP, investment, productivity, the rate of unemployment or levels of educational attainment. Divergence might be construed as the failure to converge, in spite of two decades of national planning and European regional policies. From a macro-economic perspective, there is inconclusive evidence of converging outputs between our four regions. As observed above, three rounds of EU regional funding have not substantially altered the ranking of our regions in relation to national and EU GDP averages. Rates of unemployment vary substantially (reflecting national labour markets and statistical data categorisation), but in each case economic crisis since 2008 had produced a rise in youth employment. These variables are captured either by descriptive statistics (adequate for our purposes), or by variable-based regression analysis. These heavy variables are experienced as constraints, over which regional policy-makers have limited control, yet are held to account by national and European authorities.

Moving down a level of analysis, arguments based on hard divergence are also supported by structural and institutional arguments: specifically, by variable political opportunity structures, by the operation of party systems, by the continuing influence of national administrative pathways and legal traditions.

Prevailing political opportunity structures strongly influence the form of the party system in general, and of territorially specific party dynamics in particular. In three of our four regions (at least), the period observed a revival of territorial identity forms of collective action. In Brittany, the 'red bonnet' protests of 2013 mixed territorial identity markers (flags, language, specific practices, such as sabotage), with appeals to solidarity with a spatially peripheral region in crisis. In Andalucía, the reference to latifundism and land reform remained present in the discourse of regional leaders. In Wales, territorial identity markers were expressed notably in the field of language and education. Across our four regions, though we identify distinct configurations of regional influence, only in Wales is the territorial party system is clearly influenced by a powerful ethno-territorial party, Plaid Cymru. In Brittany and Andalucía, a powerful regional milieu exists: but the weight of territorial lobbies within the national parties or national parliamentary institutions was the real indicator of regional influence. Political opportunity structures provide contrasting incentives in each region. This discussion emphasises that the national level of regulation remains important in at least three of our four cases. Except in Belgium, state structures, party systems and the political rules of the game still make sense nationally – and sometimes regionally as well.

Regional and local factors complete this elucidation of divergences. Place specific identity markers are sometimes directly comparable (Is there a regional language policy? Do regionalist parties prosper?), sometimes not. Each regional policy community operates within specific local traditions. Locality effects might concern the framing of specific agendas and interests, such as the conflict between environmentalists and mass farming in Brittany, for example, or the competition for resources between metropolitan centres and small towns in Andalucía. They might concern issues specific to one or two regions, such as regional language policy (Wales) or the defence of the language more generally (Wallonia).

They might involve regional specificities such as the saliency of religious education in Brittany and Wallonia, or the hypertrophy of public sector employment in Wales and Andalucía. Demographic factors are sometimes specific to particular regions or localities, but urban-rural movements, migration, population aging and so on are usually representative of broader trends.

CONCLUSION

Debates around convergence and divergence need to integrate a logic of causality and a logic of contingency. Logics of causality can indicate the direction of change in a broad brush manner; our survey of four European regions indicated a trend towards a harder, normative Europeanisation, tighter central control over budgetary settlements and (in at least two of our cases) enhanced instruments of central steering. Logics of contingency involve human agency and place specific contexts. Patterns of multi-level, national and sub-national governance are subject to sets of conditions that are contingent upon variable environmental, cognitive and interactional contexts. The proposed typology encompasses these linked logics as a framework for understanding the material and constructed dimensions of convergence and divergence in a specific family of European regions labelled as second order, strong identity.

Processes of hard and soft convergence and divergence operate in distinctive ways depending upon whether inputs, outcomes, institutions, or processes are considered. Tilly's 'partial causal insights' are the most convincing at the level of inputs. Our survey of four European regions indicated a trend towards a harder, normative Europeanisation, tighter central control over budgetary settlements and (in at least two of our cases) enhanced instruments of central steering. Comparing inputs strengthens arguments based on hard convergence: at the very least, the external context (the EU and other international organisations) weighs increasingly heavily on domestic public management and choices. The

direction of change is broadly similar across euro-zone countries. The empirical evidence for converging outputs is more patchy, as discussed in the hard divergence section. Our regions (especially Wales and Andalucía) provided little evidence of having converged materially in terms of GDP, levels of education, productivity, or youth employment. If convergence is interpreted in terms of results, continuing divergence must logically be described as a failure to converge outcomes. The identified causal mechanism of more intrusive monitoring and sanctions for non-compliance does not produce mechanical effects. Hard convergence arguments are the least convincing in terms of institutions; even common trends such as new public management appear shaped more by domestic traditions than by a genuine cross-national template. Institutional saliency is the key differentiating variable. The most significant distinction was between the two regions caught up in a process of ongoing political decentralisation (Wales and Wallonia) and the French and Spanish regions, which appeared more directly affected by the direction of economic crisis. Membership of the Eurozone also played itself out as one of the key differentiating (institutional) variables between our regions.

Is there convergence to informal processes? Convergence pressures are never simply implemented according to a trans-national template; they require strategic and discursive choices that lie more squarely within the realm of human agency. The overview of our four regions provided little evidence of interaction-based learning, of agent-based policy transfer or of the emulation of foreign models. Our survey demonstrated substantial soft convergence, however, in relation to the problematisation of regional priorities in a period of economic crisis[17]. Arguments of socio-economic justice were mobilised to justify continuing transfers: for example, the historical debt of Spain towards Andalucía; needs-based arguments in Wales, the region's peripheral status in the case of Brittany; the severe challenges of industrial reconversion in Wallonia. In each case, playing on territorial identity

was a useful lever to extract resources in a context of multi-level governance (from central government and the European Union). In each case, the pursuit of socio-economic interests and preservation of existing welfare traditions and financial transfers placed boundaries on using territorial identity to support more autonomous forms of governance. Ultimately, the social-democratic character of these regions (their preference for solidarity and cross-national transfers) was more important than their penchant for more autonomous forms of governance.

Place-specific contexts (national, regional, local) are key to understanding divergence. Even the hardest macro-constraints can empower the belief in the capacity of specific territorial models to mediate economic crisis. Regional leaders can be craftsmen of divergence and convergence. The ability to transform objective (macro) constraints into subjective (place-specific) opportunities is a measure of underlying territorial political capacity. The overarching claim for all of our cases, however, is that processes identified as those of hard convergence are reducing the domestic capacity of regional actors and challenging the assumptions underpinning territorial action repertoires, whether or not they change patterns of behaviour in the short term. Our interviews revealed a measure of cognitive dissonance: the belief in the capacity of specific territorial models to negotiate change, alongside a broad acceptance that the levers of macro-economic policy escaped the control of regional decision-makers. The Breton and Andalucían cases in particular suggest that economic crisis embeds existing repertoires, confirming Bourdieu's (1980) insight that actors in crisis revert to existing mental maps, or *habitus*, even when this creates a situation of *hysteresis*, or the incapacity of existing frames to solve problems.

TABLE ONE

STATES OF CONVERGENCE

	Convergence	*Divergence*
Hard	EU regulation, fiscal pressure, economic competition, ranking and rating Actors have limited choice in pursuing a convergent policy	'Non-comparable' demographic, geographical, legal, economic and political regional/ locality factors Actors have limited choice in pursuing a divergent policy
Soft	Lesson drawing, policy learning, benchmarking, cognitive Europeanisation Actors choose to pursue a convergent policy.	'Constructed' divergence against negative models. Actors choose to pursue a divergent policy.

Table 2

Regional Gross Domestic Product (Purchasing Power Standards per inhabitant in % of the EU 28 average - 2011)

Territory	**GDP (PPS per inhabitant)**
EU28	100
France	109
Brittany	89
Spain	96
Andalucía	73
Belgium	120
Wallonia	
Prov. Brabant Wallon	119
Prov. Hainaut	79
Prov. Liège	90
Prov. Luxembourg (BE)	81
Prov. Namur	86
UK	105
Wales	
West Wales and The Valleys	64
East Wales	91

Source: http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=tgs00006&plugin=1 and http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tec00114 (last accessed 07 November 2014)

REFERENCES

Andrews, Rhys and Steve Martin. 2010.Regional Variations in Public Service Outcomes: The Impact of Policy Divergence in England, Scotland and Wales. *Regional Studies* 44 (8): 919–934.

Bennett, Colin. 1991. What is Policy Convergence and What causes it? *British Journal of Political Science* 21 (3): 215–233.

Benz, Arthur. 2007. Inter-Regional Competition in Co-operative Federalism. New Modes of Multi-level Governance in Germany. *Regional and Federal Studies* 17 (4): 421–436.

Beyers Jan and Peter Bursens. 2013. How Europe Shapes the Nature of the Belgian Federation: Differentiated EU Impact Triggers Both Co-operation and Decentralization. *Regional & Federal Studies* 23 (3): 271–291.

Borraz, Olivier. 2007. Governing Standards: The Rise of Standardisation Processes in France and the EU.*Governance* 20 (1): 57–84.

Börzel, Tanja. 2002. *States and Regions in the European Union. Institutional Adaptation in Germany and Spain*. Cambridge: Cambridge University Press.

Bourdieu, Pierre. 1980. *Le sens pratique*. Paris: Les Éditions de Minuit.

Brans, Marleen, de Visscher, Christian and Diederik Vancoppenolle. 2006.Administrative Reform in Belgium: Maintenance or Modernization? *West European Politics* 29 (4): 979–998.

Carter, Caitríona and Romain Pasquier.2010.The Europeanization of Regions as 'Spaces for Politics': A Research Agenda. *Regional and Federal Studies* 20 (3): 295–314.

Centro de investigaciones sociológicas (CIS) (2012) *Barómetro autonómico III 2956*. Madrid: CIS.

Cole, Alistair and Romain Pasquier. 2014. The Breton Model between Convergence and Capacity. *Territory, Politics, Governance (*DOI 10.1080/21622671.2014.977816.

Cole, Alistair and Ian Stafford. 2015. *Devolution and Governance: Wales between capacity and constraint.* Basingstoke: Palgrave

Cole, Alistair and Rosanne Palmer.2011. Europeanising Devolution: Wales and the European Union. *British Politics* 6 (3):379–396.

Cole, Alistair. 2006. *Beyond Devolution and Decentralisation. Building Regional Capacity in Wales and Brittany.* Manchester: Manchester University Press.

Cole, Alistair. 2004. Devolution and decentralization in Wales and Brittany: a framework for analysis. *International Journal of Urban and Regional Research*. 28 (2): 354-368.

Colino, César. 2013.The State of Autonomies between the Economic Crisis and Enduring Nationalist Tensions.In *Politics and Society in Contemporary Spain: From Zapatero to Rajoy*, ed. A. Botti and B.N. Field., 81–100. Basingstoke: Palgrave.

Consejería de Economía, Innovación, Ciencia y Empleo. (2013). *Relaciones exteriores de la economía andaluza*. Seville: Junta de Andalucía.

de Winter, Lievin. 2007. La recherche sur les identités ethno-territoriales en Belgique. *Revue Internationale de Politique Comparée* 14 (4) : 575-595.

Delgado del Rincón, Luis. 2010. Espagne. L'équilibre entre unité et diversité : les réformes statutaires dans l'état des autonomies. *Confluences Méditerranée* 2 (73): 93-106.

Deschamps, Robert. 2013. Réforme du fédéralisme belge: Quelques enjeux pour la politique budgétaire des régions et des communautés. In *La 6e réforme du fédéralisme belge et ses conséquences budgétaires*, ed. M. Dejardin, R. Deschamps, P. Kestens, M. Mignolet and R. Plasman., 135–140. Bruxelles: De Boeck.

Deschouwer, Kris and Min Reuchamps. 2013. The Belgian Federation at a Crossroad. *Regional and Federal Studies* 23 (3): 261–270.

Dolowitz, David and David Marsh. 2000. Learning from Abroad: The Role of Policy Transfer in Contemporary Policy-Making. *Governance* 13 (1): 5–24.

Dyson, Kenneth. 2014. *States, Debt and Power: 'Saints' and 'Sinners' in European History and Integration*. Oxford: Oxford University Press.

Eurostat. (2012). Unemployment Rates by Region. (http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Unemployment_statistics_at_regional_level (last accessed 10 November 2014).

Evans, Mark and Jonathan Davies. 1999. Understanding Policy Transfer: A Multi-level, Multi-Disciplinary Perspective. *Public Administration* 77 (2): 361–385.

Eymeri-Douzans, Jean-Michel and Jon Pierre. ed. 2010. *Administrative Reforms and Democratic Governance*. London: Routledge.

Gilardi, Fabrizio. 2005. The Institutional Foundations of Regulatory Capitalism: The Diffusion of Independent Regulatory Agencies in Western Europe. *Annals of the American Academy of Political and Social Sciences* 598: 84–101.

Greer, Scott. 2007.The Fragile Divergence Machine: Citizenship, Policy Divergence and Devolution in Health Policy. In *Devolution and Power in the United Kingdom*, ed. A.Trench,136–159. Manchester: Manchester University Press.

Hall, Peter and Taylor, Rosemary. 1997. Les trois neo-institutionalismes. *Revue française de science politique*. 47 (3-4) : 469-496.

Harguindéguy, Jean-Baptiste, Pasquier, Romain and Alistair Cole. 2014. Le processus autonomique espagnol à l'épreuve de la crise économique : vers la recentralisation ? *Pouvoirs Locaux*. 102 (3) : 3-6.

Henderson Ailsa, Jeffery Charlie and Wincott, Daniel. eds. 2013. *Citizenship After the Nation State: Regionalism, Nationalism and Public Attitudes in Europe* Basingstoke: Palgrave.

Hood, Christopher. 1998. *The Art of the State*. Oxford: Oxford University Press.

Hooghe, Liesbet and Gary Marks. ed. 2001. *Multi-level Governance and European Integration*. Boulder: Rowman & Littlefield.

Keating, Michael. 2002. Devolution and public policy in the United Kingdom: divergence or convergence? In *Devolution in Practice: Public Policy Differences within the UK*, eds. J. Adams and P. Robinson, 3-24. London: Institute for Public Policy Research.

Kerr, Clark. 1983.*The Future of Industrial Societies: Convergence or Continuing Diversity*? Cambridge: Harvard University Press.

Knill, Christoph. 2005. Introduction: Cross-national Policy Convergence: Concepts, Approaches and Explanatory Factors. *Journal of European Public Policy* 12 (5): 764-774.

Ladrech, Robert. 2010.*Europeanisation and National Politics*. Basingstoke: Palgrave.

Lascoumes, Pierre and Patrick Le Galès. ed. 2004.*Gouverner par les Instruments*. Paris : Presses de Sciences Po.

Lazega, Emmanuel (2007), Des poissons et des mares : l'analyse de réseaux multi-niveaux. *Revue française de sociologie.* 48 (1) : 93-131.

Le Coadic, Ronan. (2013). La grogne bretonne, creuset des révoltes françaises ? Quimper ne veut plus subir. *Le Monde*, 7th November.

Le Lidec, Patrick. 2011. Décentralisation, structure du financement et jeux de transferts de l'impopularité en France. In *Gouverner (par) les finances publiques*, ed. P. Bezes and A. Sine, 149–192. Paris: Presses de Sciences Po.

Loughlin, John, Hendriks, Frank and Anders Lidström, ed. 2010. *A Handbook of Local and Regional Democracy*. Oxford: Oxford University Press.

OECD (2013). *PISA 2012 Results: Excellence through Equity*. 330pp.

Page, Edward and Michael Goldsmith.1987. *Central and Local Government Relations*. Beverley Hills: Sage.

Pasquier, Romain. 2004. *La capacité politique des régions. Une comparaison France/Espagne*. Rennes: Presses Universitaires de Rennes.

Pasquier, Romain. 2012.*Le pouvoir régional*. Paris: Presses de Sciences Po.

Piattoni, Simona. 2010. *The Theory of Multi-Level Governance*. Oxford: Oxford University Press.

Pickernell, David. 2011. Economic Development Policy in Wales since Devolution: From Despair to Where? *CASS Papers in Economic Geography* 03/11 Cardiff: Cardiff University.

Pollitt, Christopher. 2001.Convergence: The Useful Myth? *Public Administration* 79 (4): 933–947.

Porras Nadales, Antonio. 1994. La administración andaluza entre modernización y clientelismo. *Revista Catalana de Derecho Público* 18: 81–91.

Radaelli, Claudio. 2005. Diffusion without Convergence: How Political Context Shapes the Adoption of Regulatory Impact Assessment. *Journal of European Public Policy* 12 (5): 924–943.

Reid Alasdair and Bernard Musyck. (2000). Industrial Policy in Wallonia: A Rupture with the Past? *European Planning Studies*. 8 (2): 183-200.

Robles-Egea, Antoni and José Manuel Aceituno-Montes. 2013. Les défauts de la démocratie. Le clientélisme et la corruption en Andalousie. *Pôle Sud* 37(2): 51–74.

Rose, Richard. 1991.What is Lesson Drawing? *Journal of Public Policy* 11 (1): 3–30.

Ruíz Almendral, Violeta. 2013. The Spanish Legal Framework for Curbing the Public Debt and the Deficit. *European Constitutional Law Review* 9: 189–204.

Sala, Gemma. 2013. Federalism without Adjectives in Spain. *Publius* 44 (1): 109-134.

Schmidt, Vivien. 2011. Speaking of Change: Why Discourse is Key to the Dynamics of Policy Transformation. *Critical Policy Studies* 5 (2): 106–126.

Simon Cosano, Pablo, Lago Peñas, Santiago and Alberto Vaquero. 2013. On the Political Determinants of Intergovernmental Grants in Decentralized Countries: The Case of Spain. *Publius* 44 (1): 135–156.

Steinmo, Sten. 2008. Historical Institutionalism. In *Approaches and Methodologies in the Social Science*. eds. D. Della Porta and M. Keating. 118-38. Cambridge: Cambridge University Press.

Stone, Diane. 1999. Learning Lessons and Transferring Policy across Time, Space and Disciplines. *Politics* 19 (1): 51-9.

Storper, Michael. 1995. The resurgence of regional economies, ten years later. *European Urban and Regional Studies* 2 (3): 191-221.

Tilly, Charles. 2001. Mechanisms in Political Processes. *Annual Review of Political Science* 4: 21–41.

Trench, Alan. 2013. *Funding Devo More: Fiscal Options for Strengthening the Union*. London: Institute for Public Policy Research.

Tuñón, Jorge.2010. *Andalucía y la Unión Europea. Actor periférico y escenario privilegiado de la política europea*. Sevilla: Centro de Estudios Andaluces.

Vetter, Angelika. 2010. Germany. In *Changing Government Relations in Europe*, ed. M. Goldsmith and E. Page, 88–107. London: ECPR Press.

Zahariadis, Nikolaos.2012. Complexity, Coupling and Policy Effectiveness: the European Response to the Greek Sovereign Debt Crisis. *Journal of Public Policy* 32 (2): 99–116.

NOTES

[1] 104 interviews were carried out in fieldwork from November 2012 to May 2014 in Wales, Brittany, Andalucía and Wallonia. In each region, the sample of interviewees included three groups: officials, politicians and practitioners. All interviewees were selected according to a territorial criterion (to include people working at the local, provincial [where appropriate] and regional levels) and a political criterion (to represent the left-right and centre-periphery

cleavages). Interviews generally lasted between 45 minutes and one hour and they were processed through the NVivo 10 software.

[2] No regional figures are available for Brittany.

[3] Information and all figures drawn from the European Commission's official website http://ec.europa.eu/regional_policy/information/legislation/index_en.cfm (last accessed 10 November 2014).

[4] 50% of the Bretons interviewed declared themselves to feel at least as Breton as French (Hendersen, 2014), a figure reaching 68.9% amongst Andalucíans (CIS, 2012). Rather as in Brittany, only a small minority declared an exclusively Andalucían identity (6%), in contrast with much higher figures in Catalonia (34%) or the Basque Country (38%).

[5] The second order strong identity region, as conceptualised in the article, builds upon a decade of published works by the authors, notably xxx and xxx (details withheld)

[6] Debtor regions are net recipients of 'solidarity' based transfers from central government or richer regions for public services beyond their nominal share of GNP.

[7] This conclusion was shared in interviews in the Wallon Regional Council and the Belgian central bank in January-February 2014, as part of the 24 interviews carried out in Belgium.

[8] RQMV implies that a recommendation or a proposal of the Commission is considered adopted in the Council unless a qualified majority of Member States votes against it. Under the reverse QMV procedure, a qualified majority will need to be mobilised to prevent automatic penalties in the case of not respecting the revised Stability Pact criteria.

[9] The 'six-pack' refers to five regulations and one directive adopted as part of the reform of the EU's fiscal governance and the Stability and Growth Pact (SGP) in 2011. The many measures adopted included: country-specific medium-term objectives (MTO) for deficit and debt reduction; the requirement that general government deficits and public debt must not

exceed 3% and 60% of GDP respectively or at least diminish sufficiently towards the 60% threshold. The Six Pack made it easier to apply the Excessive Deficit Procedure (EDP) to Member States having breached either the deficit or the debt criterion. Financial sanctions for non-compliance might eventually reach 0.5% of GDP. The Six Pack was closely associated with – but separate from – the European semester (granting the EU commission much greater oversight into national budgets) and the TSCG, giving a constitutional status to the golden rule of virtually balanced budgets. For details see: http://ec.europa.eu/economy_finance/articles/governance/2012-03-14_six_pack_en.htm (last accessed 7th November 2014).

[10] Interview with a member of the Belgian Public Finance Council, February 2014.

[11] Interviewees in the Wallon region of Belgium emphasised the zeal with which performance indicators were pursued in the region's Marshall Plan; performance indicators were revised and monitored on a three-month basis.

[12] Interview with the Welsh Education minister in 2002.

[13] Identical questions were asked in each region in relation to the existence (or not) of a regional political culture, the role of parties, intergovernmental relations and the impact of European integration on regional cohesion.

[14] The main themes emerging in response to the question on Andalucían political culture.

[15] 16 interviews were carried out with a specially convened civil service panel in 2010, following up from earlier interviews carried out in 2001-2002.

[16] Most interviewees in the 2010 civil service panel refused to be drawn on this, but a couple regretted the obstacles to identifying good practice in England.

[17] This analysis is substantiated from data derived from the common question inviting interlocutors to identify the main policy challenges over the next five years.

FUNDING This work was supported by **REMOVED FOR BLIND REVIEW**

ACKNOWLEDGEMENTS The authors thank (NAMES WITHHELD) who each read earlier drafts of this article and made invaluable suggestions for improvement.