

**The Extended Gatekeeper: Central Government and the Implementation of EU  
Regional Policy in the UK**

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### **Abstract**

This paper is written as a contribution to the panel on *Policy Networks and European Integration* at the *1997 Conference of the European Community Studies Association*. It follows the introductory paper by Stephen George which defined the term 'policy network' and provided the analytical framework within which this paper is situated.

The policy networks approach is used to evaluate the merits of multi-level governance as a model of EU decision-making. According to the multi-level governance model, "decision-making competencies are shared by actors at different levels rather than monopolized by state executives" (Marks, Hooghe and Blank 1996, p346).

This model is tested in relation to the implementation of EU regional policy in the UK for two reasons. First, that regional policy, along with other EU structural policies, is considered to be at "the leading edge of multilevel governance in which supranational, national, regional, and local governments are enmeshed in territorially overarching policy networks" (1993, pp. 402-402). And second, that "Multi-level governance is prominent in the implementation stage" (Marks, Hooghe and Blank 1996, p365). In the terms specified by the advocates of multi-level governance, there would appear to be no better case study than the implementation of EU regional policy.

### **Introduction: explaining the EU regional policy process**

Explanations of the EU regional policy process can be situated in the context of a broader theoretical debate over European integration. Historically, two competing theories dominated this debate: neofunctionalism and intergovernmentalism. Neofunctionalists argued that interest groups were key actors in the integration process: at the first shift of power to the supranational level, interest groups would switch their operations accordingly. Once benefits were realised at the supranational level, these interest groups would then become advocates in their domestic arenas for greater European integration. As the central bureaucratic actor the European Commission would encourage interest groups to participate at supranational level and prompt groups to 'interpret their interests in ways which furthered integration' (George 1994, p3). Ultimately, national governments would find themselves unable to resist pressure towards greater integration.

By contrast, intergovernmentalists argued that national governments retained control over the key decisions within the EU and have thus determined the pattern of integration. National governments are both 'gatekeepers' between supranational developments and their domestic systems (Hoffman 1966) and through the Council of Ministers are able to constrain the Commission's ability 'to shift allegiances towards itself and therefore expand its mandate' (McAleavey 1992, p6).

The debate between neofunctionalists and intergovernmentalists has recently been revived, with new theoretical developments in both traditions. In the neofunctionalist tradition, Gary Marks (1992, 1993) and others (particularly Marks, Hooghe and Blank 1996) developed the concept of 'multi-level governance'. In essence, this argues that "European integration is a polity creating process in which authority and policy-making influence are shared across multiple levels of government - subnational, national and supranational" (Marks, Hooghe and Blank 1996, p342).

By contrast, Andrew Moravcsik (1993) and Mark Pollack (1995) among others have continued to emphasise the role played by national governments. In this revived debate, and in the work on multi-level governance in particular, regional policy (now included in the broader category of EU 'structural policies') has been a key area of discussion.

While the theoretical debate has advanced, some key themes have remained constant. One such theme is the importance of the European Commission's role in the policy process. Under the Treaty of Rome, the Commission is charged with promoting the Community interest and as such has been seen as a promoter of measures designed to further European integration. Thus, within the theoretical debate, the Commission is recognised as a political actor with a set of interests which may conflict with those of national governments. This view is strengthened by the arguments of the bureaucratic politics approach. In this approach,

"the component units of a government administrative apparatus are assumed to be quasi-autonomous actors with their own goals, which they pursue through the policy-making process" (Peters 1992, p115).

The history of EU regional policy thus far has been characterised by a struggle for control between the Commission on one hand and national governments on the other. The Commission has sought a policy with significant redistributive effects and genuine supranational (i.e., Commission) control. For their part, national governments have acknowledged the need for regional measures without unnecessarily conceding policy control to the Commission. The extent to which national governments have maintained control over key regional policy issues is the extent to which the 'gatekeeper' role is intact. This paper considers how successfully the UK government gatekeeper has defended its policy preferences within the context of increasing pressure for a supranational regional policy. If the multi-level governance theorists are accurate we would expect a clear diminution of central government control, given the expectation that "decision-making competencies are shared by actors at different levels rather than monopolized by state executives" (Marks, Hooghe and Blank 1996, p346).

### **The origins and early development of regional policy**

In 1961, the Commission convened a conference in Brussels to provide the broad outlines of a Community approach to regional policy. This started a process which led eventually to the creation of a European Regional Development Fund (ERDF) over a decade later. A combination of three factors explain the eventual adoption of the ERDF by member governments at the Paris Summit of 1974: attempts to complete

economic and monetary union (given impetus by the Werner Report of 1970); the enlargement of the Community to include Britain and Ireland; and the Commission's plans for controlling member government aid to industry. A period of difficult negotiations over regional policy in the early 1970s were only concluded when the Irish and Italian governments threatened to sabotage the Paris Summit unless other member governments gave a firm commitment on the size of the ERDF. The policy which emerged was one firmly controlled by member governments and not Community institutions. (For more detail on the early negotiations, see Wallace 1977b, Halstead 1982, Preston 1984, George 1985, Vanhove and Klaasen 1987 and Bache 1996).

While the Commission had kept the regional policy issue alive for over a decade and had been an important source of information and support to the *demandeur* governments during negotiations over the creation of a regional fund, it was initially given a limited role in policy management. Funds were allocated according to national quotas thrashed out in intergovernmental meetings, a system deemed too rigid and "inadequately related to the nature and seriousness of existing disparities" (Mawson, Martins and Gibney 1985, p30). The Commission's role was limited to approving projects submitted by national governments - significantly *not* the sub-national project sponsors (usually local authorities in the UK).

Thus, while acknowledging the need for regional measures in the context of enlargement, the push for economic and monetary union and the issue of national state aids to industry, reluctant member governments secured policy delivery mechanisms designed to ensure the new regional fund could not be used as an instrument to undermine its power either from above (the Commission) or from below (local and regional authorities).

### **The principle of additionality**

When the ERDF was introduced in 1975 it aimed to correct regional imbalances within the EU by funding up to 50% of the cost of economic development projects in 'less favoured regions'. A guarantee of domestic 'match funding' had to be provided for the remaining project costs before EU assistance would be released.

From the outset, the European Commission made it clear that ERDF grants were intended to be spent in addition to any domestic expenditure in the region targeted: the principle of additionality. The original ERDF regulation stated:

"the Fund's assistance should not lead member states to reduce their own regional development efforts but should complement these efforts" (CEC 1975, p2)

The implementation of additionality was central to the development of a genuinely supranational regional policy. This was the Commission's objective, but national governments sought to frustrate it (see Preston 1983, McAleavey 1992, Bache 1995). As such, the implementation of additionality has provided an important barometer in assessing the relative strengths of national governments and the Commission over EU

regional policy and as such, has informed the development of explanatory models of the policy process.

In the early years of regional policy, the dominance of national governments was in part evidenced by the principle of additionality being interpreted largely as member states saw fit. In the case of the UK, the government claimed that while it did not feel bound by the regulations to provide additionality, it did so anyway by providing local authorities with extra spending consents to take advantage of ERDF receipts. Before 1992, however, the government did not demonstrate how it did this. The government's critics argued that the lack of transparency in government accounts was a way of concealing a lack of additionality, driven by the view that ERDF receipts were a form of reimbursement for the UK's contribution to the Community budget and should be allocated at the discretion of the government and not the Commission. The problem for the government's critics was in proving what the government would have spent on regional development in the absence of ERDF grants. Despite this, the House of Lords Select Committee on the European Communities reported in 1981 that:

“the Regional Fund caused very little to happen that would not have happened anyway” (House of Lords 1981)

While the Commission was aware of the apparent lack of additionality in the UK at an early stage, it appeared powerless to change government policy.

Where the Commission did make early progress towards a supranational regional policy it did so through its agenda-setting powers. Thus, while the Council of Ministers rejected and diluted many of the Commission's proposals for regional policy from the 1960s through to the mid-1980s, the policy that evolved bore some marks of the Commission's own agenda. The creation and development of both a non-quota section of Community assistance in 1979 and the programme approach to administering funds in 1984 were examples of this (for more detail see Bache 1996, chapter two).

Thus, if national governments retained broad control over regional policy in the first decade, the Commission, at times assisted by the European Parliament, made piecemeal progress by seeking to "educate and cajole governments at the margins rather than to promote immediate and radical changes in national regional policies" (Wallace 1983, p97). Yet advances for the Commission depended on securing a sufficient coalition of support among national governments, which was often not possible. The Commission's failure to make progress on the key principle of additionality was an important illustration of the resistance of national governments to the erosion of their control over domestic policy, particularly where there were implications for public expenditure levels.

If the Commission's influence over the early development of regional policy could be described as significant in some areas, but severely constrained in others, the direct influence of sub-national authorities and other interests on Community-level decision-making could only be described as negligible. The consequence of the dominance of national government was the development of a regional fund but not a genuine regional policy. Up to the 1988 reform of the structural funds, the consensus view was that:

"Little has yet happened to disprove that the Fund is essentially 'cosmetic' and conceals the lack of a genuine desire among member states to adopt interventionist policies at a Community level capable of reducing spatial inequalities in wealth" (Wise and Croxford 1988, p187).

It is not surprising therefore, that the early accounts of the regional policy process deemed it a 'virtual paragon of intergovernmentalism' (McAleavey 1992, p3), despite the period up to the 1988 reform being marked by "a struggle to throw off the many restrictions imposed by the Council of Ministers in the original 1975 regulation" (Armstrong 1989, p172). Helen Wallace noted that:

"there has been almost no scope for the direct involvement of extra-governmental interests, for regional lobbies or other pressure groups, much though they have lobbied and pronounced on the various proposals tabled and important as their influence may have been at national level" (1983, p97).

The dominance of intergovernmentalist explanations of the regional policy process went unchallenged for over a decade. However, the content of the 1988 reform of the structural funds, of which the ERDF had now become part, provided hope among advocates that the seeds of a genuine supranational EC regional policy had been sown.

### **The 1988 reform of the structural funds**

In the context of Community enlargement to include Portugal and Spain and the drive towards completing the internal market by 1992, the 1988 reform of the structural funds promised to be the most significant to date. Allocations to structural funding would double by 1992, the additionality requirement was clarified and the partnership principle was introduced. This principle stated that henceforth funds would be administered as partnerships between national governments, sub-national authorities, the Commission and other relevant actors (for more detail see McAleavey 1992, Marks 1993, Bache, George and Rhodes 1996). Following on from previous non-quota experiments, Commission-controlled Community Initiative (CI) programmes were also introduced as part of the 1988 reform

While the content of the 1988 reform illustrated the recognition by member governments that the success of enlargement and the single market programme depended on a more effective response to the needs of disadvantaged regions, the nature of this response was the product of intense negotiation between EC-level actors. For its part, the UK government had opposed a number of Commission proposals but no issue was more fiercely contested by the UK government than the proposed strengthening of the additionality requirement. As one UK civil servant put it:

"Towards the end of the negotiations different member states had different reservations... ours was additionality" (DTI official, 1995: in Bache 1996).

The Commission put the point more forcefully:

“the UK government blocked the agreement on the whole package because of additionality” (Commission official, 1995: in Bache 1996).

In the end, both the UK government and the Commission believed they had secured a form of words on additionality which would allow them to meet their objectives. The final regulation stated:

"the Commission and the member states shall ensure that the increase in the appropriations for the funds... has a genuine additional impact in the regions concerned and results in at least an equivalent increase in the total volume of official or similar (Community and national) structural aid in the member states concerned, taking into account the macro-economic circumstances..." (Article 9, Regulation 253/88 EEC).

It became clear soon after 1988 that, despite the clearest requirement to date, there would be no change in the UK government's unsatisfactory arrangements for implementing additionality. The government argued that because it did not benefit from the 'increase in the appropriations for the funds' mentioned in the new regulations there was no requirement for it to change its arrangements. The Commission had anticipated this argument would be made, particularly as the phrase was included in the final regulation at the UK government's insistence (Bache 1996, p120). In response, the Commission argued that the government had not demonstrated additionality before the 1988 reform and, as problems persisted, was still obliged to do so. Moreover, the Commission's announcement of a new Community Initiative programme of aid for coalfield areas (RECHAR) would result in an increase in UK receipts, thus requiring the government to demonstrate additionality under the terms of the 1988 regulation.

### *The RECHAR dispute*

RECHAR was the first significant Community Initiative programme introduced after the 1988 reform of the structural funds. The Commission used its control over CIs to announce the introduction of RECHAR after the UK government had set out its public expenditure plans for the three-year financial period that the new programme would cover. As such, the government would have to make changes to its public expenditure plans to accommodate RECHAR additionally or be exposed to charges of blatant non-compliance with the 1988 structural fund regulations.

Despite the announcement of the RECHAR programme, the government made no changes to its arrangements for implementing the structural funds. It claimed to have anticipated the announcement of the RECHAR programme and to have already made the necessary adjustments to its public expenditure plans. Commissioner for Regional Policy, Bruce Millan, was not convinced and refused to release the UK share of RECHAR (at over £100m, almost half the total fund) until the UK government demonstrated that it was providing additionality. Meanwhile, RECHAR funds were released to qualifying regions in other member states. After a year-long dispute in which the Commission received full support from the local authorities affected, the

government agreed to demonstrate additionality for RECHAR and other structural fund receipts (for a full account of the RECHAR dispute see Bache 1996, pp. 151-188).

Early accounts of the RECHAR dispute suggested the outcome had significant implications for conceptualising EU regional policy making. McAleavey (1992, p43) suggested that:

"the European Commission's ability to force the crisis and carry it through earns it the right to a position nearer the centre of the picture than the marginalised role it was allowed in the pre-reform accounts of the European regional policy process".

While Marks (1993, p403) argued:

"Several aspects of the conflict - the way in which local actors were mobilised, their alliance with the Commission, and the effectiveness of their efforts in shifting the government's position - confirm the claim that structural policy has provided subnational governments and the Commission with new political resources and opportunities in an emerging multilevel policy arena".

Yet while the activity of the unique alliance between the Commission and local authorities illustrated new political resources and opportunities arising from the 1988 reform of the structural funds, their importance could only be fully assessed when the policy changes they had apparently secured had been implemented. In the immediate aftermath of the RECHAR dispute, local authorities themselves were cautious about the lasting outcome. CCC Chairman Cllr Hedley Salt said at the time:

"... I am deeply worried by the finer details of today's deal, which have sadly been left vague. In principle today's deal should mean a final solution to this long running saga. But the details do matter if authorities are to get the full benefit" (Coalfield Communities Campaign, press release, 17/2/92).

When the new arrangements for implementing additionality were revealed shortly after the April 1992 general election, this caution appeared to be justified. The new arrangements would give the impression of additionality for ERDF grants without providing additional spending capacity to councils. Henceforth, ERDF spending consents to local authorities in the form of Supplementary Credit Approvals (SCAs) were made transparent in government accounts only for the government to reduce other spending consents it had been providing local authorities to cover spending from domestic sources (Basic Credit Approvals or 'BCAs'). The table below illustrates the situation as it affected English councils.

Table 1: DoE Credit Approvals to English local authorities 1990-1995

(£m)                      1990/1 1991/2 1992/3 1993/4 1994/5



BCAs	135.5	169.2	95.4	15.0	zero
SCAs (ERDF)	25.0	45.0	45.0	151.0	170.0

(Source: DoE 1995)

The fall in BCAs between 1991/2 and 1992/3 was attributable in part (£30m of £73.8m) to moving provision for sport and recreation to the allocations from the Department of National Heritage. However, the DoE offered no explanation for the fall in BCAs for subsequent years apart from that it was 'government policy'. Thus, the overall impact of the new additionality arrangements for spending on regional development projects was more or less neutralised (for more detail see Bache 1996, chapters 5 and 6). This was entirely consistent with the government's argument that it always had provided additionality and so no extra spending was required under the new system. Thus, while local authorities and the Commission believed the government had side-stepped the additionality requirement, they once again faced the impossible task of proving what the UK government would have spent in the absence of ERDF grants.

If for the Commission the implementation of the new arrangements took it 'back to square one' in terms of securing additional spending in targeted UK regions, local authorities now also faced a new challenge. The cuts to the domestic spending consents of local authorities increased the problems they faced in raising the 'matching funds' required to secure ERDF assistance. As local authorities struggled to raise these funds, non-local authority project developers began to take a greater share of EU grants. In many areas local authorities were forced to take on an enabling role, co-ordinating bids partly financed by other bodies in order to maintain a high profile in the process. The government had made explicit its intention of promoting the role actors other than local authorities in the Parliamentary statement concluding the RECHAR dispute (House of Commons, February 17, 1992). While it is likely such a policy would have been introduced sooner or later it is quite possible that the RECHAR dispute provoked an early response from the government on this.

Thus, as McAleavey and Marks argued, the RECHAR dispute was indeed characterised by the emergence of a unique alliance between the Commission and subnational actors working to secure a change in the government's policy on additionality. However, the significance of this achievement was revealed to be more apparent than real when the new policy was implemented. McAleavey acknowledged this in a later article on the implementation of the structural funds in Scotland after RECHAR dispute (McAleavey 1995). The administrative arrangements had changed, but the UK government view of ERDF payments as reimbursement for its contribution to the EU budget had apparently not, and all the evidence suggested that the government had continued its policy of using ERDF payments to displace its own spending in the regions.

### **Implementing the partnership principle**

Prior to 1988 the administrative system for the implementation of the ERDF was established independently by the national government in each member state. The UK's

arrangements allowed for some decisions to be taken at local and regional level, but “within a framework controlled by the centre” (Preston 1984, p139). Decisions taken at the subnational level were controlled by ‘regional and functional departments’ of government which were “expected to maintain regular functional contacts with their local authorities and other public bodies on the actual project selection and as more general contact points for ERDF matters” (Preston 1984, p113). In short, the implementation process in the UK was firmly controlled by national government.

The creation of regional partnerships for administering the structural funds in 1988 was an attempt by the Commission to empower subnational actors at the expense of national government domination over the implementation process. Marks (1993) cited the partnership principle as part of his argument that structural policy appeared to be a two-sided process,

“involving decentralization to subnational levels of government as well as centralization of new powers at the supranational level” (1993, p402).

As such, structural policy was seen to be “the leading edge of multilevel governance in which supranational, national, regional, and local governments are enmeshed in territorially overarching policy networks” (1993, pp. 402-402).

While on the face of it, the inclusion of the partnership principle in the 1988 reform posed a threat to intergovernmentalist explanations of the regional policy process, the implementation of the partnership arrangements has had different impacts on national government control of the administrative process in different member states (Hooghe 1996). Indeed, within the UK itself there are discernible differences between regions in the extent to which subnational actors have been empowered by the partnership principle and, related to that, the extent to which national government has conceded control over decision-making.

In a survey of local authority experiences of the structural fund partnership arrangements (Bache 1996), responses from Scotland were generally the most positive. Part of the explanation for success here was that partnership working had a longer history in Scotland than elsewhere. The existence of a long-established territorial ministry and an established pattern of regular contact between government civil servants and other partners in Scotland facilitated a relatively smooth transition to the post-1988 structural fund arrangements.

However, a feature unique to Scotland was the creation of independent secretariats to service the structural fund Programme Monitoring Committees (PMCs). Scottish local authorities saw the existence of independent secretariats as a distinct advantage compared to arrangements in England and Wales, where all PMC secretariats were provided by central government regional offices.

Not all Scottish councils were unqualified in their enthusiasm for the new partnerships. However, those local authority officials critical of the role played by central government under the new arrangements tended to be more circumspect in how they voiced this than their counterparts in England and Wales: an indication perhaps, that

Scottish councils did indeed have more to lose by disturbing the new pattern of relations than local authorities elsewhere in the UK.

Welsh local authorities reported few of the advantages of an established territorial ministry that were a feature of the responses from Scotland. Overall, the view of partnership working in Wales was markedly less favourable than in Scotland, and some comments were highly critical of the Welsh Office. A major problem appeared to be the structures through which the partnerships operated, which gave the government office control over the important decisions:

"Not only is the monitoring committee dominated by the Welsh Office but the Welsh Office also controls the technical groups which feed the information into a secretariat run by the Welsh Office. The whole process is very much controlled by the Welsh Office (Welsh District Council officer, 1995: in Bache 1996).

However, while a substantial number of authorities reflected a high degree of dissatisfaction with the style of the Welsh Office, others suggested that the 'other partners' could make decisions, but it depended on the priorities of the government. Where an issue was considered important to the government, the outcome was generally decided by the Welsh Office.

Few local authority comments about relations with the Welsh Office over the structural fund partnerships were very favourable. There was a feeling in some quarters that the government deemed local authorities to be 'a pain rather than a partner'. A few officers did suggest, however, that relations with the Welsh Office overall were good but that the structural funds was a particularly difficult area.

A number of council officers in Wales cited the contrast between the relative failure of partnership arrangements compared to Scotland, with the independent secretariats seen as important. It was suggested that these had not been created in Wales because the Welsh office was antagonistic to working in partnership with local authorities. One officer suggested one possible explanation was the 'make up' of the ministers and civil servants at the Welsh Office which had a 'different approach to other parts of the UK'. However, it was suggested towards the end of this survey that recent ministerial and staff changes at the Welsh Office held out the prospect of more positive future relations.

Perhaps not surprisingly, the pattern of relations within the structural fund partnerships in England varied across the regions. However, in local government it was commonly held that while many aspects of the partnership arrangements were positive, there was no doubt that central government officials were firmly in control of the key decisions. How this control was exercised was often controversial:

"The government tends to get its way over the big issues: it has a virtual veto in key areas... In this way the government ensures that some EU money funds its own programmes" (English county council, 1995: in Bache 1996).

Central government control of PMC membership included a policy of restricting local government representation to 'officers only' in all but one region, thus depoliticising the decision-making process. In at least one region, this extended to central government officials selecting the local authority officers to attend meetings.

Thus, while local authorities had secured achievements at the margins, central government exercised greatest authority where it mattered most. Comments from English authorities suggested that relations with the regional offices of central government were considerably better than with Whitehall. There was a suggestion that on occasions, tacitly at least, the regional offices were on the same side as local authorities in a battle against Whitehall.

Where relations between government regional offices and other partners were good, as in Scotland, it was suggested that routine face-to-face contact was an important factor. Relations were also strengthened by an increasing number of secondees from local authorities and other partners working in government regional offices. The secondee system seemed appreciated by all concerned as a good way of increasing mutual understanding of the problems.

While the local government experience of the structural fund partnerships has been mixed, the system in principle is well received. In practice, however, the main obstacle to the creation of *genuine* partnerships is the continuing dominance of national government. Thus, while Marks is accurate in speaking of structural policy in being at the leading edge of multi-level governance in which 'supranational, national, regional, and local governments are enmeshed in territorially overarching policy networks' (1993, p402), added to this assessment needs to be an analysis of the distribution of power within those networks, up to and including policy implementation, and how this affects policy outcomes. As Hooghe and Keating (1994, p368) reported in their study of EU regional policy, "We find that there has been a great deal of regional mobilization but that its effectiveness is questionable".

It is argued here that an analysis of how policy implementation shapes policy outcomes is vital to assessing the extent of multi-level governance. In this case, evidence of the implementation of the partnership principle in the UK suggests that less has changed as a consequence of the 1988 reform of the structural funds than might have been expected. New networks have been created and subnational and supranational actors have been mobilised. Essentially however, the situation in the UK resembles closely that described by Preston in 1984, in which the arrangements allowed for some decisions to be taken at local and regional level, but "within a framework controlled by the centre" (Preston 1984, p139).

### **The state of the theoretical debate**

The 1988 reform of the structural funds breathed new life into the debate about the EU policy process and prompted a reconsideration of theory. In particular, multi-level

governance drew attention to the increased role played by the Commission at EU-level and to the emerging role of subnational players at the implementation stage. The evidence from this study suggests that despite the efforts of the Commission and the mobilisation of subnational actors, an *extended gatekeeper* role was successfully played by the UK central government during the implementation of EU regional policy. The 1988 reform set the conditions or the 'rules of the game' for implementation, but within that particular bargaining process national government controlled sufficient resources to ensure a satisfactory policy outcome.

Prior to the RECHAR dispute, UK central government controlled sufficient resources within the domestic networks to ensure the implementation of its own interpretation of additionality. During the dispute, the Commission's decision to withhold RECHAR funds to the UK brought it directly and forcefully into the implementation network with resources of its own. In particular, the Commission's control of RECHAR finances provided an important lever against central government policy. However, the Commission's control of financial resources may not alone have been sufficient. Also of importance was the support from key domestic actors for the Commission's position. This enhanced greatly the political legitimacy of the Commission's arguments. The control of constitutional-legal resources during the dispute was unclear; more so when members of the Cabinet openly disputed the government's arguments.

Thus, for a time, the Commission's intervention tilted the balance of resources away from central government. However, the government's agreement to change the administrative arrangements for additionality signalled the withdrawal of Commission resources. By agreeing to release all outstanding UK grants at this stage, the Commission immediately conceded key financial resources and allowed the government to recapture lost political legitimacy. By the time it became clear that the new arrangements meant transparency rather than additionality, the politics of the situation had moved on. In particular, discussions for the 1993 reform of the structural funds were at an advanced stage and the 'rules of the game' could be and were re-written in favour of national governments.

In relation to the regional partnerships established for administering the structural funds after 1988, central government has again controlled sufficient resources to dominate the domestic networks and shape key policy outcomes. As the authority effectively responsible for domestic implementation, central government has been able to monopolise the key positions in the regional partnerships. Government officials chair the PMC's and usually the technical and sub-regional committees which feed into them. Central government also has the power, within the broad outlines of the regulations, to select the 'other partners' and to decide how frequently meetings are held. While other actors complain and argue for change, the political legitimacy of central government's pivotal role within the domestic networks has not yet been seriously challenged. Central government remains in a strong constitutional-legal position in relation to other domestic actors and often also in terms of financial resources. There is, therefore, much validity in Pollack's argument that:

"The level of success or failure of each member government in maintaining its gatekeeper role seems to be largely a function of the pre-existing distribution of

power among the central government and subnational governments in each member state...” (1995, p377).

## **Conclusion**

The main point to be made from this study of regional policy is that existing explanations of the EU policy process might be strengthened by analysing the impact of implementation on policy outcomes. For those following the neofunctionalist tradition, there is much evidence of multi-level *involvement* in the implementation of EU regional policy in the UK, but the extent to which constitutes multi-level governance is unclear. Certainly, in relation to the principles of additionality and partnership, analysis of policy outcomes suggests that the gatekeeper role of UK national government has been played with some success at the implementation stage. For intergovernmentalists, this research suggests that where the gatekeeper notion is useful in describing the behaviour of national governments in EU policy-making, it makes sense to refer to an *extended gatekeeper* that can operate at all stages of the policy process, including implementation.

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