



EUSA twelfth biennial Conference 2011 - Boston, Massachusetts, March 3-5.

WHEN EUROPE ENCOUNTERS URBAN GOVERNANCE **Policy Types, Actor Games and Mechanisms of cities** **Europeanization**



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Session 8

8E: Territorial Regulation and Governance in Europe: Theoretical Issues and Empirical Demonstrations

Abstract

This paper examines European Union (EU) causal mechanisms and policy instruments affecting the urban domain throughout the lenses of the Europeanization approach. Instead of looking at EU instruments that are formally/legally consecrated to cities, we use theoretical public policy analysis to explore the arenas and the causal mechanisms that structure the encounters between the EU and urban systems of governance. Policy instruments are related to policy arenas and in turn to different mechanisms of transmission thus originating a typology of European Policy Modes. The paper focuses on four different EU instruments in the macro-area of sustainable development and proposes potential game-theoretical models for each of them. In the conclusions we highlight the differences between this approach and the traditional analysis of EU urban policy, and suggest avenues for future empirical research based on typologies of policy instruments and modes of Europeanization.

Keywords: actor games, analytic narratives, cities, Europeanization, policy analysis, causal mechanisms;

1. INTRODUCTION

Cities have gained prominence on the economic and political stage in Europe. They are centres for accumulation and production of wealth, functioning at time as bulwark against the effects of market forces, at time as places of social and political inequalities (Brenner 1999, 2004; Goldsmith 2003; John 2001; Le Galès 2002). The rise of international and European institutions has been matched by a transfer of regulatory authority downwards to sub-national territories, that is regions and cities, and in some circumstances, upwards in favour of supranational territorial configurations (Kazepov 2005; Lefevre 1998; Le Galès 1998)

The institutionalisation of the European Union has, at time, enhanced the political importance of the category “European City”, within a context where “European public policies, rules, procedures, conflict solving mechanisms, debates and norms, are now relevant to all cities within the EU” (Le Galès 2002: 96). The EU (European Union) provides innovative structures of opportunities for actors in urban systems of governance. This is a structure that cities can exploit to promote and develop their differentiated interests by drawing on multiple ways of interaction, both with other cities and with upper tiers of governments and regulation. Community Initiatives specifically targeted to urban

and city areas have affected the ways urban-level actors “think” about policy tasks and instruments.

The dismissal of specific programmes addressed to cities after 2007 and their incorporation into wider regional policies has opened up questions as to the place and role of cities and urban actors within the EU. In this connection, cities are also a key component of the attempts to create new loci of legitimacy for the EU and to learn via the open method of coordination by tapping the benefits of local knowledge (Sabel and Zeitlin 2008; Zeitlin and Trubek 2003).

However, when researchers try to identify the policies of the EU affecting the urban political domains, almost invariably they look for those EU programmes with “cities” on the tin, that is, the policies formally identified as targeting the cities. This is a major pitfall, since the identification of the units of policy analysis is a task of the researcher, and often formal-legalistic definitions are misleading or incomplete. To illustrate, no serious researcher would think of studying the welfare policies of the EU by looking for the Commission’s units with “welfare” in their name or run a search on legislative datasets looking for “welfare”. Instead, she would most likely start from a theoretical definition of “welfare”, think about its applications to the EU domains, and then identify empirical manifestations of the conceptual constructs suggested by the literature. This is also the aim of this paper. Specifically, we shed light on different arenas, mechanisms and instruments of Europeanization of urban politics by adopting a conceptual perspective informed by theoretical policy analysis. This is particularly relevant, because most of the literature on cities has followed a kind of formal or legalistic approach.

The general framework here employed is that of Europeanization. Such a perspective results to be particularly advantageous because, it is not only strictly related to the process of European Integration, but, besides that, it allows to highlight the modalities through which institutions at the European, national and local level, seek to influence decisional processes (Radaelli 2003).

Within this framework, the focus is on the “European domestic policy” (Jeffery 2000) namely those domestic areas influenced by the European politics and policy making, as well as the institutional/policy relationships between the EU, the national and the sub-national levels. For the purposes of this article, Europeanization is defined as *an interactive process wherein domestic systems of governance are in time changed by the diffusion of ideational constructs, legal and*

social norms, regulations and instruments. These are first identified, negotiated, contested and agreed upon within the EU-wide arenas, and eventually used by domestic actors to shape their institutional orders. Emphasis is placed on the concept of “institutional orders”. We draw on Carter and Smith's notion of institutional orders as interactive mediations “between sectoral regulation, usage of territory and the reproduction of the EU polity” (Carter and Smith 2008: 266).

In cities, Europeanization leads to an intensified political and economic interaction between actors at the territorial level, providing urban and city areas, and so their *institutions* and *actors*, with access to, and availability of, information, legitimacy and at times financial support. Partly for these reasons, social, economic and institutional actors across urban areas are experiencing an increasing involvement within mechanisms of governance characteristic of the politics, policies and polities of the European Union and of its Member States (Atkinson 2001; Choriantopoulos 2002; John 1996, 2000; Marshall 2003, 2005).

The remainder of the paper will be organised as follow: after a brief literature review, we will draw on theoretical policy analysis and suggest a catalogue of mechanisms and arenas building on the literature on mechanisms of Europeanization and theoretical policy analysis. This will enable us to situate the EU policy instruments affecting urban politics and policy in a coherent framework of arenas and mechanisms.

Having provided a conceptual overview of arenas and mechanisms, we will move to a parsimonious typology for the empirical analysis of Europeanization of cities, thus reaching the conclusion that despite the paucity of specific policy initiatives and programmes having an explicit “urban label”, there are several avenues and pathways through which cities encounter Europeanization. In section 4 we exemplify analytically the four modes of Europeanization, whereas the following section will present the design of our research, in particular the alternative hypotheses and analytical conjectures on the character of the different modes of policy. Section 6 concludes.

2. EUROPEANIZATION THE URBAN WAY

The process of European integration is accompanied by the creation of a growing bulk of legislation, rules and policy initiatives that, with different degrees of influence, may impact on European cities. Additionally, the European Union official rhetoric often portrays cities as “powerful agents of legitimisation” (Le Galès 2007) by designating cities and urban areas as “target populations” (Schneider and Ingram 1993) of new dimensions of citizenship. The idea of “Europe of cities” is also one of the components of the European polity in this legitimising discourse.

In spite of that, within the field of European Studies, academic research on the relations between cities and the EU has been practically confined to the Structural funds and Cohesion Policy (Marshall 2005; Zerbinati 2004), or to those policy programmes clearly holding the heading *urban* on their tin (Cento Bull and Jones 2006; Halpern 2005; Tofarides 2003), thus neglecting other dimensions where the encounter between Europe and urban systems is, theoretically at least, likely to yield transformative effects. The emphasis is often on in-depth analysis of changes occurred within the institutional structure of local government, triggered by the involvement of the city in specific initiatives for urban regeneration – URBAN CI – or more extended programmes for regional development, where cities administrations act in synergy with upper levels of government. In consequence, this narrow focus may bias any possible generalisation on the extent and scope conditions of Europeanization of urban areas. These studies conceive of Europeanization mainly as a two-fold process of downloading new institutional models and uploading via policy networks and lobbying activities (Marshall 2005). The process of Europeanization of cities and urban areas is eventually described - rather than measured or causally explained – and the influence of the action of the European Union partly prejudged due to scarce accuracy paid to the causal mechanisms likely to trigger change within urban systems. An exception in this sense is represented by Zerbinati’s comparative analysis of Europeanization in Italy and England where attention is accorded to both direct and indirect potentials for EU to influence local authorities. However, also in this case the analysis limits its focus to structural policy, thus narrowing the possibility to generalise about the influence of the EU on urban systems. Somewhat different is the approach employed by Kern and Bulkeley in their study of transnational municipal networks in the context of local climate change policy. The character of local policy networks in the field of

climate change is considered as influenced by the process of Europeanization – thus assumed more as an *explanans* rather than the phenomenon to be explained. They portray municipal networks somehow as devices at disposal of cities to circumvent the power of the central state (Kern and Bulkeley 2009). Their study therefore examines the structure of a specific set of municipal networks, rather than exploring the encounter between cities and the EU.

Urban policies, we submit, at both the domestic level and in the context of the European Union have instead to be considered as part of broader realms of public policies and their analysis should be therefore carried out accordingly. As claimed by Le Galès, “in analytical terms, it has been a common mistake to analyse urban policy as independent from changes in public policy in general” (Le Galès 2007: 13). This is particularly the case when the attempt is to assess the systems-actors interplay in the context of the EU policy making.

On the other hand instead, within the field of urban studies, the role of the EU is generally confined to one of intervening variable within a process where Europe reduces to a mere functional context for the action of cities (Goldsmith 1993; Kübler and Piliotyte 2007; Le Galès 2002). The European Union is therefore considered somewhat equally to other international governance contexts where cities and regions, due to an enlarged opportunity structure, are confronted with new channels for exercising “para-diplomatic” activities beyond the control of the central government. Sometime the action of the European Union is explicitly addressed and an attempt is made to seize the Europeanization of cities and urban areas; nonetheless the analysis is limited to accounting for the transnational activity of cities within network structures (Kübler and Piliotyte 2007). In these cases the analysis focuses on the intergovernmental relations between urban systems and other levels of governments within the hierarchically structured European polity - where cities are perceived as a lower level seeking to supersede the filtering power exercised by regional and central authorities. This kind of analysis, in turn, pays little attention, if any, to the policy action of the EU in terms of change of urban systems of governance. It neglects elements of research design and causation concerning Europeanization at the level of cities and local authorities¹.

¹ For a review of research design issues in the field of Europeanization see Exadaktylos, T. and Radaelli, C.M. (2009) “Research Design in European Studies: The Case of Europeanization”, *Journal of Common Market Studies* 47(3): 507-30.

The literature suffers therefore from an overall lack of theoretically informed approaches to EU-related urban policies grounded on specific assumptions, which in turn has reinforced the tendency to preserve the dividing between European studies and urban studies, at least within the discipline of political sciences.

Hence, to assess the nature of the process of Europeanization in the case of urban systems, there is a need, we contend, to look at different policy areas involving cities across Europe. However, this step has been somewhat hindered by the implicit shortcomings of the Multi level Governance approach (Marks et al. 1996). The tabloid version of MLG reduces the EU politics to the interplay between hierarchically ordered levels of governance, where sub-national levels and central states are maintained as conflicting, due to the attempt of lower levels to evade “central control”. Thus, sub-national actors and institutions are usually treated as constituting a unique and static layer of governance (Carter and Smith 2008: 265-266). To partially overcome these drawbacks, we draw on an approach grounded in Public Policy Analysis (Carter and Smith 2008). In particular, we will focus on the different European arenas – orders – of policy within which actors and institutions relate interchangeably in order to attain specific policy goals. Processes of interest formation, strategic decision-making and regulatory competition taking place over time in the context of policy orders have the potential to influence the character of Europeanization and eventually the features of domestic politics within different domains. Policy arenas, as well as the institutional and individual actors therein involved, have to be conceived as constituting dynamic systems, rather than clusters in fixed levels of governance. Therefore, attention is to be redirected towards the continuous distribution of power and “political assignment of authority” (Carter and Smith 2008: 266) within policy orders. The analysis of Europeanization of cities offers room for applying the “sharp public policy analysis tools” evoked by Carter and Smith by accounting for the nature and use of *policy instruments*, an approach that rarely has been used up until now. Focusing on policy instruments as well as on the mechanisms of transmission through which these instruments are likely to be promoted, and reacted to, allows to move beyond functionalist approaches by at the same time integrating the understanding of the new forms of networked governance (Rhodes 1997) with the mechanisms for the control and direction of behaviour (Hood 1998).

Policy instruments and the value of mechanistic explanations

For our purposes, a *public policy instrument* is defined as a “device that is both technical and social, that organises specific relations between the state and those it is addressed to, according to the representations and meanings it carries. It is a particular type of institution, a technical device with the generic purpose of carrying a concrete concept of the politics/society relationship and sustained by a concept of regulation” (Lascoumes and Le Galès 2007: 4). The definition of policy instruments that we use in this paper, which will guide the empirical assessment of Europeanization of cities and urban areas at a successive stage, builds on the argument that public policy instrumentation – maintained both as the set of problems posed by the choice and use of instruments and the effects produced by these choices (Lascoumes and Le Galès 2007) – yields its own effects as a consequence of the procedures for its selection, underpins specific reasons backing the choice of certain instruments over others as well as having inherent properties. This understanding contrasts in part with more functionalist orientations, which have traditionally characterised studies on policy instrumentation within the field of public administration (Salamon 2002).

Public policy instrumentation, and in particular the process and dynamics leading to the selection and successive deployment of instrument, ought instead to be maintained as involving political choices and factors, in turn underpinning specific relations of power between the actors and institutions involved in their choice. Therefore, also policy instruments have to be considered as political constructs (Schneider and Ingram 1993) resulting from conflict over definitions of problems; instruments may be conceived of as institutional forms framing the interactions and behaviours of actors and organisations by affecting relations of power, by at the same time privileging certain actors and some interests over others (Lascoumes and Le Galès 2007).

In this connection, a focus on mechanisms – here further dissected into mechanisms of change and mechanisms of transmission - results particularly important to highlight the constellation of *entities* and *activities* that are interconnected one another, thus bringing about specific types of outcomes (Hedström 2005; Hedström and Swedberg 1996; Machamer et al. 2000; Stinchcombe 1991). Social mechanisms constitute powerful tools to attain the causal explanation of the phenomena under analysis. Specifically, mechanisms based explanations, as opposed to statistical explanations and covering-law explanations, seem more precise and fine-grained in the fact that a reference to generative mechanisms allows to better distinguish between causality and coincidental association, by at the same time increasing

the understanding of the potential reasons triggering to the observed event or process (Hedström and Swedberg 1996). Yet, differently from other types of explanations, accounts based on social mechanisms bring the added value of revealing the processes underpinning the relationships under analysis (Bunge 1967, 2004; Falleti and Lynch 2009)². Sorting out the potential generative mechanisms for change facilitates the task of specifying the causal agents at the basis of the observed relationship between the entities under analysis. Causal agents, at least at a basic level, correspond to individual actors; social mechanisms therefore refer to the causes and potential consequences of individual actions. (Machamer et al. 2000).

Specifying the mechanisms at the bases of the encounter between cities and the European Union, thus triggering to the potential Europeanization of urban systems of governance helps to reduce theoretical fragmentation thus highlighting possible structural resemblances between processes. Furthermore, mechanisms - by connecting entities with activities in terms of the potential outcome they are supposed to regularly bring about – increase the possibility to sort out the causal relationships between a certain cause and its effect (Hedström 2005).

Therefore, when we say “mechanisms of Europeanization” we refer to theoretically justified patterns of interaction that may bring about Europeanization. We do not prejudge the degree of Europeanization that may eventually occur. We do not even make the assumption that, since there is a theoretically derived mechanism that produces Europeanization, the mechanisms will operate. Indeed empirically, one may find constraining or countervailing mechanisms. Thus, we leave the question of “how much Europeanization” out of this conceptual exercise.

Mechanisms may have a differential impact on the domestic (city) domains of policy (i.e. actors, instruments, resources, styles and cognitive structures of policies) and eventually on the political structures of urban areas (administrative, representative and cognitive/normative). Throughout the paper, the framework of Europeanization will be used to reveal causal mechanisms and the scope conditions at the bases of the encounter between cities and the EU wide policy making arenas.

² Similar arguments have been emphasised by other scholarships such as in Adcock, A. and Collier, B. (2001) “Measurement validity: a shared standard for quantitative and qualitative research”, *American Political Science Review* 95(3): 529-546.

We contend that when considering the range of programmes and policy initiatives promoted by the European Union - either those directly addressed to cities and urban areas, or instead those promoted in the context of wider actions having nonetheless the potential to influence the management of public policies within urban systems of policy-making - analytical attention should focus more narrowly on the commonalities and differences of policy programmes and initiatives on the basis of the sets of instruments deployed between different macro-areas of policy.

In turn, policy instruments, whether considered in isolation or instead as specific combinations (sets) within larger programmes of policy underpin different sets of mechanisms for their transmission. A well-known mechanism of Europeanization is the *goodness of fit* (Borzel 1999; Cowles et al. 2001). Bringing forwards the discussion, Knill and Lehmkuhl contend that the range of mechanisms is broader (Knill and Lehmkuhl 2002). Their set of mechanisms includes Europeanization by explicit adaptational pressures - *institutional compliance* - considered as the principal mechanisms characterising those policy areas of “positive integration” (Scharpf 1999), *regulatory competition* and *framing* domestic beliefs and expectations. Additionally, there are situations in which the action of the European Union can affect national systems of policy even in the absence of clear EU directives of regulation. It is actually the case of those areas of *facilitated coordination*. Here domestic actors, notably national governments, are the key actors (Bulmer and Radaelli 2005), and mechanisms of *learning* and *discourses legitimisation* trigger transformation within the EU as an arena for the exchange of best practice and ideas. In this case the principal mechanism through which Europeanization is eventually brought into existence is *learning*.

3. APPLYING THEORETICAL POLICY ANALYSIS TO THE STUDY OF URBAN SYSTEMS IN EUROPE

Building on the previous discussion, in this section we devise a series of potential mechanisms for the Europeanization of urban areas as associated to different modes – domains – of policy, through which the “encounter between cities and the EU” is supposed to occur. This is an exercise based on simple deduction and classification, but useful to explore causality³. To understand how causality works, we have to consider causal mechanisms of change, mechanisms of transmission, and accompanying dynamics. Table 1 illustrates this framework.

Tab. 1 Mechanisms of Europeanization of cities and urban areas

	MECHANISMS OF CHANGE	MECHANISMS OF TRANSMISSION	ACCOMPANYING DYNAMICS
<i>Mechanisms of Ideation</i>	<p><i>Socialisation</i> → <i>Legitimising discourses</i> → <i>Reflexivity-Social learning</i> → <i>Deliberation and Framing</i></p>	<ul style="list-style-type: none"> - Communication; - Benchmarking; - Policy learning/ transfer; - Promotion of new paradigms and tools of governance; 	<ul style="list-style-type: none"> - Transfer of best practices; - Networking; - Twinning; - Extrapolation; - Partnerships; - Active citizenship; - Expert networks; - Trans-national “scrutiny”; - Cities as target populations;
<i>Mechanisms of Distribution</i>	<p><i>Strategic Bargaining</i> → <i>Negotiation</i></p>	<ul style="list-style-type: none"> - Institutional framing; - Programming; - Targets compliance; - Territorial rescaling; 	<ul style="list-style-type: none"> - Institutional re-scaling; - Institutionalisation of weak ties; - Public Private Partnerships; - Policy integration; - NPM-type tenets; - Urban/regional/state/rural relations;
<i>Mechanisms of Coordination</i>	<p><i>Coordination</i> → <i>Cooperation</i></p>	<ul style="list-style-type: none"> - Self-regulation; - Cooperative Learning; - Targets Compliance (Standardisation); 	<ul style="list-style-type: none"> - Benchmarking Information; - Comparative Analysis; - Peer Review;
<i>Mechanisms of Regulation</i>	<p><i>Pareto efficiency</i> → <i>Regulation</i> → <i>Collibration</i></p>	<ul style="list-style-type: none"> - Regulatory competition; - Regulatory compliance; 	<ul style="list-style-type: none"> - Performances; - Impact Assessment; - Shared competences (other public actors; private sector); - Public Private Partnerships for the provision of services;

To overcome the limitations of the current literature, instead of looking at legal/formal definitions of EU urban policy, we have proceeded from a much wider scanning of the ways in which EU policy affects urban policy and politics. Specifically, we have drawn on

³ For a similar catalogue-like approach see Knill, C. and Lehmkuhl, D. (2002) “The national impact of European Union regulatory policy: Three Europeanization mechanisms”, *European Journal of Political Research* 41: 255-80.

the literature on policy types (Anderson 1997; Gormley 1986; Lowi 1964, 1972; Spitzer 1987; Van Horn et al. 2001) and the literature on mechanisms of Europeanization (Eberlein and Radaelli 2010; Knill and Lehmkuhl 2002), as well as on the discussion on the logic of choice and the logic of appropriateness (March and Olsen 1998).

Nonetheless, researchers willing to explore the dynamics of Europeanization, that is, how the EU affects or do not affect the local systems of policy and politics, need more than a catalogue based on abstract causal mechanisms. Therefore, building on the above assumptions and approaches, we develop, in turn, the argument that the *process of Europeanization at the urban level depends on the Mode of Policy to which the set of programmes or single initiative considered is associated with*. It is therefore useful to elicit from the previous discussions the core variables that explain change. The previous section seems to suggest that the two core variables concern the status of actors' preferences and the nature of strategic interaction.

The variables can be outlined as follows. The first (a) – *preferences* - concerns the initial arrangements of preferences that can be endogenous - and thus subject to change due to processes of learning and socialisation in situation where actors behaviours are mainly guided by a logic of appropriateness -, or instead exogenous - therefore leaving actors with bargaining options, for their most part dictated by a logic of choice. The other dimension (b) – *nature of strategic interaction* – deals with the distribution of payoffs from Europeanization. This dimension can be, in turn, systematised through a continuum where one pole is represented by zero-sum games - where either the values at stake are mainly social values therefore hardly negotiable, or the process of interaction is likely to generate winners and losers from Europeanization (Thatcher 2004). The other pole is positioned within the Pareto frontier.

The combination of (a) and (b) thus originates a four dimensional space that constitute a typology for the EU modes of policy – or modes of Europeanization -, which chimes with current theorisation on the EU modes of governance (Borras and Jacobsson 2004; Eberlein and Kerwer 2004; Héritier 2002, 2003; Treib *et al.* 2005).

Table 2. The space of EU Policy Modes

		DISTRIBUTION OF PAYOFFS FROM EUROPEANIZATION	
		ZERO SUM GAMES Winners and Losers from Europeanization <i>Social Values</i>	PARETO OPTIMALITY Europeanization on the Pareto frontier <i>Efficiency</i>
LOGIC OF PREFERENCES	ENDOGENOUS Preferences can change		
	<i>Appropriateness</i>	(1) THICK LEARNING/REFLEXIVITY	(2) REGULATION
	EXOGENOUS Preferences are given	(3) BARGAINING	(4) COORDINATION
	<i>Choice</i>		

One advantage of table 1 is that it shows that the arenas or domains of interaction are indeed four and not three as previously outlined. Another is that each of the cells of the typology can be associated with modes of interaction well known to the literature on governance and policy coordination. A third advantage consists in the fact that policy instruments can be observed dynamically. Depending on how they are implemented at the local level, they can move from one cell to another, thus revealing alternative modes of interaction as well as the mechanisms underpinning them. The four modes as presented in the typology partly overlap with types of policy well known by the literature. In particular, modes of regulation presents characteristics to many extends similar to those featuring in Lowi’s *regulatory arenas* (Lowi 1964, 1972) as well as many of the defining properties that feature the sub-types of regulative policies suggested by Gormley in terms of “hearing room”, “hoperating room”, “street level” and “board room” politics (Gormley 1986; Van Horn *et al.* 2001). Bargaining as mode of policy can be instead paired with distributive and redistributive arenas of policy as suggested by the literature, whereas thick-learning/reflexivity modes can be identified as interactive attributes of ideational arenas, which are to consider as a distinctive mode only for typological and analytical purposes. Ideational components, in fact, are generally maintained as characteristic of different domains of policy as well as diverse phases of the policy process, as for instance showed in studies of policy areas of regulation and regulatory regimes. Regulative arenas, in fact, are grounded in rulemaking practices: their logic of change is based on Pareto-efficiency and

market-preserving mechanisms. In part, this overlaps with ideational mechanisms since Pareto-efficiency is one of the legitimising discourses of the EU (Majone, 1992).

Modes of Europeanization and Policy Instruments

Not only do policy domains characterise for different procedural dynamics of interaction between actors and mechanisms for the transmission of EU-related policies in the localities, but they can also be distinguished on the basis of sets of policy instruments to be associated to single areas of policy within each of the domain. A policy instruments perspective (Hood 1983; Salamon 2002) looks at the instrumentation governments are endowed with – in this case the European Union – rather than solely focusing on the procedures through which decisions are taken or instead on the whole range of activities performed. This is particularly convenient within a realm – *urban policies* – where the European Union does not have a specific formal competence and where interactions between “cities” and the EU are likely to take place within multiple policy areas and during different stages of the policy process.

Our argument in this occasion is that different sets of policy contribute to determine the character of different domains of policy through which the process of Europeanization of urban politics is expected to have effects. Examples in this sense are the series of green papers and communications published by the European Commission in different policy fields. Another example is the different “fora” for discussion and exchange of policy ideas, such as URBACT II support programme, the LIFE project in the field of environment, the CIVITAS Forum in the field of transport or by the CONCERTO forum for the exchange of ideas in the field of energy efficiency. These instruments can be considered as preponderantly ideational, thus conforming to logics of learning and reflexivity. However they have the potential to trigger alternative logics – bargaining and regulation – in case they are endowed with financial provisions and/or eventually rules of implementation.

Further, inherently regulative instruments, such as the EU rules on public procurement, the water framework directive or the waste framework directive are often evolving in their ideational elements, which may eventually substantiate into forum for discussion and learning between actors involved in the implementation at the local level. Yet another example is instruments having a distributive nature – mostly substantiated in structural programmes – which despite reflecting modes of interaction in line with bargaining and coordination, are likely to be paralleled by dynamic of learning and reflexivity, both before

the actual negotiation of the funds and afterward during the phase of implementation and assessment of the programmes.

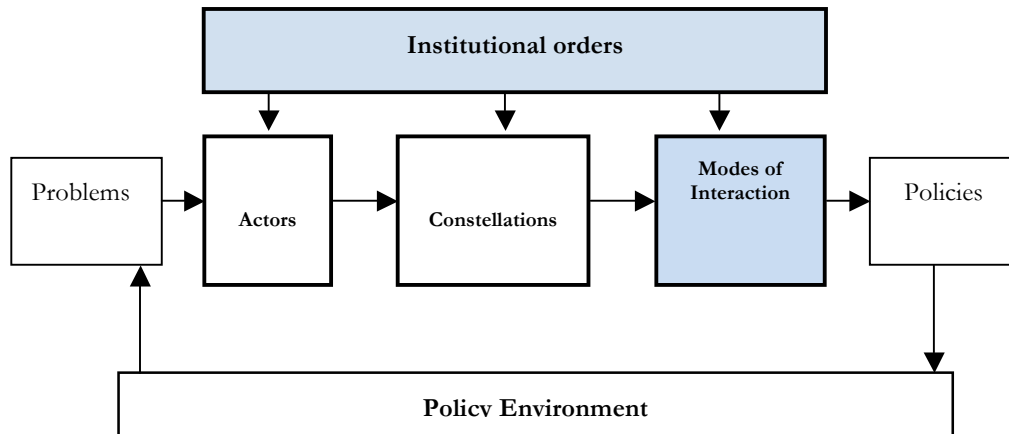
To sum up then, this analysis suggests some different mechanisms at work, and enables us to situate existing EU policy programmes and instruments which are likely to have an impact effect on urban systems of governance in a coherent framework. In a second phase, EU policy instrumentation substantiated in specific programmes, initiatives and regulations – as potential catalysts for Europeanization of politics within cities and urban areas - can be compared throughout their development on the basis of the theoretically grounded typology for the modes of Europeanization.

Actor constellations and Archetypal Game representations

Drawing on Scharpf's interaction-oriented policy research programme, the purpose of our research is “to identify the set of interactions that actually produces the policy outcomes that are to be explained” (Scharpf 1997: 43), which are eventually part of processes of Europeanization of different arenas within urban systems. Since we are mainly concerned with the character of the encounter between the EU policy making and cities in Europe, what is relevant are the action resources within different *institutional orders* (Carter and Smith 2008), therefore the rules establishing competencies, right of participation and eventually prescriptions in the specific policy process taken into consideration. In turn, as specified in the previous sections, *actors* – individual or collective – are characterised by their strategic action orientations that we name as EU – ideal typical - *Policy Modes* (Table 2). Thus, what really matters is the assemblage – *constellation* – of actors involved in the policy interaction upon a specific policy issue. Yet, building on Scharpf, a constellation “describes the players involved, their strategy options, the outcomes associated with strategy combinations (in terms of payoffs), and the preferences of the players over these outcomes” (Scharpf 1997: 44). A constellation therefore takes stock of the potential conflict but it is not comprehensive of the mode of interaction or the mechanisms through which the conflict is likely to be resolved. Following this, a “game theoretic representation” assumes, the form of a combination between a “specific actor constellation” forming in specific circumstances and in the course of a definite lapse of time (both to be defined during the research) and a specific “mode of interaction” and the mechanisms therewith pre-emptively associated.

However, it is relevant to highlight how both aspects of the game – actors’ constellation and mode of interaction – can vary independently from one another, and both have explanatory power.

Fig. 1 Interaction-oriented policy research: the domains



Source: personal elaboration from Scharpf 1997: 44

To paraphrase Scharpf “what matters in the present context is that the explicit conceptualisation of actors constellations provide the crucial link between substantive policy analysis and interaction-oriented policy research” (Scharpf 1997: 45), with the overall intention of revitalising Lowi’s call for a political theory that will treat “policy” as an independent variable influencing the types of politics that will be encountered.

The same therefore apply for the other modes of interaction characterising the typology at the bases of the analytical framework for this research, each of which can be theoretically paired with a different *mixed-motive games* situations (or variable-sum games) “in which the preferences of players are partly harmonious and partly in conflict” (Scharpf 1997: 73)⁴.

⁴ Scharpf distinguishes *mixed-motive games* from the simple situations of *pure conflict* (zero-sum or constant sum) games in which one side must lose what other side gains and situations of *pure coordination*, in which all actors can maximise their own payoffs by agreeing on concerted strategies. He differentiates in particular amongst four “archetypal” constellations well known in game-theoretical studies in terms of “Assurance”, “Battle of Sexes”, “prisoner Dilemma” and Chicken”.

4. DISCUSSION: empirical demonstrations

In this section we take stock of the four policy modes as sorted out in the previous typology by considering the plausible strategic interaction that generate around the deployment of different EU instruments of policy, which in differentiated ways have the potential to influence different policy components within urban systems of governance. For each of the instruments chosen as the *proxi* for the empirical investigation of the ideal policy modes (modes of interaction in Scharpf's language) we shall propose an initial archetypal game constellation to exemplify in game-theoretical terms the set of strategic interaction taking place within each of the modes as well as the payoffs distribution that arise from each of these games.

Two sets of considerations need nonetheless be recalled before proceeding with the analysis. On the one hand, although *actor-constellations* represent the set of actors involved in particular policy interactions, they do not the automatic association with the mode of interaction through which potential conflict is to be resolved (Scharpf 1997). On the other hand, constellations and therefore the institutional orders within which they form and evolve are different from one another according to diverse issues of policy – we claim – as well as between one context of analysis and the other (cities for our research interests).

Therefore, in empirical research constellation requires to be constructed by the analyst on the bases of available data and by closely looking at the territory under investigation. In this connection, the cells of the matrixes through which games constellations are exemplified, represents the outcomes stemming from the encounter between the strategic choices of interdependent actors. As evoked by Scharpf, “game theory as such can provide no help in identifying outcomes and their valuation by the ‘players’; the empirical and theoretical work necessary to describe them must have been done by the researcher before it makes sense to draw up game matrices” (Scharpf 1997).

Moreover, to avoid the problem of over-complexity deriving from the multi-actors nature of interactions thus implying the impossibility to translate such constellations into the form of two-by-two matrixes with single-numbered payoffs, the analyst may resort to the two mechanisms of *decoupling* and *aggregation*. Whether the former implies the reduction of the, any interdependencies that occur to a reduced number of recognisable environments of interaction, aggregation should lead to the reduction of multi-persons interactions to relations between few “corporate actors”.

Modes of Ideation: the case of the EU Covenant of Mayors

Cell 1 in our typology better describes situations characterised by endogenous distribution of preferences and a tendency for interactions leading to zero-sum games. Therefore, within arenas of *thick learning* or *reflexive governance* the main research question is about the scope conditions for reflexivity (via discourse or sustained interaction, as well as thick socialisation and/or frame reflection). Reflexivity dynamics carry the strongest potential for transforming zero-sum games and situations of stalemate within the decision making over specific policy issues into possible cooperative arrangements (Lenoble and Maesschalck 2006).

Archetypal Game model

Arenas where learning and reflexivity are the principal mechanisms of interaction may be exemplified through different games of *Cheap Talk* and more generally to the class of imperfect information - *signalling games* – involving interaction between a more informed agent, the sender (i.e. the EU, the Commission in our case) and a less informed agent, the receiver. In this sense, the main difference between games of signalling and cheap talks lies in the fact that cheap talk is generally considered as communication between players, which does not directly affect the payoffs of the game, whereas in signaling sending certain messages may be costly for the sender depending on the state of the world. In a Cheap Talk game, messages have no *direct* impact on payoff functions. If the Receiver ignores the message, the Sender's payoff is unaffected by the message. If the Receiver acts, though, that might affect the Sender. Usually, these are coordination games, where the Sender's preferred Receiver-action, given the true state of the world that he knows, is positively correlated with the Receiver's preferred Receiver-action.

However, the action of the sender might affect the payoff for both parties by changing the action taken by the receiver. There are cases, in fact where the conveyed information is not exogenous private information and cheap talk is indeed used to coordinate action, without, nonetheless guaranteeing efficiency in games; even unlimited cheap talk does not necessarily lead to Pareto-efficient outcomes (Farrell and Rabin, 1996).

Empirical appreciation

The EU Covenant of Mayors, for instance, is an initiative of the European Commission that gives the lead to Europe's "pioneering cities to mitigate climate change through the

implementation of intelligent local sustainable energy policies that create stable local jobs and increase citizens' quality of life and address crucial social issues⁵.

In this case, the signatories local administrations commit themselves to put in place concrete measures and projects. Signatory cities accept to report and being monitored on their implementation of the Action Plans. They also accept termination of their involvement in the Covenant in case of non-compliance. Cities also commit to allocating sufficient human resources to the tasks, mobilising society in their geographical areas to take part in implementation of the action plan, including organisation of local energy days, and networking with other cities.

The European Commission has committed unilaterally to recognising cities involved in the Covenant and provide for their public visibility. The Commission has implemented and funded the Covenant of Mayors Office, which provides technical and promotional support, including implementation of evaluation and monitoring tools, mechanisms to facilitate sharing of know-how between territories and tools to facilitate replication and multiplication of successful measures.

Dynamics of interaction characterising *reflexive domains* of policy find their foundation in those theories predicting the possibility of transformative change of preferences. Change is generated by processes of socialisation and discursive interaction between individual and institutional actors (Adler 2002, 1997; Checkel 1998; Ruggie 1998), stressing the importance of language, norms and inter-subjectivity (Checkel 2005; Christiansen et al. 2001) and the political role of legitimising discourses (Schmidt 2008; Schmidt and Radaelli 2004). The preferences of political agents are endogenous, thus subject to change due to general processes of *reflexivity* or *social learning* (Checkel 1999) in the European-wide policy-making as well as within and between cities. Other key mechanisms through which conflicting preferences of actors involved over policy issues generate reflexivity are *deliberation* (Elster 1998) and *framing* (Schon and Rein 1994), defined as "the process of selecting, emphasising and organising aspects of complex issues according to an overriding evaluative or analytical criterion" (Daviter 2007: 654).

⁵ <http://www.eumayors.eu>

Modes of Regulation: waste management policy in the EU

Cell 2 exemplifies instead situations of non-fixed preferences where the overall objective of interaction around policies is to attain procedural efficiency. Therefore, regulation as mode of governance typifies this domain.

Archetypal Game model

The conditions that characterize this mode of policy and the set of interactions that wherein potentially occur can be analytically represented by a *Battle of the Sexes* game, and more generally to the class of games of coordination with conflict over distribution. According to the logic of the game, the parties involved in the interaction have a common interest in coordinating their choices in order to reach a

welfare-superior outcome (n.e./s.w.) although the parties involved are initially orientated towards different options. In particular, if the game is played as a non-cooperative one with simultaneous moves in the absence of prior communication there is no certainty of reaching the preferred outcomes (n.w.). Communication and binding agreement do not solve nonetheless these difficulties; in fact, disagreement over

<i>Battle of the Sexes</i>	C	D
C	1 1	4 3
D	3 4	2 2

the coordinated outcomes would still persist. Hence, agreement over outcomes is eventually reached since both side still prefer to accept the less attractive outcome rather than falling in a situation of non-coordination. In our case though, interaction is more likely to be played out conforming to a non-cooperative but sequential game. The party that has the first move (the European Commission in the specific case) can select its most preferred outcome and it would be in the other part's best interest to coordinate on the same outcome.

Empirical appreciation

The EU policy for waste management is significant in this sense. In fact, different types of regulation revealed necessary to face the problematic implications of the growing production of waste and to reduce the types of waste produced as well as to endure a design of new products that would facilitate waste recovery afterwards. Nonetheless, this

regulation does not always take the form of command and control instruments; instead it can include economic and fiscal instruments as well as industrial codes of conduct (Chalmers, 1994).

Hitherto, only few “command and control”-like measures have been adopted towards the excessive accrual of waste. In this connection, one of the most relevant attempts is represented by the enforcement of the Directive on Packaging and Packaging waste⁶, officially published on 20 December 1994. The Directive requires that, by 31 December 2001, by weight, specific targets for packaging waste recovery have to be attained; additionally, within these general targets, there are other targets to be reached in terms of recycling of waste, with further specifications for each packaging material. The Directive is accompanied by a series of supporting measures to help achieve these goals. Exceptions are moreover envisaged for some Member States⁷. For the gist of our investigation it is important to highlight how, a policy of this kind, and above its overall success, does not merely rely upon the deployment of regulatory instruments, but also on “behavioural and attitudinal changes” (Chalmers, 1994: 277) that require the participation of a wide range of actors, including local authorities and private individuals. This implies the intensification of the relations between the Community – and the EU policy-making more generally – and these actors.

Domains where *regulation* is the characteristic mode of interaction have a rank of values at stake that is not disputed and eventually composed by actors, neither through processes of socialisation and discourses legitimisation, nor by means of forms of strategic bargaining and negotiation. The set of preferences within this domain can be initially considered as either endogenous – thus subject to change through technocratic argumentation – or exogenous. But here, the defining character of policy action is its tension towards preserving *efficiency* over equity. Two main sets of procedural mechanisms can be maintained herewith in operation, that is *regulation* and *efficiency*, which in turn underpins more specific dynamics for the delegation of regulatory authority (Majone 1994) to third parties in insulation from the electoral cycle, thus seeking legitimacy through administrative

⁶ Council Directive 94/62 EC, OJ 1994 L 365/10.

⁷ Because of their specific situation, i.e. respectively the large number of small islands, the presence of rural and mountain areas and the current low level of packaging consumption, Greece, Ireland and Portugal, must aim to recover lower targets of packaging waste and meet the recycling targets by 31 December 2005. Art 6(5).

procedures (Majone 1996). In the case of regulatory policies, the role of central governments, especially the role played by the EU, can be thought as one version of *collibration*, defined as “an intervention by government to use the social energy created by the tension between two or more social groupings habitually locked in opposition to one another to achieve a policy objective by altering the conditions of engagement without destroying the tension – unless deliberately” (Dunsire 1993; 12). The functioning of regulatory arenas is often identified with Pareto-efficiency. Regulatory regimes attempt to reach policy efficiency through differentiated moving of actors towards the Pareto frontier, as showed by several explanations of international regulatory regimes (Krasner, 1991).

Modes of distribution: the Community Initiative URBAN II

Cell 3 features situations where preferences are fixed and interaction is likely to end in situations of zero sum games. Extended processes of bargaining are the only way forward in terms of composing preferences, often via conflict management through side payments or by using a kind of “veil of ambiguity” to settle on long-term solutions that are amenable to short-term bargaining (Eberlein and Radaelli 2010). The theoretical foundation of this policy mode is the rational choice paradigm of fixed and conflicting preferences that need to be aggregated – via the two variants of *issue based aggregation* and *arena based aggregation* – or instead transformed within different issues and over time (Eberlein and Radaelli 2010). Interaction over policy issues thus can take the general form of bargaining, negotiation, and cooperation (Keohane 1984: 12). Particularly relevant in the case of cities involvement within the EU-wide policy-making are therefore mechanisms of *bargaining*, especially over policy programmes having considerable net distributive effects.

Archetypal Game model

Interaction, in this case can be paired – at least initially – to game models of bargaining in non-cooperative situations; the original model proposed by Rubinstein (1982)⁸ well exemplifies this set of games, where the players involved (the bargainers) interact in reiterated ways. In the negotiation of structural funds, local representatives are often

⁸ Rubinstein draws his model from the simple situation of two individuals with several possible agreements but with different interests as to the way of reaching agreement.

involved in the phase of domestic consultation, and only in “second facie” at the supranational level when dynamics of *grand bargaining* can be considered completed (Pollack 1997; Sandholtz 1992). Another way to conceive interaction within distributive arenas is to think of a series of nested games (Tsebelis 1990) taking place within different arenas of governance, where actors’ suboptimal strategy in one game can be part of a strategy to maximise payoffs when all arenas are taken into account. This in turn may imply the shifting of arenas, thus moving to a different set of decisions and orders (Héritier and Lehmkuhl 2008) or instead strategies for the creation of sub systemic arenas where partial positive-sum games may be reached within an overall situation of disagreement (Radaelli and Kraemer 2008). Cities-EU interactions may also conform to mechanisms of “two-level games” (Buchs 2008; Putnam 1988).

Empirical appreciation

Due to their involvement in EU-led urban programmes, and particularly in the Community Initiative URBAN – during the programming period 1994-1999 and 2000-2006 - European cities reacted to both the new opportunities offered, and the constraints sometimes accompanying the EU-grants (Atkinson, 1999; Halpern, 2005; Marshall, 2005).

Between 1994 and 1999 URBAN I Initiative financed programmes in 118 urban areas with a total of EUR 953 million of Community assistance, 3.2 million people lived in the supported areas and projects focused on rehabilitation of infrastructures, job creation, combating social exclusion and upgrading of the environment. With a total budget of EUR 730 millions, projects for sustainable economic development and social regeneration were co-financed under URBAN II in 70 urban areas throughout Europe (CEC, 2003).

Differently from the first edition, over the second round the financial equipment decreased substantially and URBAN became a mono-fund program, financed exclusively by the ERDF. Building on the positive experience of the first edition, URBAN II is based on a series of Commission guidelines for financing projects aimed at improving living conditions, creating jobs, integrating the socially excluded, developing environmental friendly public transport and facilitating the use of information technologies in cities (CEC, 2000). Key features of URBAN CI are the integrated to urban regeneration and the direct involvement of local authorities in the management and implementation of programmes.

Modes of Coordination: Air quality control in Europe

Cell 4 - *coordination* - represents arenas characterised by the fixed distribution of preferences, where nonetheless, there are gains from cooperation to be exploited. Coordination as a specific mode of interaction - differently from the alternative modalities indicated in our typology - has been partly overlooked, and in turn, its nature remains rather under-theorised.

Archetypal Game model

Modes of coordination, can be generally represented, we maintain, by the well known Assurance game⁹, where players have a clear common interest in coordinating on common efficient options, hence providing both of them with their best possible payoffs (n.w.). As such, the game features the character of games of pure coordination; we need nonetheless

<i>Assurance game</i>	C	D
C	4	3
D	1	2

to account for the risk-factor involved. If, for instance, one of the two parties chooses to defect, then the other part that has decided to “cooperate” will end up with the worst possible outcome (n.e.). The game in his simplest form reminds of the great importance of actors perceptions and mutual predictability in social interactions. IN this connection, if the player that ahs decided to cooperate is unable to trust others

understanding of the common situation, it would be logically led to defect in order to avoid the worst-case outcome of a cooperate/defect situation. If also the other player in our example should be persuaded by the same initial uncertainty, then both would end up with an overall second-worst outcome solution (s.e). There are two pure strategy equilibria. Both players prefer one equilibrium to the other - Pareto optimal and Hicks optimal. However, the inefficient equilibrium is less risky as the payoff variance over the other player’s strategies is lower. Specifically, one equilibrium is payoff-dominant while the other is risk-dominant.

⁹ “Assurance game” is a generic name for the game more commonly known as “Stag Hunt”. The French philosopher, Jean Jacques Rousseau, presented the following situation. Two hunters can either jointly hunt a stag (an adult deer and rather large meal) or individually hunt a rabbit (tasty, but substantially less filling). Hunting stags is quite challenging and requires mutual cooperation. If either hunts a stag alone, the chance of success is minimal. Hunting stags is most beneficial for society but requires a lot of trust among its members.

Empirical appreciation

The EU policy for air quality control may be referred as a plausible domain where assessing coordination as a mode of policy. Specific analytical reference can be made to Council Directive 1999/30/EC relating to limit values for sulphur dioxide, nitrogen dioxide and oxides of nitrogen, particulate matter and lead in ambient air, constitutes, we argue, an instrument apt for investigating this mode of policy. The directive was is the so-called “First Daughter Directive”. The directive describes the numerical limits and thresholds required to assess and manage air quality for the pollutants mentioned. It addresses both PM₁₀ and PM_{2.5} but only establishes monitoring requirements for fine particles.

Despite presenting similar feature to “regulation” as a mode of interactions, for our purposes – at least in the phase of theoretical elaboration - *coordination* can be maintained as a specific and theoretically grounded mode of policy. In this case, the set of preferences available to actors is exogenous and, as in the case of regulation the rank of values at stake is not disputed and eventually composed by actors, neither through processes of socialisation and discourses legitimisation, nor by means of forms of strategic bargaining and negotiation. Two prevailing sets of procedural mechanisms are herewith in operation in terms of action *coordination* and *cooperation*. Examples in this sense are represented by the promotion and affirmation of various EU measures aimed at promoting *better regulation*. In this case, the instruments in which the better regulation agenda in grounded are “soft” in character and there are advantages for the parties deriving from the partial coordination of their reciprocal action and the exchange of ideas over policy alternatives. The preferences at disposal of actors are not compulsorily subject to change and change is conditional upon advantages gained from process of learning through cooperation; this, in turn, may lead to reforms to be undertaken domestically.

5. DESIGN OF THE RESEARCH: a proposal

Having outlined four distinct domains of interaction, allows for the dynamic analysis of policy instruments associated with specific policy initiatives or programmes within each of the cells. Instruments and policy programmes, although initially coupled with one arena – domain - or another, are expected to move across cells. This builds on the assumption that EU policy instruments, differently substantiated into policy programmes and regulations – and in their provisions - that are likely to affect cities in the European Union, can be initially conceived as mainly ideational, regulative or distributive in character and therefore organised accordingly. When, however, we use the classification to select a specific policy programme for empirical research, the dynamic analysis of the process of Europeanization may well show that instruments reveal different modes of interaction and therefore change “cell” in the typology.

Therefore, we assert that the character of the process of Europeanization of urban systems, depends on the *nature of strategic interaction*, and not instead on the legal “tools” explicitly designated for cities. In turn, the nature of strategic interaction, as the combined resultant of two dimensions, namely the initial distribution of preferences and the gains from Europeanization has been systematised, so as to originate a typology for EU policies modes.

According to this hypothesis the policy action of the European Union allows for potential transformation to be triggered within the policy making of urban systems of governance also in the context of policy areas not targeting cities in explicit ways. Instead, it is argued – partially against the literature endorsing Multi Level Governance as the main framework for analysis – the interaction between cities and the EU (and in turn the transformative effects that this interaction can bring about within urban systems) can be better interpreted by considering the arenas (orders) of policy within which actors and institutions relate interchangeably in order to attain specific policy goals. In particular, this hypothesis calls for considering the nature, use and development of sets of EU policy instruments that substantiate in different policy programmes and initiatives.

Expectations on the encounter between cities and the European Union

By taking into consideration both the variables as suggested in the typology, the alternatives as regards the prevailing modes through which the encounter between urban systems in Europe and the EU is likely to occur as well as the expectations about the scope of the process of Europeanization (when detectable) it is hence possible to suggest an analytical grid of *prima facie evidence* for the encounter between cities and EU based on the four “modes” previously devised. Therefore, the table includes expectations about the prevailing causal mechanisms for change and transmission that can be associated to each of the four modes sorted out as well their accompanying dynamics (as presented in table 1); together with the prevailing mechanism of change the features of the logic of action and preferences have been grouped as “common interaction characteristics”. Expectations are additionally formulated as to the structures of governance of the encounter between cities and the EU. Thus, the four modes – and moreover interaction taking place over the deployment of policy instruments – can reveal differences based on the approach to implementation (rigid vs. flexible), the nature of conflict over resources (material vs. standards), the character of proceduralisation (low vs. strong), the level of transparency and the nature of deliberation over policy issues. Furthermore, the modes are likely to characterise by different structures of actors (“politics” dimension), both in terms of main sets of actors involved (EU-National-Local/Public-Private/Technocratic-Political), the organisation eventually assumed by networks (Hierarchical vs. differentiated geometry), and the type of access to network structures (Stable vs. Open). Finally, other distinguishing features relate to the prevailing institutional structure of interaction (market-like vs. hierarchies) and the locus of authority (central vs. dispersed).

Although the main purpose of the investigation is to assess the nature of the process of Europeanization of the policy making of European cities on the basis of the type of policy instruments promoted by the EU, some conjectures (or expectations) about the “extent” of the process can be nonetheless formulated. Therefore, four main expectations can be devised as follows:

EXP 1: When the prevailing mode is “*Reflexive*”, stakes are big and Europeanization is expected to be robust and potentially durable

EXP 2: When the prevailing mode is “*Coordination*”, stakes are generally small and Europeanization is expected to be robust

EXP 3: When the prevailing mode is “*Bargaining*”, stake is big and Europeanization is expected to be contingent

EXP 4: When the prevailing mode is “*Regulation*” the stakes are rather irrelevant and Europeanization is expected to be contingent on compliance patterns.

Table 3 in Appendix sorts out these expectations.

To summarise, the advantages of this conceptual exercise lie in the use of public policy theories to identify the “modes of policy”. We have thus theoretically justified the presence of four distinct spaces, instead of solely three as showed by the examination of the literature on Europeanization and policy types. This, in turn, allows for the formulation of alternative rival hypothesis as to the prevailing modes of Europeanization of urban areas (or the prevailing modalities of interaction via which the encounter between the EU and cities occur) and for devising conjectural expectations about the scope of the process of Europeanization at the urban level. Furthermore, the four modes of policy can be represented through an analytical grid of “prima facie evidence” useful to make better sense of the expected outcomes and to guide the empirical assessment of the policy instruments that will be then selected for the analysis. Finally, such a typology represents a starting point for case selection and the dynamic-empirical analysis of Europeanization as it applies to cities and urban areas in Europe.

Method: Process Tracing and Analytic Narratives

The question of *research design* when attempting to assess the impacts of the EU upon domestic systems is, we claim, of paramount relevance. In this connection, baseline-type of enquiry relying on “top-down” accounts run the risk of reducing Europeanization to solely the analysis of the impact of EU decisions on the domestic institutional system, thus drawing the parallel “European action/direct effects” by considering the domestic effects of independent variables defined at the EU level. This could lead to prejudging the significance of EU variables, whereas proponents of other approaches stress the importance of rooting Europeanization in the *context* of its eventual manifestation, and of explicitly treating the issue of causality (Radaelli 2003).

Those claiming for a *bottom-up* or *inside-out* perspective through process-tracing based on temporal causal sequences, aim to assess “whether”, “when” and eventually “how” the

action of the EU policy-making has effectively brought about change within each of the components of the domestic system by, at the same time attempting to measure the scope and direction of change starting from the target dimensions (Radaelli 2004). Thus, Europeanization is not conceived uniquely as a process of progressive adaptation to the EU model according to classical theories of public policy implementation. Europeanization assumes the character of a system of processes eventually altering the domestic opportunity structure over time. Europe - contended more as a systems to be “encountered” by domestic actors and systems of institutions - can assume, at times, the character of a constraining model to which domestic systems should adapt, often times it represents a sets of resources, opportunities for re-define and re-orient discourses and political action at the domestic level (Radaelli and Pasquier 2007: 37-38). In this case, EU-level variables are maintained as exogenous to the context of analysis, thus, EU policy and politics are not considered as the independent variables. In fact, to be producing effect of Europeanization, EU-level interactions need to become yardsticks for political action within domestic systems by means of both socialisation effects and policies/politics that progressively alter the logic of domestic political action.

In turn, the empirical analysis starts from the set of actors, problems, rules, styles, ideas and outcomes at the domestic level at a given time - T0 - to be then *process-tracing* the domestic system of interaction over a certain lag of time in an attempt to identifying those critical junctures or turning points in the context of which major changes take place under the form of ideational transformations, alterations of the structure of actors, yet as problems re-definition (Radaelli and Pasquier 2007). To make inference from the contribution of exogenous variable, research proceeds *backwards-up* from the domestic to the EU, so as to control patterns to establish the nature of causal influence on domestic structures. EU variables have to be then further considered, so as to establishing their actual importance within the domestic system; their role can be in fact one of facilitator or instead bond, and at times they can be source of learning for domestic actors, yet factors bringing to the possible alteration of the domestic structure of opportunities. “Causality is then examined *in vivo* by looking at temporal causal sequences” (Radaelli and Exadaktylos 2009).

For the gist of this work, the analysis via the process-tracing of single cases allows for better unravelling and eventually testing the mechanisms structuring the encounter between

cities and the EU and eventually triggering the process of Europeanization within urban systems, so as to reveal possible causal processes within the same case (George and McKeown 1985). Additionally, the method of process tracing seem to adapt fruitfully to different theoretical framework (i.e. social constructivisms, rational choice and delegation theory in our case), by at the same time allowing for exploring the decisional process through which some initial conditions translate into certain outcomes later on in time (George and Bennet 2005). Therefore, the objective is to formulate, and eventually test, “middle-range” theoretical propositions able to avoid the intrinsic pitfalls of “a-theoretical descriptive narratives”, without pretending on the other hand to lead towards the formulation of “universal law of human behaviour that hold across all time and places” (George and Bennet 2005). The overall purpose becomes instead the discovering and observation of the *causal mechanisms* connecting dependent and independent variables in each of the particular context considered, so as to test theories in situations characterised by complex effects of interaction and multiple causality, wherein the task of explaining outcomes in terms of a reduced number of independent variables is a rather difficult one (Hall 2003).

Therefore, process-tracing analysis is a particularly suitable method for studies where the main objective is to give a certain degree of historical relevance to the formal theories at the bases of the analysis, thus giving importance to elements such as stories, accounts and contexts. An example in this sense is offered by the work of Bates and his colleagues, whose *analytic narratives* combine analytical tool of economics and political science – rational choice theory and game theory – with the narrative form commonly used in history (Bates *et al.* 1998). By focusing on concrete historical cases, where the main interest is to explore the choices of individuals who are embedded in specific settings, their analysis proceeds by tracing the “sequence of action, decisions and responses that generate events and outcomes”. The approach of *analytic narratives*, although informed by deductive reasoning, seeks to account for *outcomes* via the identification and exploration of the mechanisms “behind” them. This, in turn is made by considering *time* and *place* and by locating and tracing the processes that generate the outcome of interest. By isolating and unpacking such mechanisms, analytic narratives offer structural accounts paying attention to the identification of “the *actors*, the *decision points* they faced, the *choices* they made, the *paths* taken and shunned, and the manner in which their choices generated events and outcomes” (Bates *et al.* 1998: 13-14).

Relevant for the construction of narratives informed by a rational choice approach is the consideration of structural contexts, namely the “broader structural arrangements that represent the contextual component of social action” and that are treated as dynamic targets enduring “throughout a given event sequence” (Pedriana 2005: 356). The contextual framework provides then the theoretical link between historical processes and the social actors that guide their development.

In particular, the analysis proceeds by first modelling a portion of the critical dynamics of interest in a way coherent with the hypothesis and ideas governing the overall research. Following that, through the narrative, a single case is used to test the hypotheses and to eventually generate new hypotheses that can be generalised. As such, the method of analytic narratives would endeavour to develop and test theory-driven models, thereby employing “theory to gain deeper insight into the complex working of the real world” (Bates *et al.* 2000).

6. CONCLUSIONS

Although a formal urban policy of the European Union does not exist yet, and it is very unlikely to come to light for the time being, it is nonetheless possible to produce theoretical conjectures on the influence exercised on cities and urban areas by the action (formal as well as less direct and informal) of the EU through its policy instruments.

In contrast to the classic view of the cathedral based on EU instruments that have “city on the tin”, we have set out to explore an alternative, more encompassing view. In particular, the article has drawn on the “sharp public policy analysis tools” advocated by Carter and Smith, and has then used the initial catalogue of mechanisms and arenas to consider four ideal-typical modes. These modes - NOT the policies legally defined, as EU initiatives for the cities - are the theoretical places wherein the Europeanization effects can be traced, by examining public policies and their instruments across time.

One advantage of our proposal is to extend the range of instruments that are (potentially at least) vehicles of Europeanization way beyond the limited “city-level initiatives” considered by the traditional view of the cathedral. Another is to enable us to reflect theoretically about governance, interaction, and logics of political behaviour, thus setting the ground for theory-grounded expectations of how urban governance is affected by the action of the European Union. Further, the typology contributes to the literature on modes of governance, policy instruments and Europeanization by showing how the urban dimension can be integrated in the analysis. By doing so, our approach makes the urban dimension fully comparable with other territorial domains in which Europeanization effects have been studied. Further research could integrate our typological exercise with the vibrant literature on EU modes of governance and EU policy instruments (Kassim and Le Galès 2010).

Finally, the article has proposed to consider policy instruments not merely in terms of their intended outcomes, as usually suggested by functional explanations, but rather as complex devices ensuing from conflict and specific modes of interaction (Lascoumes and Le Galès 2007).

Some cautious words are in order, however. First, we have to acknowledge that this is a proposal of a modest character. It is one of the possible ways to theorize Europeanization at the city level. It brings the cost of high abstractions about logics, preferences and other concepts. Empirical work has often shown that these neat theoretical distinctions melt when researchers attend to careful empirical reconstructions of processes

of changes. So, the second limitation is that it is not clear at this stage whether the proposal is a wide net to catch and sort out different empirical manifestations of Europeanization, or can also generate causal predictions that are testable. Third, although we have moved away from multi-level governance, it remains to be seen what applications of this alternative view of the cathedral may bring in terms of re-assessing the theoretical status of multi-level governance. Therefore, the proposal outlined here needs to be corroborated by further analysis as to the scope conditions for Europeanization, a further specification of its observable implications and above all testable conjectures on the potential transit of the EU policy instrumentation from one domain to another, thus facilitating the collection of a sufficiently broad number of data for carrying out empirical analysis.

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