The Commission and the Member States:
The Evolution of Regional Policy

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The evolution of the European Regional Development Fund (ERDF), the primary mechanism of the European Union's (EU's) regional policy, provides an excellent vehicle for investigating European integration. While regional economic disparities have been a concern of the EU since its inception in 1952, it was not until 1975 that the EU created the ERDF to reduce economic disparities between regions within and across member states by disbursing grants for infrastructure and industrial development. In 1975, the ERDF was largely controlled by the member states: each state was guaranteed a certain percentage of the ERDF budget and determined which regions and projects received financing from that percentage. Subsequent reforms of the ERDF have shifted political control to the EU by eliminating the quota system and granting the Commission increased discretion over the management and distribution of funds. In addition to manifesting varying levels of integration over time, the ERDF is a microcosm of the EU. The formulation, negotiation and implementation of the ERDF involves actors at the national, supranational and subnational levels and impacts upon a variety of sectors, including agriculture, transportation, industry and high technologies. By examining the 1979, 1985 and 1989 reforms of the ERDF, I hope to ascertain the agenda and tactics of the European Commission with respect to the ERDF, and thereby, shed light on the process of integration.

A review of the intergovernmentalist and multilevel governance perspectives on the development of the ERDF reveals necessary tasks for future research. Intergovernmentalists view integration as lowest common denominator bargains among states seeking to benefit from cooperation while guarding against unacceptable infringements on sovereignty. According to Wallace, the 1975 creation of the ERDF reflected not so much a desire on the part of the member states to construct a seamless Community policy, as a desire to offset the costs of their own regional policies, and extend "pork barrel" politics to the international level.[1] Wise and Croxford argue that the Commission's attempt to increase the fund's size and institute a non-quota section in 1979 faltered due to French concerns for national sovereignty and the failure of the United Kingdom to assent to a linkage between the reform and the creation of the European Monetary System.[2] Likewise, Wise and Croxford assert that the Commission's bid to eliminate national quotas in the 1985 reform was opposed by Germany, France and the UK, and that progress was only achieved after the Commission withdrew its proposals and resubmitted new ones in line with large state interests.[3] Pollack argues that the 1989 doubling of the structural funds was the result of a sidepayment from the wealthy member states to the poorer ones in exchange for the completion of the single market.[4] He attributes the enhancement of the Commission's control over the ERDF in 1989 to large state preferences for greater oversight and "value for money."[5] For intergovernmentalists, states are the gatekeepers of integration, aggregating domestic preferences and utilizing supranational institutions to formulate, implement and monitor agreements.

In contrast to intergovernmentalism's focus on member states, the multilevel governance approach (MLG) highlights the role of supranational institutions and subnational actors in the integration process. The MLG perspective maintains that the EU is best understood as a polity made up of three levels of government--the national, supranational and subnational levels. According to MLG theorists, states do not have exclusive control over the timing and content of integration agreements, rather integration is the result of interactions across the three levels. MLG theorists focus on the role of the Commission in the development of regional policy from 1987. Marks maintains that while decisions to increase the size of the regional policy budget are largely the result of intergovernmental bargains and sidepayments, the design of the institutional framework is left largely to the Commission.[6] He argues that the Commission's role as agenda-setter in addition to its control of a portion of ERDF funds gives it leverage vis-à-vis the member states to control the institutional design of ERDF.[7] Hooghe maintains that the 1989 reform was the result of an alteration in Commission preferences and that it was largely successful because it caught the member states off guard.[8] From the MLG perspective, the development of regional policy "has been increasingly contested, first between member states and the Commission and latterly in a triangular competition in which regions themselves have emerged as actors."[9]

This paper will attempt to draw from the strengths of each of these approaches to European integration, while avoiding their shortcomings. The primary contribution of the intergovernmentalist approach to the evolution of the ERDF is that it focuses on the formation and convergence of member state preferences. However, it does so at the expense of the Commission. It fails to examine the role of the Commission in the initiation, negotiation and implementation of ERDF reforms. The primary contribution of the multilevel governance approach is that it highlights the roles of supranational and subnational actors in integration. Unfortunately, it has not specified the conditions or principles which direct interactions between all three of the levels. The task of this paper is to examine interactions between the Commission and the member states in order to specify the conditions under which the Commission will have more or less power vis-à-vis the member states.[10]

In order to begin to specify these conditions it is essential to examine the Commission's agenda and strategy for regional policy reform over the course of several ERDF reforms. A review of the

Commission's agenda over time will allow one to determine whether or not the Commission has had a consistent agenda for regional policy or has merely been bending to the wills of the most powerful states. Examining the Commission's regional policy agenda will consist of analyzing the official proposals for the reforms. The Commission's tactics (the actions it undertakes during the reform process that are intended to maximize its agenda) may be ascertained from the *Bulletin of the European Communities*, the *General Reports of the European Communities*, and Agence Europe's *Europe Daily Bulletin*. By examining the Commission's tactics during each reform, it will be possible to determine which tactics were more (or less) successful. The comparison of the Commission's agenda and tactics with respect to the 1979, 1985 and 1989 reforms, will allow one to begin to specify the conditions under which the Commission can influence integration outcomes.

The 1979 Reform

Commission Agenda

In order to understand the Commission's agenda for the 1979 reform it is necessary to examine the 1977 proposals for the ERDF. The 1977 Commission proposals (including the *Guidelines for Community Regional Policy*[11] and the official legislative proposals to amend the ERDF[12]) contained four major recommendations for reforming the common regional policy: adopting specific Community measures, altering the quota section, strengthening additionality, and improving assessment and coordination procedures. The recommendations were aimed at increasing control over the allocation of assistance to states and regions, the selection of projects and the coordination and assessment of Community and national regional policies. While all of the recommendations involved increased autonomy for the Commission in the operation of the common regional policy, all were justified in terms of increasing the efficiency and effectiveness of the fund.

In a ground-breaking recommendation of the 1977 proposals, the Commission suggested the adoption of a new, smaller[13] section of financing termed "specific Community regional development measures" to address regional problems resulting from other Community policies and changes in the international economy.[14] These measures had two noteworthy features. First, the measures were to be free from the quota restrictions. Because all regions could be affected by these problems, the Commission excluded an *a priori* distribution of funding for these measures. Rather than being limited by national quotas and to nationally assisted regions, the Commission would disburse the funds to any state or region according to "the gravity, scale and urgency of the regional problems."[15] Second, the measures were to involve programs. Instead of being disbursed on a project-by-project basis, the non-quota assistance would be disbursed in the form of programs--groups of projects coordinated to meet specific objectives.[16] For each specific measure, the Commission would propose the areas to be assisted, the types of projects, and the rates and types of assistance, that the Council would adopt by qualified majority. These characteristics of the non-quota section were justified on the grounds that they would allow the Commission the most efficient and effective means to address regional problems arising from changes in the international economy and other Community policies.

The second major recommendation of the 1977 proposals included two alterations to the quota system which while justified in terms of efficiency and effectiveness and would also further the Commission's agenda of increased autonomy. First, the Commission proposed that the quota section be limited to peripheral regions (particularly the Mezzogiorno, Ireland, Northern Ireland, Greenland and the French Overseas Departments) and regions in need of industrial and agricultural restructuring. Fixed quotas were justified for these regions because they could be identified as needing long-term financial commitments.[17] This suggested alteration, which entailed the elimination of quotas for Germany, Denmark, Luxembourg and Belgium, would increase the concentration of the fund on the neediest regions and give the Commission a role in the determination of national quotas, two goals which the Commission had been seeking from the earliest days of the common regional policy. A second modification to the quota section consisted in changing the definition of infrastructure from that "directly linked" to eligible industrial, services or handicraft investments to "infrastructure which contributes to the development of the region in which it is located."[18] According to the Commission, this definition was more adaptable to the varying needs for infrastructure development of the impoverished regions and would enhance its ability to meet the infrastructure needs of the poorest regions.[19] A more flexible definition would increase the Commission's latitude in the selection of projects.

The third major recommendation of the 1977 proposals consisted of explicit requirements for meeting the principle of additionality. The Commission suggested that member states demonstrate aggregate additionality by listing total ERDF receipts in their national budgets and on an individual project basis by informing the Commission of the allocation of ERDF funds.[20] This recommendation, which was initially articulated by the Commission in the *First Annual Report of the ERDF*, illustrates continuity in the Commission's agenda.[21] The elaboration of additionality requirements in the body of the legislation illustrates the Commission's desire to increase its control over the implementation of additionality and ensure that the additionality principle was uniformly respected by the member states.

The fourth major recommendation consisted of three proposed alterations to improve planning and assessment of Community and national regional policies. First, the Commission proposed that it produce periodic reports outlining the key regional problems faced by the Community, assessing the progress made, and laying down Community-wide objectives.[22] These reports would enhance the Commission's leverage in getting Community-wide regional objectives adopted by the member states, and thereby enhance the coordination between member states regional policies. Second, the Commission pledged to undertake regional impact assessment (RIA), by which it meant that it would evaluate the "regional consequences of Community policies, whenever significant new measures are contemplated."[23] This provision, which would ensure better coordination between Community policies, indicated that the Commission was willing to address its inefficiencies, and was thereby an incentive for member states to do so. Finally, the Commission proposed to simplify the regional development programs (RDPs) by requiring member states to update them rather than resubmit them each year.[24] This provision would save the member states the time and resources of compiling redundant reports. Furthermore it would improve the quality of information available to the Commission and enhance its ability to assess and coordination national regional policy objectives.

<u>Commission Tactics</u>

In order to understand he Commission's strategy and tactics for the passage of the 1977 proposals it is necessary to examine the role of Commission President, Roy Jenkins. Jenkins was sympathetic to the development of a common regional policy. In Jenkins' address to the Parliament on his first program for the Commission in 1977, he stressed the importance of developing the common regional policy.

> All enlightened modern States--certainly all the Member States of the Community--redistribute income from their richer regions to their poorer ones; none accepts the argument that because regional imbalances are hard to overcome, no attempt should be made to do so. What the Member States do within their national frontiers, we should seek to do in the Community as a whole.[25]

Jenkins maintained that the development of regional policy was essential to address what he viewed as the three obstacles to economic union: unemployment, inflation and disparities in standards of living. While he did not elaborate on the specifics of regional policy reform, he did assert that the regional fund's budget was too small and its criteria too restrictive to have a significant impact on economic disparities. Additionally, according to Jenkins, regional policy reform was a *sine qua non* for enlargement. In his address to the Parliament, Jenkins alluded to the linkage between enlargement and regional policy:

> [t]he relative political and economic cohesiveness of the Nine is one reason why other countries wish to join. There would be no sense, either for them or for us, in allowing it to be weakened in the process.....The Community must therefore strengthen itself in order to support further enlargement.[26]

The Commission maintained that Greece's regional disparities which were "related to the problems of modernization of agriculture and the requirements of industrialization, and compounded by geographical and demographic handicaps" were more serious than those of either Ireland or Italy.[27] Enlarging of the Community would necessarily entail reforming the ERDF.

Jenkins assignment of the regional policy portfolio was further indication of his commitment to the development of the ERDF. Jenkins appointed Antonio Giolitti (Socialist, Italy) two portfolios: regional policy and the coordination of Community funds. By appointing an Italian to regional policy, Jenkins was not only acknowledging the importance of that policy area for Italy, but also the importance of the policy area for himself. Italy was one of the largest net beneficiaries of the fund and having an Italian in charge of regional policy would increase the likelihood that regional policy would continue to expand. Jenkins was undoubtedly seeking to avoid the situation of the past Commission in which George Thomson, an energetic pro-European and pro-regional policy Commissioner, faced obstacles created by two successive British governments--first Heath and then Wilson (the latter from his own party). Aligning the regional policy portfolio and the coordination of funds portfolio under Giolitti's control further illustrated the importance of regional policy for Jenkins. Giolitti's second portfolio would permit him the authority to press the European Investment Bank, the Social Fund and the European Agricultural Guarantee and Guidance Fund--Guidance section and the European Coal and Steel Community to better attend to regional disparities.[28] For Jenkins, the funds should not be operated "in isolation one from the other" but "[t]he policy in relation to them should be seen and coordinated as a whole."[29] Correcting regional disparities was to be the overarching goal.

Giolitti was a strong advocate for the re-invigoration of regional policy in general and the 1977 ERDF proposals in particular. Prior to the submission to the Council of the 1977 proposals, Giolitti attempted to clarify and build support for the Commission's agenda. Through two rounds of shuttle diplomacy, beginning in February and ending in April of 1977, Giolitti conveyed the key elements of the Commission's proposal. He apprised the heads of state and government of the Commission's desire to establish a non-quota section, to revise the quota system, and to coordinate the Community's other funding mechanisms toward the solution of regional disparities.[30] Giolitti framed the

Commission's agenda in the context of enhancing the efficiency and effectiveness of the ERDF. The Commission was seeking to reform the ERDF, not to increase its autonomy or competence in the common regional policy, but in order to deal better with regional disparities. By informing the heads of state and government of the Commission's agenda prior to the release of the proposals, Giolitti could build support for the Commission's agenda, determine where potential support and opposition lie, and plan his strategy accordingly.

In addition to attempting to build support for the Commission's proposals among national governments, Giolitti attempted to bolster support among subnational and transnational bodies. In a meeting with local authorities in Piedmont, he asserted that "the development of regional policy requires ideas and forces which can only come from the base."[31] The importance of the involvement of subnational actors for Giolitti was underscored in his meeting with the Northern England Development Council in Newcastle in which he reviewed the achievements of the ERDF in Newcastle and explained the Commission's regional policy proposals. The Commission's success in encouraging the involvement of subnational actors was evidenced by letters it received from the Irish Business Bureau calling for the strengthening of the principle of additionality.[32] Giolitti also cultivated the Commission's relationship with transnational actors. Before the Conference on Local and Regional Authorities, Giolitti highlighted the importance of the development of the regional policy, and the adoption of the Commission's recommendations, for the development of "a Community of free and equal people, and not merely a market controlled by summit-level diplomatic agreements."[33] A further measure the Commission took to cultivate support for its reforms was to assist the European Trade Union Conference in the organization of a conference on regional policy in September of 1977.[34] By reaching out to transnational and subnational groups, Giolitti obviously wanted to solidify the support of the regional policy constituency and increase his leverage against the member states.

In addition to attempting to foster links between subnational and transnational actors, the Commission attempted to cultivate the support of Economic and Social Committee (ECOSOC) and the European Parliament. In the Spring of 1977, just after the new Commission took office, both ECOSOC and the Parliament passed opinions in favor of regional policy reform. In March, Commissioner Giolitti attended the plenary session of ECOSOC and explained the Commission's agenda on regional policy reform, highlighting the need to make the ERDF more efficient. ECOSOC unanimously adopted an initiative on regional policy reform that was supportive of the Commission's agenda, stressing in particular the need for better coordination between Commission funds aimed at improving employment.[35] In its April 1977 plenary session, the Parliament also passed a report on the reform of regional policy, calling for an increase in ERDF funds and a greater concentration of them on the poorest regions.[36] The fact that both of these reports were presented at the very beginning of the new Commission's term, was a signal to the Commission that these institutions would support reform of regional policy, and that the Commission should strike while the iron was hot.

The Commission proposals, which were sent to the Council on June 3, 1977, met with a mixed response from the member states. The establishment of the non-quota section, and the alterations to the quota section were the most contentious issues. Only the Netherlands fully supported the Commission's recommendation of establishment of the non-quota section.[37] Ireland and Germany gave conditional acceptance to the Commission's proposals.[38] The former wanted to ensure that it would qualify for the non-quota assistance, and the latter wanted eligible regions and measures clearly defined, in order to avoid latter haggling. The rest of the states (Italy, Belgium, Denmark, and Luxembourg) adopted a neutral position; they demonstrated neither support for nor opposition to the non-quota section. France opposed the non-quota section on the principle that it would allow the Commission a role in the strictly national realm of devising and implementing regional policy.[39] The concentration of the quota section on the poorest regions also enjoyed low support. Again only the Netherlands fully supported the Commission's recommendation.[40] Ireland, traditionally a supporter of the extension of the Commission's regional policy competence, favored greater concentration of the quotas, but did not advocate abolishing the system of national quotas.[41] Most of the countries, including the UK, Germany, Italy, Denmark and Luxembourg did not favor revising the national quotas. In direct opposition to the Commission proposals, France and Belgium favored increases in their national quotas.[42] The Commission's recommendation for changing the definition of eligible infrastructure was contested by Germany. While the majority of states were willing to accept the Commission's definitional alteration, Germany wanted to ensure that infrastructure investments would have an impact on regional disparities, and was hesitant to accept the Commission's definition.[43]

The provisions concerning additionality, and planning and assessment mechanisms posed less of a problem. The Commission's recommendations concerning additionality were surprisingly uncontentious. Perhaps this was due to the fact that member states interpreted the provision as attempting to ensure their continued compliance with their established methods for demonstrating additionality.[44] The Commission's recommendations concerning the adoption of regional impact assessment and simplified regional development programs were also not contested. Likely as not the member states recognized that these provisions would increase the effectiveness of the ERDF without placing an administrative burden on the member states and without extending the Commission's competence. Finally, the Commission's proposal to institute periodic reports as the basis for establishing Community-wide regional development objectives was not strenuously contested by any member state.[45]

In the first six months following the release of the proposals, the Commission apparently decided to drop its objective of limiting quotas and focus on the creation of the non-quota section. It focused its efforts on persuading the middling states to support the adoption of the non-quota section and it downplayed the revision of the quota section. At the end of June, as part of the strategy to persuade the middling states to support the non-quota section, Giolitti travelled to Rome to discuss regional policy reform with several state ministers including Foreign Minister Forlani.[46] By the meeting of the Council of Minister in November, Italy had dropped its opposition to the non-quota section and had thrown its weight behind the Commission's proposals.[47] Speaking at the Council of Ministers meeting in November, Giolitti emphasized the necessity of establishing the non-quota section in order to counteract the adverse regional impact of other Community policies. Furthermore, he withdrew the Commission's recommendation of concentrating quotas on the poorest states. In fact he went on record as opposing any revision of the national quotas on the grounds that it would be too difficult to rework the compromise on which they rested. As a direct warning to France, he pointed out that given an increase in regional disparities between states, a logical revision of the quotas would be in the direction of greater concentration on the poorest states (rather than an increase in the French share).

In addition to securing the support of Italy, the Commission attempted to secure the support of Germany. Based on its experience with Germany in negotiating the establishment of the ERDF from 1973-1975, the Commission must have anticipated that the major German concern would be the size of the fund.[48] As a result, early in the reform process, President Jenkins travelled to Bonn to secure support for the Commission's proposal for the 1978 ERDF budget of 750 million e.u.a, a 50% increase over the 1977 budget. Jenkins met with Finance Minister Apel and Economics Minister Friedrichs and won their approval for an increase in the ERDF budget.[49] In this way, the Commission attempted to ensure that the 1978 ERDF budget appropriations would not pose a problem for German acceptance of the Commission reform proposals. The Commission cleared the second major hurdle to acceptance--the definition of eligible infrastructure--in November. The Commission assured Germany that the broader definition would only be applied in the poorest regions, where infrastructure needs were the greatest.[50]

The Brussels summit of December 1977 held the promise of a final agreement on the ERDF reforms. With the support of the Netherlands and Italy, and the consent of Germany, the Commission might have attempted to arrange a tradeoff for France--no concentration of quotas in exchange for the acceptance of the non-quota section. Unfortunately, the issue of the size of the ERDF budget predominated the summit. France vehemently opposed the Commission's figure of 750 million e.u.a, and insisted on 390 million e.u.a. Much to the Commission's dismay, Germany supported France's figure for the budget.[51] More likely than not, Schmidt had changed his position in deference to Giscard and the Commission had underestimated the strength of the Giscard-Schmidt partnership.[52] Only Italy, Ireland and the UK supported the Commission's figure.[53] Evidently, anticipating increased real receipts from the fund due to recent revaluing of the e.u.a., these states did not fight very hard for the Commission's increase, and were willing to compromise with Giscard.[54] The compromise which materialized gave France a 2% increase in its quota (for French overseas territories) in exchange for assenting to an ERDF of 580 million e.u.a. for 1978.[55] The establishment of the non-quota system was not part of the compromise. The possibility of giving up revisions for the establishment of the non-quota section had been derailed by the issue of the size of the budget.

Final agreement on the establishment of the non-quota section would take another six months to achieve. While Germany, Italy and the Netherlands supported the Commission's recommendations concerning the non-quota section, France and the United Kingdom did not. France objected to the Commission aiding nationally non-assisted regions and proposing the areas, projects and types and rates of assistance for the Council to approve by QMV. The United Kingdom joined France in expressing concern over the Commission's involvement in selecting projects and regions for funding.[56] Two initiatives were instrumental in bringing resolution to the negotiations. First, the Danish Presidency proposed that the non-quota section amount to only 8% of the total ERDF (rather than the 13% supported by the Commission, Germany, Italy, and the Netherlands), that the Commission only fund nationally-assisted projects, and that the types of projects and details of assistance be decided by the Council of Ministers by unanimity (rather than QMV). While the Danish compromise did not immediately bring about agreement, it opened the door for a second initiative, this time from the Commission. Second, in May 1978 Commissioner Giolitti travelled to Paris to meet with French Prime Minister Barre to attempt to reach agreement on the non-quota section.[57] Following the meeting, France accepted all but one of the elements of the Danish compromise--it held out for a 5% non-quota section--and the resolution of the 1977 reform proposals was only a few weeks away.

Final agreement on the major outstanding provisions of the reform of the ERDF came in June of 1978.[58] The Commission won a large part of its agenda. It achieved the establishment of new planning and assessment mechanisms (periodic reports, regional impact assessment and enhanced regional development programs) by Council resolution[59], and a strengthened clause on additionality in the regulation with little trouble.[60] Additionally, it achieved the establishment of an entirely new section of funding that would be distributed via a program approach and that would not be subject to the national quotas.[61] Finally it won a broader definition of eligible infrastructure.[62] The Commission's success was to a substantial degree due to its own tactics, including a diverse justification of the reform, support-building, shuttle diplomacy and tradeoffs. The Commission justified the reform firstly on the basis of enhancing the efficiency and effectiveness of ERDF. However, it also acknowledged that the reform would better prepare the Community for continued economic integration and future enlargement. By starting with a narrow justification for a limited reform and extending its justification to a matter of importance to the future overall direction of the Community, it could appeal to a variety of state interests--those concerned with short-term economic efficiency and/or those concerned with the long-term direction of the Community. Second, the Commission engaged in an impressive array of support-building tactics aimed at rallying its natural regional policy consistency with an aim of increasing its leverage against the member states. Third, the Commission, particularly Commissioner Giolitti, resorted to shuttle diplomacy at key moments in the passage of the reform in order to inform the states of the Commission's agenda and attempt to forge compromises. Finally, the Commission knew when and how to curtail its agenda in order to bring about a successful tradeoff. Giving up its desire to see quotas concentrated on the poorest regions did eventually, albeit not immediately, lead to the establishment of the unprecedented non-quota, program approach.

While the Commission achieved a substantial amount of its agenda it failed to attain its desired increase in the ERDF budget, the establishment of the 13% non-quota section, and the use of QMV to create non-quota programs. These failures may have, in part been due to the Commission's misreading of the role that the Giscard-Schmidt partnership would play in the reform. The Commission may have expected Schmidt to convince Giscard to go give up his objections to the reform. First, the Commission may have failed to perceive that Schmidt would not pressure Giscard to increase the ERDF, but would instead retreat on his Finance Minister's early commitment to an increase in the

ERDF and support Giscard's position. The Commission should have perceived that Schmidt would not pressure Giscard to change his position on an issue that was of minimal direct importance to Germany, and it should have focused its lobbying efforts not only on Germany but on France as well. Likewise, the Commission should have anticipated that Schmidt would not use his clout with Giscard to settle the details of the non-quota section. While Schmidt supported establishing the non-quota section at 13% of the total fund, it was not a matter of vital importance. Furthermore, given that Giscard was facing elections, it was imperative that he not be viewed as bowing to the Commission and Schmidt would not encourage him to do so. The Commission might have realized that Schmidt would not bring about a solution in its favor and offered Giscard a face-saving alternative earlier than it did.

While the Commission's failures may have been due to a misreading of the Schmidt-Giscard partnership, they also may have been due to the Commission's conscious decision not to link the ERDF reforms to the establishment of the EMS. According to Wise and Croxford, the "failure to link an increase in the size of the Fund to the establishment of the European Monetary System (EMS)" led to a substantially smaller fund than the Commission, Italy and Ireland had desired.[63] While Jenkins certainly perceived a linkage between regional policy and monetary union, he did not attempt to encourage a tradeoff between these items in the fall of 1977.[64] Viewing his fledgling monetary initiative as the key to relaunching Europe, Jenkins may not have wanted to risk tieing it at such an early stage to the ERDF reforms, in which a discussion of net benefits and net contributions predominated.[65] To a certain degree, the Commission's regional policy agenda may have been superseded by its monetary policy agenda.

The 1985 Reform

Commission Agenda

The Commission's next attempt to reform the ERDF was initiated in 1981. In order to ascertain the Commission's reform agenda, it is helpful to review the key recommendations of the 1981 proposals. The 1981 proposals for the reform of the ERDF (including the *Guidelines and Priorities for Community Regional Policy*[66] and the official legislative proposal to amend the ERDF[67]) contained specific provisions for altering the quota and non-quota sections of the fund and general provisions relating to the entire fund aimed at improving overall effectiveness. Like the 1977 proposals, the 1981 proposals were aimed at increasing the Commission's autonomy with respect to determining national allocations, choosing regions and projects for financing, and coordinating national objectives.

Similarly in keeping with past Commission goals, the 1981 proposals sought to increase the size of the fund, its concentration of the poorest regions and its coordination with other Community policies.

The 1981 proposals sought three major revisions to the quota section. First, as it had done in the 1977 proposals, the Commission sought to limit the quota section to the poorest regions in the Community. This time, however, its recommendation included objective Community criteria for choosing regions and a specific scheme for aportionement. It proposed that the quota section be divided among those regions which had less than 75% of the Community average GDP as follows: 44% to the Mezzogiorno, 16% to Greece, 7% to Ireland, 30% to the poorest regions of the UK, 1% to Greenland and 3% to the French overseas departments.[68] Because existing national quotas were set for each country by the Council of Ministers, this suggested allocation--which did not guarantee funds to Germany, Denmark, or the Benelux countries--would have removed national allocation from the jurisdiction of the member states and placed under the Commission's jurisdiction, thereby greatly enhancing the Commission's authority in the administration of the common regional policy. Furthermore, by utilizing objective, Community-wide criteria, rather than diverse national criteria, the Commission's ability to coordinate the national regional policies would also be increased.[69] Second, the Commission sought to expand the program approach to the quota section.[70] The Commission suggested that member states draw up programs with the help of local regional authorities and that the member states and the Commission finalize the details of these programs by way of a contract. Previously, the program approach had been limited to the non-quota section and the details of individual programs had been decided on in the Council by unanimity. By expanding the program approach to the quota section and making finalization of program details the result of common agreement, the Commission was suggesting an increase in its ability to shape national objectives for regional development. Finally, the Commission proposed the adoption of increased rates of fund assistance for quota section measures that promoted indigenous development potential, including aid to small and medium sized firms, and aid for local and regional development authorities.[71] If accepted, this provision would increase the range of projects that the Commission might fund and increase the involvement of subnational authorities in the common regional policy.

The 1981 proposals also contained two provisions for altering the non-quota section which would increase the Commission's control *vis-à-vis* the member states in the formulation and operation of the common regional policy. First, the Commission suggested that the non-quota section of the fund be expanded from 5 to 20% of the total fund assistance.[72] Because the Commission had greater discretion in the selection of regions and projects receiving non-quota assistance, increasing this section would increase the Commission's autonomy overall. Second, the Commission recommended (much like it had done in the 1977 proposals) that it draw up non-quota programs on its own and forward them to the Fund Committee for an opinion. In cases where the Fund Committee disagreed with the Commission, the programs would be finalized in the Council of Ministers by qualified majority vote.[73] This procedure would greatly enhance the Commissions ability to determine the details of non-quota programs, including the objectives, the specific regions and projects financed, and the rates of ERDF contributions.

The 1981 proposals contained three general provisions aimed at improving the effectiveness of both the quota and non-quota sections of the fund. First, the Commission proposed a transition to a program approach so that by the end of 1985, all fund assistance be given in the form of programs.[74] Because the program approach allowed the Commission a role in the selection of national regional objectives and more say in the selection of regions, projects, the transition to a program approach for the ERDF would augment the Commission's autonomy in these areas. Second, the Commission proposed the adoption of higher rates of assistance for integrated operations.[75] Member states could receive more from the fund for their projects and programs if they submitted them as integrated development operations. Integrated operations were those which received assistance from more than one Community policy and which involved local and regional authorities in implementation. Integrated operations would satisfy both the Commission's goal of increased coordination between Community structural instruments and increased role for subnational authorities in the common regional policy. Third, the Commission proposed that the RDPs be integrated in to the fund regulation and that they "be prepared in close association with the regional authorities concerned."[76] Including the RDPs into the fund regulation (previously they had been a Council Resolution) would enhance the Commission's ability to use the RDPs to coordinate national regional policies. Involving subnational authorities in the preparation of these reports was intended to enhance the coordination of national regional policies by ensuring that member states did not run rough shod over local priorities, but uniformly included local authorities in regional planning.

Commission Tactics

In order to understand the role of the Commission in the 1985 reform (1981-1984) it is essential to understand Commission President Thorn's priorities for the Community and regional policy. In his program for the Commission and his accompanying address to the European Parliament, Thorn stressed the need for improved relations between the Council, the Commission and the Parliament in order to combat Europessimism.[77] Regional policy was one of the areas that Thorn felt needed attention, however he did not mention specific elements of the intended reform. In his program for the Commission, Thorn mentioned regional policy reform in very general terms, indicating that

"[t]he Commission will also propose a revision of the methods of operation of the Regional Development Fund with the aim of giving it a more active role as regards both the quota and non-quota sections of the Fund. These proposals will be placed in the framework of a more effective coordination of national regional policies."[78]

In his address to the Parliament Thorn offered a justification for the reforms, arguing that the persistence of regional disparities would threaten the legitimacy of the Community, and that in order to prevent increased regional imbalances, the ERDF would have to be reformed.[79] Thorn's justification for regional policy reform--that it was necessary for the legitimacy of the Community-- was bold in a rhetorical sense. However, it was not bold tactically in that it did not provide the Commission with a short-term, concrete justification for regional policy reform which it might use as leverage against the member states. Thorn's approach stands in contrast to Jenkins' approach of linking regional policy reform to enlargement.

If Thorn's justification of regional policy reform marked a change from the past Commission tactics, his decision to retain Commissioner Giolitti signaled his desire for continuity. If Thorn had wanted to effect a major change in the Commission's agenda and/or the Commission's strategy for achieving it, he would have replaced Giolitti. Giolitti had a proven record of achieving reform. He was familiar with the ERDF, and the Commission's long-held agenda for developing the regional policy. He had experience rallying the regional policy constituency and lobbying heads of state and government. Moreover, he had brought about the 1979 reform. To leave Giolitti in office was an indication that Thorn favored the development of the common regional policy. A further indication of Thorn's desire for a strengthened ERDF was the fact that he allowed Pierre Mathusen, Director General of DG XVI under Jenkins, to remain in office. Together, Giolitti and Mathusen would work to realize the Commission's agenda.

In 1981 Commissioner Giolitti launched a strategy similar to that which he followed in the 1979 reform which included lobbying heads of state, rallying ECOSOC and the European Parliament, and securing support from transnational groups. In September, one month prior to the release of the proposals, Giolitti embarked upon a tour of the capitals of Europe.[80] His mission was to inform the member states of the Commission's proposals and to discover which provisions each state might strongly favor and which each might strongly oppose. After learning which provisions were contentious and which enjoyed support, the Commission could determine the best course to pursue. In addition to his tour of the capitals, Giolitti also consolidated the support of the European Parliament and ECOSOC. Perhaps due to the Parliament's new status as a directly elected body, or perhaps due to their budgetary power over the (non-obligatory) ERDF, Commissioner Giolitti discussed the regional policy proposals with the Parliament. The Commission received support from the Parliament's Committee on Regional Policy for concentrating the quotas, expanding the non-quota section, and coordinating the national regional polices.[81] To sustain its support the Commission was forthcoming with answers to the Parliament's questions regarding the ERDF.[82] The Commission's attentiveness paid off: in April 1982, the Commission received the support of the entire Parliament, and in November 1982 the Parliament's Committee on Regional Policy passed a resolution criticizing the Council for not reaching agreement on the Commission's proposals.[83] In addition to obtaining the support of the Parliament, the Commission received the support of ECOSOC in November 1981.[84] Interestingly, the Commission's efforts to consolidate the support of its regional policy constituency was not as extensive as it had been during the 1979 reform. Although Giolitti did not speak before regional and local authorities, and did not organize conference for regional policy interest groups, the Commission received the support of the Union of Industries of the European Community (UNICE) for reforming the ERDF, particularly for improving the ERDF's ability to stimulate indigenous development.[85]

Despite Giolitti's efforts at lobbying the national governments, and despite the support of the Parliament, ECOSOC and UNICE, the Commission's 1981 proposals met with opposition from the states. In March of 1982, the Council had its first meeting on the Commission proposals and by June, state preferences on key aspects of the reform were revealed. Similar to the 1979 reform, the two most contentious issues were the limitation of quotas and the enlargement of the non-quota section. With respect to the limitation of quotas, Germany, Denmark and the United Kingdom were in favor, Belgium, France, and the Netherlands were opposed, and Italy, Ireland and Greece were neutral.[86] The change of leadership in France from Giscard and the Union for French Democracy (UDF) to Mitterand and the Socialists did not seem to impact upon France's position on the quota system. The change in leadership in the United Kingdom from a Labor government under Callaghan to a conservative government under Thatcher had made a difference. Where Callaghan had not favored a revision of the quota system, Thatcher favored greater concentration, presumably because she estimated that Britain's returns from the fund would increase and she was determined to correct the British net budgetary contribution.[87] On the issue of the extension of the non-quota system, none of the states favored the Commission's plan of increasing it to 20%. France, the United Kingdom and Italy however, did support an increase to 10% increase. Only Italy and Belgium favored the Commission's plan of preferential rates for integrated operations. The issue of strengthening the Regional Development Programs was, presumably, widely opposed because state preferences on this issue were never revealed. The rest of the Commission proposals enjoyed widespread support: all states favored extending the program approach (although not necessarily with program contracts) and all but Germany favored increasing the focus on indigenous development.[88]

Commissioner Giolitti's strategy at this stage in 1985 reform differed from that of the 1979 reform. In the 1979 reform, Giolitti engaged in shuttle diplomacy to increase support for the establishment of the non-quota section, and he downplayed the limitation of quotas in order to trade the latter for the former. In the 1985 reform, Giolitti practiced much less activist tactics. In the spring of 1982 he met with the Council to clarify the Commission's recommendations, and from that point on he waited. Rather than attempting to bring about a tradeoff, he allowed first the Danish and then the German Presidencies of the Community to forge compromises. In October of 1982, the Danish Presidency proposed that all states maintain quotas but that the quotas of the states, which under the Commission proposals were to be abolished, be reduced by 50-60%; and that the non-quota section be increased to 10% of the total fund. The Danish compromise was not acceptable to France or Belgium and it was rejected.[89] In April of 1983, the German Presidency issued another compromise. The German Presidency modified the Danish compromise and suggested that the 50-60% reduction in quotas for the richer states be phased in over a 3 year period and that the non-quota section be increased to 7.5% of the entire fund.[90] The German compromise was even less-well received. Belgium, Luxembourg and the Netherlands objected to such a slight increase in the non-quota section, and Italy suddenly came out in opposition to any increase in the non-quota section. Belgium and France objected to any reduction in their quotas and Greece sought an increase in its quota.[91]

With no hope of either of the compromises being accepted, Giolitti departed from his hands-off approach in the late Spring of 1983. In May, Giolitti made it known that if the Council could not reach agreement on the Commission's 1981 proposals, the Commission would reissue new proposals, and until these new proposals were agreed to, it would be forced to operate the ERDF as it saw fit.[92] Giolitti was issuing a two-part threat. First, he was warning the states that if agreement on the 1981 proposals was not reached soon, the states might face even more difficult proposals from the Commission. Second, he was warning states that since the national quotas had expired, the Commission would be able to operate the ERDF as it saw fit and would likely effect a temporary modification of the quota system in the direction of greater concentration. The Commission's two-part threat was undoubtedly aimed at encouraging the member states to reach agreement on the reforms at the Stuttgart Summit of the European Council in June. Unfortunately, no agreement was forthcoming and the Commission acknowledged that it would indeed reissue the proposals.[93]

A review of the Commission's 1983 proposals reveals that far from backing down from its long-held agenda, the Commission was forging ahead.[94] The Commission did not dilute or prune down the 1981 proposals, and resubmit proposals that met the lowest common denominator of large state interests. Rather the Commission retained not only the overarching objectives of the 1981 proposals, but also many of the specific policy recommendations that had been put forward to meet them. Moreover, an examination of the two major ways in which the 1983 proposals differed from the 1981 proposals reveals that the Commission was attempting to advance its agenda by an alternate route. The first major innovation of the 1983 proposals was to abolish the distinction between the quota and non-quota sections and institute in their place a system of indicative ranges for five years.[95] Each state was assigned an indicative minimum percentage and an indicative maximum percentage of the fund. The minimum limits were not guarantees or quotas--to obtain the minimum the states had to submit adequate applications, which would be judged by the Commission. To obtain funds up to the maximum, the states would have to submit applications in the form of programs. Since the Commission had proposed the upper limits for the wealthier states to be substantially less than their national quotas, the indicative ranges system, like the 1981 recommendation to limit quotas, was intended to secure greater control for the Commission over national allocation and greater concentration of the fund on the poorest states. Because the allocation of funds equivalent to the difference between the minimum allocations and the maximum allocations for all states would be at the Commission's discretion via programs, the Commission was in effect extending the non-quota, program approach. In fact, it was proposing that this portion of the fund total 17% of the fund--only 3% less than its previous extension of 20% (and more than twice the what the German Presidency has offered as a compromise).

The second major innovation of the 1983 proposals was to suggest the adoption of two kinds of programs--Community programs (CPs) and national programs of Community interest (NPsCI).[96] CPs were to consist of multi-annual measures aimed at Community-wide objectives, particularly structural development and conversion; and the were to involve several regions from at least two member states. Additionally, like the programs in the former quota section, the CPs were to be initiated by the Commission, finalized by program contracts with the member states concerned, and adopted by the Council by QMV.[97] The NPsCI, like the programs of the quota section, were to be multi-annual measures aimed at specifically national objectives and limited to nationally assisted regions. These programs would be initiated by the states, and finalized with the Commission's agreement into program contracts.[98] This "major innovation" of the 1983 proposals was not a substantive innovation, but a stylistic one. The Commission was still attempting to extend the program approach in order to increase its ability to control (and hence coordinate) the selection of regions, projects and national objectives for ERDF financing.

The forgoing review of the 1983 proposal indicates that the Commission carried through with its threat. "[F]ar from presenting before Council a set of conciliatory proposals which responded to previous criticisms, the second round with some reservations tended to heighten many of the issues that had surfaced previously."[99] The most contentious issues were in fact the 1983 innovations--the indicative ranges and the programs. The majority of states insisted that the minimum limits be guaranteed (as opposed to approximate) portions. Moreover, Ireland, Germany, Belgium, the UK and Greece insisted that the minimum limits not be less than their previous quotas.[100] The German position was the most surprising in that previously Kohl had agreed to renounce the German quota as part of the German compromise.[101] Without German consent, greater geographic concentration of the fund would be impossible. Just as a majority of states contested the Commission's scheme for concentrating the fund on the poorest regions, so did a majority contest provisions for the new program approach. Several states objected to the emphasis on Community programs and in particular the use of QMV to adopt them.[102] France, Italy and Denmark objected to the fact that the Commission would be able to allocate funds in excess of the minimums according to its own objectives and discretion. They argued that the difference between the upper and lower limits of the ranges be decreased, so that the percentage of the fund that would in effect be non-quota or at the Commission's discretion be lessened.[103]

Rather than actively intervening to arrange compromises with the states, the Commission having delivered upon its threat, retired to allow the states to hammer out an agreement. The Commission's withdrawal was undoubtedly calculated upon the hope that the upcoming elections of the European Parliament would motivate the member states to reach agreement on the outstanding issues of the 1983 proposals. If the member states delayed, they faced "the possibility of a relatively fresh and perhaps more vociferous parliamentary lobby" that might object to the outlines of the agreement which taking shape.[104] Furthermore, the Commission was probably basing its hands-off strategy on the expectation that the new French Presidency of the Council would actively seek to arrange an acceptable compromise. Mitterand had indicated that he was committed to relaunching Europe, and settling once and for all issues that had been troubling the Community for the past several years, particularly the British budgetary contribution and the rising costs of the CAP.[105] Where previously France had been the primary obstacle to agreement on the ERDF reform, now it would be the facilitator. Anxious to have a success under his belt before the Fontainebleau summit in June, Mitterand accepted a reduced guaranteed portion of ERDF funds for France (from 16.86% to 11.05%). Additionally, Mitterand assented to making the portion of the fund falling beyond the minimum limits 11.37% of the total---an effective increase in the "non-quota" section higher than the either the Danish or German compromises had envisioned. Mitterand's willingness to concede on key points in light may have been enough to convince Kohl to acquiesce. Kohl would not have jeopardized the budding Franco-German relationship, particularly when France and Germany needed to stand firm on the issue of the British rebate.[106]

The Commission's waiting game paid off. In May of 1984, the reform of the ERDF that had begun in 1981 was settled, and the Commission achieved most of its agenda. First, the Commission eliminated the distinction between the quota and non-quota sections of the fund. In so doing, it increased the concentration of the fund on the poorest states and regions, and increased percentage of the fund over which it had discretion. Second, by winning the adoption of CPs by QMV, the Commission enhanced its ability to determine the objectives, regions and projects for funding. Third, through the institution of NPsCI, the Commission expanded the program approach through which it might effect the coordination of national regional policies. Fourth, strengthened procedures for coordinating RDPs were incorporated into the regulation and the involvement of local authorities in their preparation was accepted. Finally, integrated operations were accorded legal status and given preference.

The Commission's success was due to in part to its own tactics, and in part to Mitterand's leadership and the fortunate timing of European Parliamentary elections. Early in the reform process, much like he had done in the 1979 reform, Giolitti lobbied heads of state and government, consolidated the support of ECOSOC and the Parliament and rallied support from the regional policy constituency. However, perhaps at the behest of President Thorn, Giolitti retreated from this activist strategy once the proposals were released. He pursued a hands-off strategy, allowing the member states to attempt to forge compromises among themselves. Giolitti's waiting game ensured that the pressure on member states to reach agreements would increase. Finally, the Commission made good on its threat and re-issued proposals that were largely unchanged. Rather than backing down and submitting less contentious proposals, the Commission held its ground and waited confident that time and Mitterand were on its side. In the spring of 1984, patience paid off. Faced with the prospect of censure from an invigorated Parliament and wanting to move on to the bigger and better matter of the British budgetary contribution, Mitterand revoked French opposition to a reduction of quotas and made adoption of the 1985 reform possible.

The 1989 Reform

The 1987 proposal for the reform of the ERDF was part of a general proposal to reform the Community's structural funds (the ERDF, the EAGGF-Guidance and the ESF).[107] The proposal contained four major recommendations aimed at increasing the Commission' ability to coordinate Community policies, to shape national regional objectives, and to select regions and projects. Furthermore, in keeping with past proposals, the 1987 proposal sought to increase the size of the fund, further concentrate fund resources on the poorest regions, and increase the role of subnational authorities in the common regional policy.

The first set of recommendations in the 1987 proposal related to the adoption of organizing objectives for the structural funds. The Commission proposed five objectives: 1) promoting the development and structural adjustment of lagging regions; 2) converting regions in industrial decline; 3) combating long-term unemployment; 4) promoting youth employment opportunities; 5a) promoting the adjustment of agricultural structures; and 5b) promoting the development of rural areas.[108] In order to encourage the funds to work toward similar goals, rather than at cross purposes, the Commission assigned each of the structural funds objectives. The ERDF was assigned to objective 1 (along with the ESF and EAGGF-Guidance), objective 2 (along with the ESF), and objective 5b (along with the ESF and EAGGF-Guidance).[109] If accepted this provision would enhance coordination of Community financial instruments, a long-held item on the Commission's common regional policy agenda. Additionally, the 1987 proposals stipulated that specific criteria be adopted to determine under which objective regions qualified. The Commission proposed that objective 1 regions include those having less than 75% of the EU average GDP plus Northern Ireland and the French overseas departments.[110] The specification of objective criteria by which to classify regions dated back to the earliest regional policy proposals of the Commission.[111] By proposing that all regions meet universal, objective criteria in order to qualify for Community funds, the Commission was proposing an increase its control over the selection of regions and ability to coordinate national regional policies. It would no longer automatically fund member states assisted areas; rather these areas would have to meet Community-wide criteria. Finally, the proposal stipulated that the majority of funding be carried out via programs, rather than projects.[112] This provision was consistent with the Commission's past attempts to extend the program approach in order to increase its control over national regional policy objectives, and the selection of regions and projects.

The second major recommendation of the 1987 proposal involved increasing the size of the ERDF and further concentrating it on the poorest regions. The Commission proposed that structural funds be doubled in real terms by the end of 1992. While the Commission had always lobbied for an increase in the ERDF, the specification by the Commission of a precise financial increase within an official legislative proposal, was unprecedented. The Commission needed a precise financial target to convince potential advocates of the reform of the depth of its proposals. In addition to an increase in the size of the funds, the Commission proposed to allocate 80% of the structural funds to objective 1 regions.[113] This would amount to a substantial increase in the concentration of resources on the poorest regions, and in the Commission's ability to determine national allocation.

The third major recommendation of the 1987 proposals consisted of revisions to the planning mechanisms of the ERDF. The Commission proposed that regional development programs be replaced by regional development plans and Community Support Frameworks. Under the system of regional development programs, the Commission and the Regional Policy Committee would review the state programs for their consistency with Community objectives and would make non-binding recommendations to the member states.[114] Under the 1987 proposals, the member states would, working together with the relevant regional authorities, devise regional plans including the goals and measures for regional development for each of their regions that qualified for assistance and submit them to the Commission for review. In accordance with the principle of partnership[115], the Commission, the member states and the designated regional authorities would work together to draw up Community Support Frameworks detailing in the case of the ERDF the priorities, operations and assistance from each of the Community structural funds for objective 1, 2, and 5b regions.[116] The 1987 proposals for planning would involve the Commission as an equal partner with member states and allow the Commission a greater role in the determination of national regional objectives and measure, hence enhancing its ability to coordinate the member states regional policies. Furthermore, the involvement of local and regional authorities in the consultation over the CSFs would enhance their role in the common regional policy, a long-held goal of the Commission.

The final set of recommendations of the 1987 proposals concerned amending the rates and types of ERDF assistance. The Commission proposed that, in addition to project and program assistance, the ERDF be allowed to issue global grants directly to regional development authorities.[117] Instead of giving the grants to the member states, who would in turn disburse them to projects or development authorities, the Commission would disburse the aid directly, thereby lessening the gate-keeping function of the member states. By increasing its interaction with subnational authorities, the Commission would be better informed about local development priorities, and over time win the trust and potential support of these authorities for further development of the common regional policy. Second, the Commission proposed that ceilings and minimums on its contributions to specific measures be fixed on an ad hoc basis. Rather than propose standard ceilings and minimums for each type of measure, as it had done in every regulation to date, the Commission proposed to set its contribution for one measure at a time.[118] This increased flexibility in financing, would allow the Commission to vary its contributions according to the seriousness of particular problems and the resources of particular regions and states, thereby use its resources more efficiently and effectively.

Commission Tactics

In order to explain the Commission's role in the adoption of the 1987 proposals, it is essential to investigate Commission President Jacques Delors' views and actions with respect to regional policy, prior to the release of the 1987 proposals. In his first *Program for the Commission*, Delors asserted the necessity of further enhancing the Community's regional policy by increasing the coordination between Community policies and instruments and between Community and national instruments.[119] Delors chose coordination, a Commission agenda item since the late 1970s, as the cornerstone of future reform of the ERDF. In order to bring about greater coordination, in 1986 Delors elevated the special task force for coordination that had existed within DG 16 to the status of DG 22 and assigned Grigoris Varfis the portfolio of coordination of the structural funds. Delors had raised the Commission's goal of achieving greater coordination between the funds from being one of several Commission's goal for developing regional policy, to being the overarching, or organizing goal of regional policy reform.

In the winter of 1987, Delors issued an ambitious five year plan for reforming the Community budget in order to prepare for the creation of the single market. Delors' proposal, "Making a Success of the Single Act" or Delors I as it has come to be known, included provisions for creating new budgetary resources, reforming and reducing the CAP, and reforming and increasing the structural funds.[120] Including the reform of the structural funds as part of a major multi-year, budgetary initiative was unprecedented. By including the structural funds reform as part of a controversial package, Delors seemed to be taking a huge risk--making the successful resolution of the structural fund reform dependent upon the resolution of the even more intractable issue of the CAP (and the British budget rebate). In fact the structural funds had little to loose. The recent accession of Spain and Portugal meant that there was little chance that the discussion of his package would lead to a reduction in their size, and perhaps portended well for an increase. By expanding the set of issues that states had to agree to, Delors may have been hoping to increase the number of possible tradeoffs and linkages, and thereby, the chances that progress would be made on all of issues.[121] Moreover, Delors probably knew that the debate over specifics of the structural fund reform proposal would be overshadowed by the debate over the increase in the structural fund budget, and the reform of the CAP. Delors was breaking with past Commission strategy by setting up a situation in which the likely linkages would occur not between the reform of the regulations and the size of the funds, but between the size of the various funds.

Like previous Commissioner Presidents and Commissioners, Delors visited the member states just prior to the release of Delors I to build support for his plan. Rather than informing states of the specifics of his forthcoming budgetary package, Delors apprised states of the general outline of and justification for the package. Initially, Delors did not even want to provide the member states with the general outlines of his package, preferring to focus solely on the justification. However, consultation within the College of Commissioners persuaded him to reveal the contours of his plan to the states.[122] Evidently, Delors hoped to raise general support for his package before becoming embroiled in conflicts over details of it. This tactic broke with past Commission approach of notifying states of the specifics of the Commission proposals, and soliciting feedback in order to adjust the proposals or tactics. Realizing the sensitive and controversial nature of the some of the provisions, Delors may not have wanted to give the states too much time to formulate objections and offer alternatives.

Member state reactions to Delors I were antagonistic across the three major issues. On the issue of CAP reform, the United Kingdom favored restructuring the CAP, while France and Germany maintained that the fundamental character of the CAP was non-negotiable--agricultural income could not be reduced by the budgetary reform. With respect to the creation of a new resource, Italy, Ireland, Greece, Spain and Portugal were in favor, while the United Kingdom asserted that the creation of new resources would depend upon curtailing agricultural spending. The issue of increasing the structural funds was equally contentious: the wealthy states opposed doubling the funds and the poorer states feared doubling the funds would not be sufficient. To complicate matters the issue of the British rebate resurfaced. The United Kingdom insisted that any agreement must preserve the British rebate, which led Germany to avow that if the United Kingdom was given a rebate, it would expect one too.[123] Member states' views of the issues remained intact throughout the spring and even following the Brussels summit of June 1987.

In late July, Commissioner Varfis presented the Commission's proposal for the structural funds reform to the Council.[124] The release of the proposal, which occurred while member states remained entangled in a discussion over the budgetary tradeoffs, was bound to catch the member states off guard. In order to prevent states from having the time to form objections and pick apart his package, the proposal was prepared by DG 22 "in near-isolation from the three funds and the national bureaucracies."[125] Furthermore, the proposal was packaged to ensure maximum success. As mentioned above the Commission's proposal contained specific policy recommendations and a recommendation to double the structural funds. By including the recommendation to double the funds within the proposed regulation, the Commission was signaling its firm desire that the size of the fund and the policy recommendations not be traded-off for one another. At the release of the proposals, Commissioner Varfis vehemently confirmed that the Commission proposals were an inseparable package that must not be broken apart--the doubling of the funds and policy recommendations were necessary parts to the whole.[126]

Delors stealth tactics were successful. By November of 1987, the member states were prepared to agree on many of the Commission's recommendations. The member states were willing to accept the principle of coordination as manifested in the five objectives. Furthermore, member states were sympathetic to concentrating resources on the objective 1 regions and utilizing the Commission's criteria as a basis for determining objective 1 regions. Finally, the member states were also amenable to greater flexibility in the rates of the Commission's intervention.[127] The primary obstacle to the resolution of the structural fund reform was the issue of the size of the fund. States were unwilling to finalize agreement on the reform until the issue of the doubling of the funds had been decided.[128]

Following the release of the proposals, Delors attempted to secure the support of the regional policy constituency. In keeping with past Commission tactics, Delors sought to build support for the Commission proposals among transnational groups. Just prior to the Copenhagen Summit of December 1987, where states were to attempt to reach agreement on Delors I, the Commission received the support of the European Trade Union Confederation (ETUC), the Union of Industries of the European Community (UNICE) and the European Center for Public Enterprises (CEEP). The three groups issued a joint statement in support of the Commission's proposals importuning that "the heads of state and government take the decision necessary on the basis of the proposals which the Commission has made."[129] The support of these bodies which represented both sides of industry was an indication of the bipartisan nature of support for the Commission's proposals, and as such, cleared the way for bipartisan support at the level of the heads of government. In late December, Delors met with representatives from the Council of Municipalities and Regions and the International Union of Local Authorities to discuss the creation of a committee comprised of elected officials that would advise the Commission on the development of regional policy.[130] Delors' meeting with these groups was an attempt at building subnational support for the Commission's funds. At the same time it served as a warning to the member states, that the Commission could continue to fan the flames of a regional tier if agreement was not quickly reached on the present proposals.

The Copenhagen Summit came and went and still the member states had not agreed on Delors I. The successful conclusion of Delors I would allow states to proceed with completing the internal market and with the reform of the structural funds. Desirous of illustrating the efficacy of German leadership, Chancellor Kohl, who held the Presidency of the Council, convened a special summit in February 1988 to breach the impasse. Undoubtedly eager to proceed with 1992 project, Kohl removed one of the major obstacles to Delors I and the structural fund reform by agreeing to cover the majority of the costs for the doubling of the structural funds.[131] With this hurdle cleared, the question of the creation of own resources and CAP reform remained. With Kohl's backing, the member states agreed to create a fourth budgetary resource (a national contribution based on a state's GNP) and to preserve the British rebate. CAP reform was completed when at the last moment Thatcher unexpectedly agreed to a higher ceiling on cereal prices.[132] The compromise agreement which contained all of the major elements of the original package, was the result of--and in turn a boost to--the Delors Commission's power and prestige.[133]

The successful resolution of Delors I cleared the way for the states to reform the structural funds by June.[134] Having reached on agreement on key provisions of the Commission's proposal in November, one major obstacle remained before agreement could be finalized. The member states needed to approve the list of regions that would qualify for objective 1 funding. Several member states, including Spain, Italy, Belgium and Germany wanted to include exceptions to the Commission's criteria for objective 1 regions. However, the difficulty of sorting out the individual claims, led the Council to decide to adhere strictly to the Commission's criteria for objective 1 an fit the marginal regions under objectives 2 and 5.[135] Interestingly, the establishment of new planning and assessment procedures, in particular the establishment of the Community Support Frameworks, was not reported to have been troublesome for the states.

A brief review of the final regulation reveals that the Commission was hugely successful in realizing its agenda for regional policy in the 1989 reform.[136] The Commission achieved its goal of enlarging the ERDF and further concentrating it on the poorest regions. The member states pledged to double the structural funds by 1993, and to concentrate 80% of resources on objective 1.[137] Additionally, the Commission's ability to coordinate its own regional policy instruments and to coordinate the selection regions for funding was enhanced. The states agreed to adopt the five coordinating objectives for the three funds, and institute universal criteria to determine the objective 1 regions.[138] The States also agreed to expand the program approach by accepting that most assistance would be in the form of either Operational Programs (formerly the national programs of Community interest) or Community Initiatives (formerly Community Programs) rather than projects. Expanding the program approach gave the Commission a greater voice in the selection of objectives and projects for financing. The states also agreed to involve regional and local authorities in the preparation of the Community Support Frameworks and to finalize the plans in consultation with the Commission.[139] This acceptance of the principle of partnership augmented the Commission's role in the coordination of national regional policies and created the possibility of the emergence of a regional tier of government of the European Community.[140] Finally, the states agreed to the institution of global grants and to increased rates of assistance.

The Commission's success was due, in large part, to its own tactics. Committed to the development of regional policy, Delors made four strategic maneuvers which had a decisive impact upon the timing and content of the 1989 reform. First, Delors created a new Directorate, DG 22 and set it to the task of creating the reforms. By creating a new DG devoted solely to the 1987 proposal, Delors was able to have maximum oversight over the formulation of the proposal and ensure that the

Commission's proposals were not leaked before he intended to release them. Second, Delors proposed an increase in the structural funds as part of general budgetary reform. In so doing, Delors was able to improve the chances that the fund increase would be accepted as a result of tradeoffs between budgetary items. Third, Delors released the structural fund proposals long after the budgetary package and in so doing ensured that the discussion of the budgetary plan would overshadow and distract member states from the details of the 1987 proposal. Additionally, Delors minimized the possibility that tradeoffs would occur between the size of the fund and specific policy recommendations of the 1987 proposals. Finally, Delors secured the support of key transnational groups precisely in order to increase the pressure on member states.

Delors was aided by a number of factors which he did not directly control. First, Delors was aided by enlargement. The addition of Spain and Portugal tipped the balance of states such that those which had an unequivocal interest in expanding the ERDF were more numerous. Second, the budgetary crisis of 1987 afforded Delors the opportunity to propose the package which was instrumental in the final acceptance of the 1989 reform. Finally, Delors was aided by the perceived linkage between the 1992 project and the structural funds. The completion of the common market which was expected to cause disproportionate hardship in the poorer member states, convinced member states of the need to double the structural funds.[141]

Conclusions

The foregoing review of the Commission's proposals for the 1979, 1985, and 1989 reforms of the ERDF, reveals that over the development of the fund the Commission has had a fixed agenda. The Commission has consistently sought to enlarge the size of the fund and to increase the fund's concentration on the poorest regions in the Community. Additionally, from the earliest days of the operation of the ERDF, the Commission has aspired to increase its control over allocations to states, and the selection of the regions and projects for financing. The Commission has continually attempted to augment its ability to coordinate national regional policies, in particular the selection of national regional objectives. It has also sought to improve the coordination between the ERDF and other Community policies. Finally, enhancing the involvement of subnational actors in the formulation and implementation of regional policy has also been a long-held agenda item of the Community.

Just as the foregoing review of the three reforms reveals that the Commission has had a consistent regional policy agenda, so it reveals that the Commission has utilized a variety of tactics over the evolution of the ERDF in order to realize its agenda. The Commission's ability to structure itself, particularly the President's power to recommend Commissioners, assign portfolios and create DGs, have all been used by the Commission to maximize its regional policy agenda. Additionally, the Commission has engaged in lobbying at the national, supranational and subnational levels. It has utilized shuttle diplomacy to raise support among member states, convened conferences to build support among subnational and transnational political groups, and met with representatives of ECOSOC and the European Parliament in order to solicit their support. Furthermore, the Commission has utilized a number of tactics associated with its power of initiation. Carefully crafting the content of individual proposals to encourage or discourage tradeoffs between specific provisions, timing the release of proposals to maximum advantage, withdrawing and reissuing proposals, and issuing multiple proposals in order to foster linkages between policy areas are among the most important tactics associated with the Commission's power of initiative. Lastly, the Commission has practiced tactics associated with its role as facilitator or conscience of the Community. At opportune moments, the Commission has suggested workable compromises, and alternatively, it has refrained from suggesting compromises, and the left the member states to battle and tire.

Unfortunately, the Commission's tactics have not always brought the desired results. Sometimes they have furthered the Commission's agenda and sometimes they have failed. The Commission's tactic of fostering (or inhibiting) linkages and tradeoffs between and within proposals worked well for Delors but not so well for Jenkins. The timing of proposed linkages is critical to their effectiveness. The Jenkins Commission's attempt to trade the elimination of quotas for the creation of the non-quota section was derailed when the issue of the size of the fund intervened, and the Commission misread the role of the Giscard-Schmidt partnership. France was able to secure a tradeoff between quotas revisions and the size of the fund. Likewise, Jenkins failed to pursue the link between EMS and the 1979 reform because he misread the Giscard-Schmidt partnership. His fear of derailing EMS through the linkage caused him to delay unnecessarily. Delors, on the other hand, used the tactic of linkage to the Commission's advantage. In addition to promulgating the link between the SEA and the structural funds, Delors included an increase of the structural funds within his budgetary package. By linking the structural funds increase to the issues of CAP reform and own resources creation, Delors improved its chances of acceptance. Furthermore by releasing Delors I prior to the 1987 proposal, Delors prevented the states from trading an increase in the size for the policy reforms.

The effectiveness of lobbying tactics is difficult to discern. However, it appears that quality matters more than quantity. Although in the 1979 reforms, Giolitti met with the European Parliament and ECOSOC, and various subnational and transnational groups throughout the reform process, the Commission still failed to realize a key section of its agenda. In 1987, Delors' lobbying of transnational groups was more circumscribed--he had two key public meetings in the winter of 1987. Nonetheless, because Delors secured what was in effect bipartisan support (both sides of industry) from Community-wide groups, he may have been able to convince Kohl and Thatcher of the desirability of compromising. He may have eased their fears of receiving a political backlash from their own parties for compromising, and at the same time, heightened the costs of non-agreement.

The Commission's tactic of waiting and doing nothing--refraining from curtailing its agenda and facilitating a compromise--has also worked to variously under different conditions. The tactic of waiting and allowing states to hammer out a compromise failed for the Thorn Commission in 1982. After waiting for over a year for the states to negotiate a compromise, the Commission revoked its proposals and resubmitted new ones. However, the waiting game succeeded for the Thorn Commission from the fall of 1983 through 1984. Confident that Mitterand would effect a solution and bolstered by the pending election of a new Parliament, the Commission did not offer to curtail its agenda to forge a compromise. In a few short months, Mitterand had revoked the chief French objections and the states agreed to reform. Likewise, patience paid off for the Delors Commission in the winter of 1988. Waiting for a year for the states to agree to Delors I and refusing to facilitate a compromise by dropping one of the more contentious issues in the package brought results in February when Kohl drooped his objections to footing the bill for the structural fund increase. The tactic of the waiting game, in which the Commission refuses to amend its proposal to facilitate a compromise seems to work best when the Council Presidency is also the holdout state.

The foregoing analysis of the 1979, 1985 and 1989 reforms of the ERDF reveals that the Commission has had a consistent agenda with respect to regional policy reform and that it has marshalled tactics in order to achieve this agenda. The Commission is much more than a servant to the member states, catering to the whims of the most powerful. However, the Commission is not an equal of the member states. It utilizes its tactics within a framework determined by the member states. Integrating intergovernmentalist and multilevel governance concerns, this paper has sought to explain variations in the Commission's ability to influence integration and begun to specify the conditions under which the Commission has more or less power.

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END NOTES

1.Helen Wallace, "The Establishment of the Regional Development Fund: Common Policy or Pork Barrel?" in *Policy-Making in the European Communities* ed. Helen Wallace, William Wallace and Carole Webb (London: John Wiley & Sons, 1977), 161.

2.Mark Wise and Gregory Croxford, "The European Regional Development Fund: Community Ideals and National Realities," *Political Geography Quarterly* 7 (April 1988): 175-176.

3.Ibid., 177.

4.Mark A. Pollack, "Regional Actors in an Intergovernmental Play: The Making and Implementation of EC Structural Policy,' in *The State of the European Union: Building a European Polity?* Vol.3 ed. Carolyn Rhodes and Sonia Mazey (Boulder: Lynne Rienner, 1995), p.362-365. Pollack's distinctive contribution to the sidepayment argument is to assert that the linkage is not functional but purely tactical.

5.Ibid., p.372.

6.Gary Marks, "Structural Policy in the European Community," in *Euro-Politics* ed. Alberta M. Sbragia (Washington, D.C.: The Brookings Institution, 1992); Gary Marks, "Structural Policy and Multilevel Governance in the EC," in *The State of the European Community: The Maastricht Debates and Beyond* vol 2, Ed. Alan W. Carfruny and Glenda G. Rosenthal (Boulder: Lynne Rienner, 1993); Gary Marks, "Exploring and Explaining Variation in EU Cohesion Policy," in *Cohesion Policy and European Integration* ed. Liesbet Hooghe (Oxford: Oxford University Press, 1996).

7.Marks, "Structural Policy and Multilevel Governance," pp. 400-401.

8.Liesbet Hooghe, "Building a Europe with the Regions," in *Cohesion Policy and European Integration* ed. Liesbet Hooghe (Oxford: Oxford University Press, 1996), 98-100.

9.Liesbet Hooghe and Michael Keating, "The Politics of European Union Regional Policy," *Journal of European Public Policy* 1 (1994): 372.

10.See Pollack, "Regional Actors in an Intergovernmental Play," p. 362.

11.Supplement 2/77--Bull. EC.

12.OJ C161 of 9 July 1977.

13.While a specific figure was not named in the proposals, Commissioner Giolitti was reported to have called for a non-quota section worth 100 million e.u.a or 13.3% of the total 750 million e.u.a. fund for 1978 (see *Europe, Daily Bulletin,* 3 of May 1977, 6).

14.See OJ C161 of 9 July 1977, art, 12; and Supplement 2/77--Bull. EC, pnts. 1; 36-37.

15.Supplement 2/77--Bull. EC, pnts. 45; 50.

16.Supplement 2/77--Bull. EC, pnt. 48.

17.The Commission stipulated that regions in need of agricultural and industrial restructuring be reviewed ever two years to ensure that they still required quota financing (see Supplement 2/77--Bull. EC, pnts. 43-44).

18.OJ C161 of 9 July 1977, art. 4.

19.Supplement 2/77--Bull. EC, annex 2, pnt. 5.

20.OJ C161 of 9 July 1977, art 18.

21.Supplement 7/76--Bull. EC, pnt. 54.

22.Supplement 7/76--Bull. EC, pnt. 15.

23.Supplement 2/77--Bull. EC, pnt. 22.

24.OJ C161 of 9 July 1977, art. 6.

25.Bull. EC 2-1977, pt. 1.1.4.

26.Bull. EC 2-1977, pt. 1.1.10.

27.Bull. EC 2-1976, pt. 26.

28.*Europe, Daily Bulletin*, 22 January 1977, p. 8.

29.Bull.EC 1-1977, pt. 1.1.10.

30.Quoted in *Europe, Daily Bulletin*, 24 February 1977, p. 7; 19 March 1977, p. 7; 7 April 1977, p. 12.

31.Ibid., 15 April 1977, p. 11.

32.Ibid., 27 May 1977, p. 8.

33.Bull. EC 5-1977, pnt., 2.2.32; see also *Europe, Daily Bulletin*, 25 May 1977, p. 8.

34.*Europe Daily Bulletin*, 18/19 July 1977, p. 12.

35. Bull. EC 3-1977, pt. 2.3.71.

36.Bull. EC 4-1977, pt. 2.3.20.

37.*Europe, Daily Bulletin*, 21/22 November 1977, p. 8.

38.Ibid.

39.Ibid.

40.Ibid., 21/22 November 1977, p. 8.

41.Ibid., 21/22 of November 1977, p. 8; 7 April 1977, p. 12.

42.Ibid.

43.Ibid., 21/22 November 1977, p. 9.

44.In the *First Annual Report of the ERDF*, the Commission expressed general satisfaction with the progress member states were making toward demonstrating additionality (see Supplement 7/76--Bull. EC, pnts. 52-67).

45.*Europe, Daily Bulletin*, 21/22 of November 1977, p.8.

46.Ibid., 20/21 June 1977, p. 7.

47.Ibid., 21/22 November 1977, p. 8.

48.For an analysis of Germany's negotiating position on the establishment of the ERDF see Simon Bulmer and William Paterson, *The Federal Republic of Germany and the European Community* (London: Allen and Unwin, 1987), pp.204-217; Ross B. Talbot, "The European Community's Regional Fund: A Study in the Politics of Redistribution," *Progress in Planning* 8 (1977): 221-222; and Helen Wallace, "The Establishment of the Regional Development Fund," pp. 149-151.

49.*Europe, Daily Bulletin*, 16/17 May 1977, p. 9.

50.Ibid., 24 November 1977, p. 4.

51.*Europe, Daily Bulletin*, 23 November 1977, p. 5.

52.It is also possible that Schmidt had never intended to support the increase and the Commission had been mistaken in thinking that Apel's support was as good as Schmidt's agreement. However, given Schmidt's relatively close relationship with Apel and the fact that Schmidt had formerly held the position of Finance Minister under Brandt, it is unlikely that the Commission would have made this mistake. (See Bulmer and Paterson, *Federal Republic of Germany*, 206-207.)

53.Ibid., 19 October 1977, p. 7; 21/22 November 1977, p. 8.

54.Roy Jenkins, *European Diary, 1977-1981* (London: Collins, 1989),182-183.

55.*Europe, Daily Bulletin*, 7 December 1977, p. 5-6.

56.Ibid., 25 February 25, p. 5.

57.Ibid., 18 May 1978, p. 8.

58.Bull. EC 6-1978, pnt., 2.1.57.

59.OJ C36, 9 February 1979.

60.OJ L35, 9 February 1979 art. 19.

61.Ibid., art., 13.

62.Ibid., art., 4.

63.Mark Wise and Gregory Croxford, "The European Regional Development Fund: Community Ideals and National Realities," *Political Geography Quarterly* 7 (April 1988): 176.

64.For Jenkins, the linkage between regional policy and monetary union was not necessarily functional-development in one area would not necessarily lead to development in the other. Rather Jenkins perceived regional policy and monetary union as necessary components of European economic union. (See Bull. EC 2-1977, pnt. 1.14.; Peter Ludlow, *The Making of the European Monetary System* (London: Butterworth Scientific, 1982). 48.)

65.Whatever the reason, Jenkins did not mention the possibility of a linkage until the fall of 1978, when the size of the ERDF had already been established. (See Roy Jenkins, *European Diary: 1977-1981* (London: Collins, 1989), 350-352; and Roy Jenkins, *A Like at the Center* (London: MacMillan, 1991), 484-485.)

66.Supplement 4/81--Bull. EC.

67.OJ C336 of 23 December 1981.

68.OJ C336 of 23 December 1981, art. 4; see also John Mawson, Mario Ruis Martins, and John T. Gibney, "The Development of the European Community Regional Policy," in *Regions in the European Community*, ed. Michael Keating and Barry Jones (Oxford: Clarendon, 1985), 38.

69.Mawson, Martins and Gibney, p. 47.

70.OJ C336 of 23 December 1981, arts. 7-9.

71.OJ C336 of 23 December 1981, arts. 16-17.

72.OJ C336 of 23 December 1981, art. 4.

73.OJ C336 of 23 December 1981, arts. 27; 31.

74.OJ C336 of 23 December 1981, art. 11

75.OJ C336 of 23 December 1981, art 29.

76.OJ C336 of 23 December 1981, art. 2.

77.CEC, *Program of the Commission* (Brussels: Office for Official Publications of the European Communities, 1981).

78.CEC, *Program*, 42.

79.Ibid., p. 18.

80.*Europe, Daily Bulletin*, 7/8 September 1981, p. 6.

81.Ibid., 4 September 1981, p. 7.

82.Ibid., 5 October 1981, p. 15.

83.Ibid., 24 April 1982, p. 11; 29/30 November 1982, p. 11.

84.Ibid., 4 November 1981, p. 16.

85.Ibid., 26 November 1981, p. 7.

86.Ibid., 29 October 1981, p. 13;30 November/1 December 1981, p. 11; 28 April 1982, p. 9; 10 June 1982, p. 11.

87.Ibid., 30 November/1 December 1981, p. 11; 20 May 1982, p. 14.

88.Ibid., 10 June 1981, pp. 11-12.

89.Ibid., 9 October 1982, p. 6.

90.Ibid., 21 April 1983, p. 9.

91.Ibid., 21 April 1983, p.9; 21 May 1983, p. 16.

92.Ibid., 30/31 May 1983, p. 11.

93.Ibid., 30 July 1983, p. 6.

94.OJ C360 of 31 December 1983; Supplement 3/83--Bull. EC.

95.OJ C360 of 31 December 1983, art. 4.

96.Ibid., arts. 5-17.

97.Ibid., arts. 7-8; 14.

98.Ibid., arts. 13-14.

99.Martins, Mawson, and Gibney, "The Development of EC Regional Policy," p. 50.

100.*Europe, Daily Bulletin*, 7 March 1984, p. 8.

101.Kohl's reversal may have been due his desire to show Thatcher that he was unwilling to concede to any arrangement that would increase Germany's net contribution. Although a conservative like Thatcher, Kohl did not side with Thatcher on the solution of the British budgetary question (see Desmond Dinan, *Ever Closer Union: An Introduction to the European Community* (Boulder: Lynne Rienner , 1994), p. 113-114; and Hugo Young, *One of Us* (London: MacMillan, 1991), pp. 382-386.

102.*Europe, Daily Bulletin*, 12 May 1984, p. 10; 7 March 1984, p. 8.

103.Ibid., 7 March 1984, p. 8.

104.Martins, Mawson and Gibney, "Development of EC Regional Policy," p. 52.

105.Andrew Moravcsik, "Negotiating the Single European Act," in *The New European Community: Decisionmaking and Institutional Change* ed. Robert O. Keohane and Stanley Hoffmann (Boulder: Westview Press, 1991), pp. 54-55.

106.Haig Simonian, *The Privileged Partnership: Franco-German Relations In the European Community 1969-1984* (Oxford: Clarendon, 1985), 333-334.

107.OJ C245 of 12 September 1987.

108.OJ C245 of 12 September 1987, art. 1.

109.OJ C245 of 12 September 1987, art. 2.

110.OJ C245 of 12 September 1987, art. 8.

111.See *Memorandum on Regional Policy in the Community* (Supplement 12/69--Bull. EC) and *Report of Regional Problems in the Enlarged Community* (Supplement 8/73--Bull. EC).

112.See OJ C245 of 12 September 1987, preamble and art. 8(6).

113.OJ C245 of 12 September 1987, art. 8(7).

114.OJ L169 of 28 June 1984, art. 2.

115.OJ C245 of 12 September 1987, art 4.

116.OJ C245 of 12 September 1987, art 8.

117.OJ C245 of 12 September 1987, art. 5.

118.OJ C245 of 12 September 1987, art. 13.

119.Supplement 4/85--Bull. EC, pnt. 95.

120.Supplement 1/87--Bull. EC.

121.David Cameron argues that this was Delors' strategy vis-a vis the White Paper at the Milan Summit in June 1985 (see David Cameron, "The 1992 Initiative: Causes and Consequences," in *Euro-Politics* ed. Alberta M. Sbragia (Washington, D.C.: The Brookings Institution, 1992), 51.)

122.*Europe, Daily Bulletin*, 9 January 1987, p. 5; 10 January 1987, p. 5

123.Ibid., 25 February 1987, p. 5.

124.Ibid., 25 July 1987, pp. 5-6.

125.Liesbet Hooghe, "Building a Europe with the Regions," p., 98.

126.*Europe, Daily Bulletin*, 25 July 1987, p. 5.

127.Ibid., 28 November 1987, p. 6.

128.Ibid., 30 November/1 December 1987, p. 5.

129.Ibid., 28 November 1987, p. 6.

130.Ibid., 21/22 December 1987, p. 4.

131.George Ross, *Jacques Delors and European Integration* (New York: Oxford University Press, 1995), 42; and John Pinder, *European Community: The Building of a Union* (New York: Oxford University Press, 1991), 159.

132.Dinan, *Ever Closer Union?* 154.

133.Peter Ludlow, "The European Commission," in *The New European Community: Decisionmaking and Institutional Change* ed. Robert O. Keohane and Stanley Hoffmann (Boulder: Westview Press, 1991), 119.

134.*Europe, Daily Bulletin*, 15 June 1988, p. 8.

135.Ibid., 3 June 1988, p. 6.

136.OJ L185 of 15 July 1988; OJ L 374 of 31 December 1988.

137.OJ L185 of July 1988, art 12.

138.Ibid., art 3.; art. 8.

139.Ibid., arts.8-9; art 17; and art.4.

140.Gary Marks, "Structural Policy in the European Community,"pp., 211-218.

141.Marks, “Structural Policy in the European Community,” pp. 202-204.