

Europeanization of subnational polities: the impact of domestic factors on regional adaptation.

Peter Bursens

Department of Political Science
Universiteit Antwerpen
Sint Jacobstraat 2
B2000 Antwerpen

peter.bursens@ua.ac.be

Jana Deforche

Department of Political Science
Universiteit Antwerpen
Sint Jacobstraat 2
B2000 Antwerpen

jana.deforche@ua.ac.be

**paper to be presented at the European Union Studies Association
Tenth Biennial International Conference
May 17-19, 2007, Montreal, Canada**

(draft, not for citation)

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Peter Bursens en Jana Deforche

Universiteit Antwerpen

1 Introduction.

Europeanization has become a central concept in EU studies. The proliferation of studies using Europeanization as a guiding principle brought the concept to the attention of many scholars of European integration and comparative politics. At the same time, however, the frequent use of the concept caused confusion about its exact meaning and scope, forcing authors to make their particular interpretation clear from the beginning of every single paper. So do we: in this paper we understand Europeanization as the domestic adaptation to European integration (Vink and Graziano 2007). In addition, we support the claim that the basic mechanism at work in Europeanization processes is that ‘European integration leads to pressures to adjust (goodness of fit) which are then mediated by domestic-level factors, and finally to outcomes’ (Caporaso 2007: 27; see also Risse et alii 2001). Research designs that look into the exact adaptation processes at play have been applied to a wide set of polity and politics features (such as state structures, executives, parliaments and parties) and policy sectors (such as environmental and social policies). This paper is operationalized along the lines of these research designs.

Europeanization studies try to explain if, why and how domestic politics and policies change under the pressure of European integration. Europeanization, defined as adaptation to European integration, therefore, is the *explanandum* or the empirical phenomenon one seeks to understand and explain. Because of reasons of tautology, it follows that Europeanization cannot be the theory from which hypotheses can be derived to explain the domestic adaptation. We need other theoretical propositions to understand the adaptation process. In his overview of the literature, Bulmer (2007) finds that the vast majority of scholars use some kind of institutional theory as *explanans* for the empirical phenomenon of Europeanization (cf. also Cowles et alii 2001, Knill 2001, Börzel 2002, Featherstone and Radaelli 2003, Börzel 2005). All three strands of new institutionalism (rational choice, historical and sociological)

have been extensively applied in Europeanization research. In this paper the theoretical frameworks of the different institutionalisms are central, thus supporting Bulmer's claim that 'an awareness of the institutionalisms is indispensable for understanding how Europeanization works' (Bulmer 2007: 51).

Graziano and Vink's edited volume (2007) offers an exhaustive overview of studies in realm of Europeanization. Several contributors to this volume come to the conclusion that analyses of the adaptation of domestic policies are overrepresented subjects in the impressive number of Europeanization studies so far. Much less attention has been devoted to the changes in national policy-making and even less to developments in subnational policy-making. This paper can be perceived as lying on the verge of the mainstream Europeanization literature. More in particular it seeks to test some of the propositions put forward by institutional theory, but with respect to politics at the subnational level and in two different policy sectors. Our research puzzle is if and how the domestic variables put forward by rational and sociological institutionalism play a role in the adaptation process of subnational authorities in the area of environmental and agricultural policy-making. This focus on the subnational level helps to fill a caveat in the Europeanization literature: the subnational level has so far not received much attention (with the exception of some work by Falkner (2001) and Börzel (2002)). In addition, we will not examine the adaptation of German or Austrian Länder (as in the work of Falkner and Börzel), but of the Belgian Regions and with respect to two concrete EU policy issues:

Council Regulation 318/2006/EC of 20 February 2006 on the common organization of the markets in the sugar sector

Directive 2002/49/EC of the European Parliament and the Council of 25 June 2002 relating to the assessment and management of environmental noise.

2 Design

The purpose of this contribution is to test whether hypotheses derived from rational choice and sociological institutionalism can predict the way subnational authorities adapt to specific European policy initiatives. In order to do so, the paper uses the classic three step model of Europeanization research (cf Risse et alii 2001, Caporaso 2007). This model starts from the observation that the European integration process delivers a substantial amount of policy output at the European Union level. Especially within the supranational policy areas,

EU output generates pressure upon the member states to respond to European policy initiatives. Put differently, in a second stage this pressure creates a degree of fit or misfit between the European and the national level. There is, however, no linear relation assumed between the European and the national level. In a third step, several intervening or mediating variables shape the eventual way the domestic level adapts to the European pressure. Although there's much criticism to putting the goodness of fit concept central to a Europeanization research design (Heritier and Knill 2001; Haverland 2000), we argue that its use is justified in our particular design because we are dealing with two binding European policies that clearly require the domestic (including the subnational) level to adapt in terms of policy-making and policy-content (Börzel 2005: 51-52; Bulmer 2007: 52). The degree of fit or misfit defines the adaptation pressure and ultimately the way domestic politics responds. Institutional theory becomes relevant with respect to the mechanisms through which the domestic factors shape the adaptation. Based on an institutional framework, hypotheses can be formulated as to how domestic variables influence the adaptation process. In the next paragraph we will formulate such hypotheses with respect to how the Flemish Region responds to pressure from EU environmental and agriculture laws.

3 Europeanization and institutionalism: goodness of fit and domestic mediating factors

3.1 Goodness of fit

Most Europeanization literature now agrees that the impact of European integration will not lead to a high degree of convergence in the political systems of the member states. On the contrary, enduring differences are expected between member states' political institutions, policy-making procedures and policies. Mainstream Europeanization literature claims that this divergence can be explained by the unequal goodness of fit between the European level on the one hand and the substantial variance among the large number of national and subnational political arenas on the other hand (cf. Börzel 2005). The goodness of fit concept refers to the degree of compatibility between EU-level structures, norms, practices and their domestic (national and subnational) counterparts. The greater the differences between the different levels, the more domestic institutions or norms are put under pressure to change in order to live up to the European requirements. In short, misfit causes differential adaptation pressure (Risse et alii 2001) and 'the lower the compatibility between European and domestic processes, policies and institutions, the higher is the adaptational pressure Europe exerts on the member states' (Börzel 2005: 50). Misfit appears in two kinds: policy and institutional

misfit (Börzel and Risse 2003). In the case of policy misfit, there is a deviation between the content of the EU policies and the existing national legislation. In this case, the pressure for the member states largely comes down to the installation of effective compliance strategies. Institutional misfit refers to the absence of an institutional framework perceived as necessary to deal with European integration in general. Domestic patterns that are challenged then include power balances between institutions (e.g. legislative – executive), relations between government levels (e.g. national – subnational) and actors (e.g. interest groups – public authorities). In this paper we deal with the larger scope of institutional misfit. Goodness of fit, however, is only a necessary condition for adaptation. Knill and Lenschow (1998), for instance, found in their analysis of four environmental directives in the UK and Germany that only three out of eight cases were in line with the pure goodness of fit hypothesis. Gerda Falkner and a group of researchers also argue that simple causal relations do not hold and that the outcome of transposition is determined by a complex web of administrative, institutional and actor-based factors (Falkner et al. 2002; Falkner et al. 2005). Their analysis of the implementation of six directives in fifteen member states resulted in a typology of three “worlds of compliance”, clusters of countries with a similar transposition pattern. More in general, various empirical studies pointed out that there is no correlation between the degree of misfit and the adaptation of the political system of the different member states. Other scenarios can be thought of: adaptation pressure can be so intensive that adaptation to the European level becomes rather impossible while, on the contrary, weak adaptation pressure can lead to substantial changes.

In short, it has become clear that member states responses depend on their respective domestic constellations. Adaptation doesn't occur automatically but is mediated through a range of intervening factors which facilitate or hamper adaptation to European demands. Which features of these domestic constellations one expects to matter and how their impact is expected to come about depends on the theoretical stand one takes. Different institutional theories have developed their own particular expectations. Bulmer (2007: 50-53) distinguishes in this respect the three classical institutionalisms (rational, sociological and historical) while Börzel (2005: 52-58) discriminates between resource dependency (rational) theories, socialization approaches and organizational theory. In this paper we will use insights of the different institutional frameworks to develop concrete hypotheses with respect to the adaptation of the Flemish subnational level.

So far, we identified the independent variable (European integration), the intervening variables (domestic features) and the mechanism through which they operate (goodness of fit). Now, we turn to the dependent variable: how do we operationalize domestic adaptation? A classical typology of dimensions of domestic change is the one between polity, politics and policies. While this is a sound distinction from an analytical perspective, in reality, of course, these dimensions cannot be discerned in absolute terms. We define adaptation in this paper as the capability of shaping and taking of European policies on the subnational level (cf. Börzel 2003). To what extent is the Flemish governmental level capable of proactive behaviour towards the European level? Is it able to define its position in time and to defend it through a various number of channels? Is it capable to install efficient coordination and representation mechanisms for European policy-making?

3.2 Institutionalism: domestic level mediating factors

In the following section we derive some concrete theoretical hypotheses from institutionalist theory with regard to the shaping and taking capacity of the Flemish governmental level. These hypotheses formulate predictions with respect to the way Flanders handles concrete EU policy issues. Most institutionalist literature deals with the level of the central government. This paper goes beyond this traditional focus because it aims to test whether the insights of institutionalism can survive in the case of the subnational governmental level. In the following we discuss the origins and the mechanisms of the intermediating variables and present hypotheses with respect to how they determine the shaping and taking capacities (i.e. the adaptation) of the Flemish subnational level.

According to institutional theory, the behaviour of actors is constrained or even determined by institutions, defined as principles, rules and norms that structure their interactions during the policy process (Featherstone and Kazamias 2003). In this paper we use insights of both rational choice and sociological institutionalism. Rational choice institutionalism explores in which ways actors' preferences are oriented towards institutional settings or rules. In response to developments at the European level, patterns of power relationships between domestic actors change. The most important intermediating variables coming from rational choice institutionalism and aspiring to explain how adaptation occurs in specific member states or policy domains are multiple veto players and supporting formal

institutions. Next to these mainstream variables, we include *administrative capacity* as an additional factor with origins in the ‘logic of consequentiality’ of rational choice theory.

The focus of sociological institutionalist theory is on norms, ideas, discourse, organizational structure and the psychology of politics (Bulmer 2006). The sociological perspective of institutionalism points at *norm entrepreneurs* and *cooperative informal institutions* mobilizing in favor of adaptation (Vink and Graziano 2006). The presence or the absence of these two intermediating factors is expected to explain the scope of member states’ and subnational regions’ internalization of European norms (Börzel 2005). The ‘logic of appropriateness’ behind these two factors is the process of persuasion during which persuasive norm entrepreneurs and a consensus-oriented or cooperative political decision-making culture lead to socialization and social learning (Featherstone and Kazamias, 2003). Again we include one extra variable within the sociological institutionalist logic as we expect issue salience to play an intervening role as well. In the following paragraphs, we will elaborate on these six variables.

Multiple veto points

The concept of multiple veto points refers to the fact that a large number of actors is necessary to make decisions, in our case here, with respect to dealing with an EU policy issue. Multiple veto points can obstruct or slow down national adaptation in response to European pressure (Tsebilis 1995, Haverland 2000, Héritier et al 2001, Börzel 2005). Domestic actors with institutional or de facto veto points can prevent adaptation to take place. More in particular, the number of veto players determines the size of the ‘domestic win-set’. The more veto-players, the smaller the size of the domestic win set tends to be and the stronger the bargaining power of the national government (Putnam 1988, Börzel 2003). Hence, when the political power in the political system is shared among many actors, it will be more difficult to mobilize enough actors to pull through changes. The less institutional or de facto veto players are involved in a policy case, the easier it is to foster the domestic ‘winning coalition’, which is a necessary condition for smooth shaping and taking of EU policy, i.e. for adaptation.

Hypothesis 1: the less institutional or de facto veto players, the higher the capacity for institutional change

Facilitating formal institutions

Facilitating formal institutions can, contrary to multiple veto points, stimulate domestic structural change. According to Risse, Cowles and Caporaso (2001), existing facilitating formal institutions can provide the necessary resources to facilitate domestic adaptation. These resources can be material or ideational and can only be used when the necessary action capacity is available. It is exactly this action capacity which is offered by formal facilitating institutions (Börzel 2005). The existence of formal political and administrative cooperation mechanisms is an example of such facilitating formal institutions: formal and regular meetings of ‘European experts’ of administrative units and/or political cabinets to follow-up European dossiers and to develop common positions.

Hypothesis 2: the more facilitating formal institutions, the more up- and downloading capacity with regard to European policies will exist.

Administrative capacity

According to Börzel (2002), the capacity of member states to shape and take European policies depends upon the administrative capacity to deal with EU policies. Among others, administrative capacity refers to staff-power, financial resources, expertise, coalition building skills and concentration of competences. All of these can determine *uploading and downloading* of EU policies. The relation is straightforward: the more administrative capacity, the higher chances are that shaping and taking of EU policies will be fluent and effective.

Hypothesis 3: the more elaborated the administrative capacity, the smoother the shaping and taking of European policy will be.

Norm entrepreneurs

The presence of norm entrepreneurs makes domestic adaptation more likely. Norm entrepreneurs mobilize other domestic actors by persuading them to reshape their identity and interests in the light of new European norms and rules. Börzel (2005) makes a distinction between two types: epistemic communities, which legitimize themselves by scientific knowledge (Haas, 1992) and advocacy networks, which are bound together by firm conviction. The motivation behind both types is different, but their effect on the changing capacity of the domestic institutional setting is similar. Their presence or absence shape the extent to which member states or subnational regions internalize European norms (Börzel

2005). The ‘logic of appropriateness’ behind this is a process of persuasion: persuasive norm entrepreneurs lead to socialization and social learning of others (Featherstone and Kazamias, 2003).

Hypothesis 4: the more the number and skills of norm entrepreneurs, the better up-and downloading capacities of domestic (sub)national governments

Cooperative informal institutions

Cooperative informal institutions are collective understandings that strongly influence the way in which domestic actors respond to adaptation pressures. These informal institutions make domestic actors internalize European rules, norms and views more easily. A cooperative political culture is an informal facilitating and intermediating factor that, on the one hand, prevents actors from vetoing and, on the other hand, divides the costs of the adaptation between the winners and losers of the adaptation (Börzel 2005, Risse e.a., 2001). The presence of such cooperative informal institutions increases the chance of fluent shaping and taking of EU policy. The process by which this takes place is again social learning (cf. the mechanism through which norm entrepreneurs work). A typical example is the Belgian consensual culture, which is conducive to consensus-building and burden-sharing.

Hypothesis 5: the more informal cooperative institutions, the more adapting capacity of the domestic institutional structure

Issue Salience

The last domestic mediating variable is *issue salience* which refers to the visibility and the importance of the European issue at stake. An issue is salient when it catches much attention. Media coverage can, for example, be an indicator (Knill, 1997). Behind this concept lies the assumption that visibility of an issue triggers active response by domestic political actors. Issue salience can function as a constraining or impeding factor in case of low salience and as a stimulating or strengthening factor in case of high salience (Versluis 2004).

Hypothesis 6: the more salient the European issue, the more efficient the shaping and taking of the policy will be.

Table 1 summarizes the list of domestic variables and schematically presents the operational design of the paper. The next sections discusses the empirical data with respect to the Flemish adaptation in the two cases.

Table 1: design

		noise directive	sugar regulation
degree of adaptation			
type of misfit	policy misfit institutional misfit		
domestic variables	H1: veto-players H2: facilitating formal institutions H3: administrative resources H4: norm entrepreneurs H5: facilitating informal institutions H6: issue salience		

4. Flemish shaping and taking capacities in the sugar regulation and the noise directive

Europeanization research designs roughly allow for two types of comparisons: between countries (or subnational entities) and between policy domains or issues (Knill 2001). In his overview, Treib (2006) claims that designs with an explicit focus on a cross-sectoral policy comparison are underrepresented. This paper can therefore be seen as a contribution to the sectoral comparison design. In addition, it includes empirical material on the uploading and downloading of a directive and a regulation. Since regulations have not received that much of attention in Europeanization and implementation research (Treib 2006), this paper can shed new light on the application of the goodness of fit and the impact of domestic mediating factors in the case of direct applicable European laws.

The sugar reform regulation and the directive on environmental noise are part of the strongly integrated but differently organized agriculture and environmental policy domains (Knill 2001; Anderson 2003). While environmental policy is dominantly regulating of character, agricultural policy has important redistributive effects as well. In both sectors,

however, the EU exerts adaptation pressure, not only on the Belgian federal government, but also on the subnational level since Belgian Regions are largely competent for agriculture and environmental policy. The complex division of competences has major consequences for the adaptation process. It often takes as many as four governmental levels to formulate a single Belgian position to be defended at the European level (Baetens, Helsen et al. 2005). In addition, this position needs to be confirmed through coordination meetings organized by the federal Ministry of Foreign Policy (Beyers and Bursens, 2006). How Flanders dealt with the shaping and taking in the cases will be discussed below. First we shortly present the two cases followed by an evaluation of the adpatation.

The data for the two case studies were collected through a qualitative interview round between February and May 2006. It involved face-to-face interviews with Flemish and Belgian federal administrators, cabinet workers, members of parliament and members of civil society-groups. In addition a document analysis and a literature review were carried out.

Council regulation on the European sugar reform (2006/318/EC)

The sugar reform aims to bring the EU sugar sector in line with the rest of the reformed Common Agricultural Policy (CAP). According to the European Commission, this regulation will ensure a long-term sustainable future for sugar production in the EU, enhance the competitiveness of the sector and strengthen the EU's position in the current round of world trade talks. The key to the reform is a 36 percent cut in the guaranteed minimum sugar price over 4 years. Farmers will be compensated for, on average, 64.2 percent of the price cut through a decoupled payment - which will be linked to respect for environmental and land management standards and added to the Single Farm Payment. Additional aid has been built in for those countries which will reduce their output by more than half, or even phase out sugar production completely. The EU production is expected to fall by between 6 and 7 million ton. EU exports will fall dramatically, allowing the EU to respect its WTO commitments. The reforms will also affect sugar producers in the developing world. An assistance plan is set up to compensate the ACP countries and the EU will open its market completely to imports from the world's 49 poorest countries from 2009.

In the shaping phase of the sugar reform, Flanders clearly acted proactive. It was able to define its policy preferences into a single Flemish position. In addition, also the interregional coordination occurred smoothly with Flanders taking up an important role. The Flemish position was well reflected in the Belgian position defended by the federal minister

of agriculture (cf. the Cooperation Agreement 2003b). Next to the intra-Belgian coordination, the Flemish level employed a strategy that circumvented the federal level: efforts were made to build coalitions with other member states. In the end Flanders, as a region, was able to play a decisive role in the development of the final European agreement.

The taking phase, which is still going on, runs smoothly as well, partly thanks to the effective shaping. The deadline for implementation has not yet passed, but if the implementation continues in the same way, no problems are expected. From the information of the interviews, we can clearly conclude that the Flemish shaping and talking behavior in the sugar reform is very satisfactory.

Directive relating to the assessment and management of environmental noise (2002/49/EC)

In June 2002 the EU adopted a directive aiming to avoid, prevent or reduce, in a common European way, the harmful effects of exposure to environmental noise. This directive was adopted by the European Parliament and the Council in co-decision. In a first stage, member states have to map noise by means of a common method. This mapping will be executed with two deadlines: by 2007 noise impact of the major roads, railways and airports has to be measured, while the remaining roads, railways and airports have to be mapped by 2012. In a second stage, all member states need to develop and implement action plans at the local level. Member states are to ensure that the strategic noise maps and the action plans are made available and disseminated to the public. The directive also serves as a basis for developing Community measures concerning noise sources.

Since 2003, the Belgian position in the Environment Council is defended by a regional minister of environment. At the time of the noise directives formulation, however, the Belgian position was still defended by the federal environmental minister with only an assessor-role for the regional minister. Nevertheless, Flanders was involved in the process from the very beginning. To be really proactive, e.g. in terms of impact analysis, the Flemish expert lacked the means. There was also no consensus on the definition of the Flemish policy preferences, making it impossible to determine the best outcome of the European negotiation process. The only clear Flemish policy preference was the exclusion of any binding noise thresholds. No constructive amendments were formulated. In short, Flanders had no real common position to be defended at the Belgian or the European level. The shaping capacity of Flanders was clearly much smaller in the case of environmental noise than in the case of the sugar reform.

Partly as a result of this, also the Flemish taking capacity was limited. Formal transposition was executed too late and it is also very doubtful whether Flanders will be able to reach the deadlines of the different implementation phases of directive. Overall we can conclude that not only the Flemish performance in the uploading phase, but also the handling of the downloading phase was not satisfactory.

Table 2: degree of adaptation

		noise directive	sugar regulation
degree of adaptation		unsatisfactory	satisfactory
type of misfit	policy misfit institutional misfit		
domestic variables	H1: veto-players H2: facilitating formal institutions H3: administrative resources H4: norm entrepreneurs H5: facilitating informal institutions H6: issue salience		

In the next sections we will examine whether our hypotheses concerning the goodness of fit and the domestic intervening variables are good predictors for the shaping and taking behavior of the Flemish region as described in the previous paragraphs.

5. Institutional and policy misfit in the noise directive and the sugar regulation

This paper aims to test the feasibility of hypotheses with regard to a number of intervening variables derived from institutionalist theory. These variables are supposed to play a mediating role between the adaptation pressure posed by European policies on the one hand and the domestic adaptation on the other hand. According to institutional reasoning (Börzel 1999, Duina 1999, Héritier 1996), adaptation pressure is present in situations of misfit. Hence, before analyzing the shaping and taking by Flanders, we need to evaluate the presence or absence of this - institutional or policy - misfit.

Policy misfit occurs in case of a divergence between the content of the EU policy and the existing national legal framework. This is clearly the case in both cases. The establishment of a common European sugar market is new and therefore does not correspond with any existing national legal framework. The directive concerning environmental noise doesn't correspond with existing national legal frameworks either since almost no noise policy existed in Flanders or in Belgium. *Institutional misfit*, on the other hand, can only be defined as high in the case of the noise directive. In this sector there was clearly no domestic institutional framework that could be activated for up- and downloading the European policy. The European sugar reform didn't cause important institutional challenges since this reform was in line with the overall reform of the CAP. The presence of a policy misfit in both cases, and the presence of institutional misfit in only one case are interesting from a theoretical point of view since they offer empirical variation in adaptation pressure. It allows us to ask whether our hypotheses hold in two different situations.

Table 3: type of misfit

		noise directive	sugar regulation
degree of adaptation		unsatisfactory	satisfactory
type of misfit	policy misfit institutional misfit	yes yes	yes no
domestic variables	H1: veto-players H2: facilitating formal institutions H3: administrative resources H4: norm entrepreneurs H5: facilitating informal institutions H6: issue salience		

6. Shaping and taking explained: the impact of domestic factors on regional adaptation

The specific characteristics of Belgian federalism imply that Flanders is confronted with a substantial number of *formal veto points* when dealing with European policy-making. A crucial feature is the absence of a hierarchy of norms: federal and regional laws stand on equal footing, implying that each level has to prepare and implement European policies that

fall inside its competences. In 1993 a constitutional reform granted the Regions and the Communities the right to embark in external relations for each policy sector that belongs to their domestic competences. This *in foro interno, in foro externo* principle includes the right to co-direct Belgian European policy making as far as regional competences are involved. Regions and Communities have a formal veto-right in the determination of every position of the Belgian federation for the Council of Ministers. However, a gentlemen's agreement stipulates that this right is only exercised when their competences are at stake. Since both agriculture and environmental policy are regional competences, a consensus has to be reached to formulate every position Belgium will defend in European arenas dealing with agricultural or environmental issues. In other words, both policy sectors are characterized by a high number of governmental veto players. In the sugar reform case, the broadly defined private sugar sector was an additional veto player. In both cases horizontal overlaps with other policy domains brought additional formal veto-players to the playing field. One prominent example of a veto-player in the sugar reform was the department of foreign affairs for aspects dealing with WTO and development aid. With respect to the noise directive, the departments of transport, traffic and roads were equally involved in the construction of noise maps and action plans. Following the first rational choice inspired hypothesis, the large number of veto players should lead in both cases to uncomfortable policy shaping conditions. Our empirical data, however, only offer confirmation for the environmental case. The presence of multiple veto players can therefore not be considered as a necessary condition for failing uploading behavior. In other words, other compensating domestic factors have to play a role as well.

Cooperation in European policy-making between the federal and the regional level is necessary, since the federated entities cannot act in their own right towards the EU and since the federal government cannot conduct foreign policies in areas of regional competency (Kerremans, 2000). Both the federal and the subnational level have therefore a joint interest in mutual assistance and cooperation. The federated entities are confronted with a hollowing out of their competences as a consequence of European integration and try to compensate for this loss of political control through participation in *formal coordination mechanisms* (Börzel 2002; Kovziridze 2002). Geeraerts (2003) for instance claims that with respect to European environmental policy-making, Flanders chooses for a cooperative strategy instead of a confrontational circumventing strategy (2003). This seems odd since Belgium is often characterized as an example of confrontational federalism (Börzel 2002; Van Reybroeck, Helsen et al. 2003). However, when European issues are involved, subnational governments

and the federal government alike are forced to work together (Beyers and Bursens 2006). To foster cooperation, a formal system of coordination was established based on consensus-seeking and ministerial autonomy. Several levels of coordination were introduced, ranging from sectoral coordination on the regional level to general coordination on the inter-federal level. A Cooperation Agreement between all levels (signed in 1994 and updated in 2003) formalized the direct involvement of the Regions and Communities in to the coordination processes (see Beyers and Bursens 2006b for an overview of the Belgian coordination mechanisms).

Because agriculture is a longstanding and highly Europeanized policy domain, Belgian authorities have established formal coordination structures and informal networks. The recent regionalization of agricultural policy was incorporated smoothly in these mechanisms. On top of this, the sugar case revealed rather parallel interests, allowing formal coordination mechanisms to deliver output in a smooth and efficient way. In the noise case, on the contrary, the domestic institutional uploading conditions were far from ideal. Recently, major reforms have been introduced, but in the period of policy formulation of the noise directive, these were not yet in place. One example is the so-called pilot-system that allows the monitoring of a European environmental issue from the proactive phase to the implementation and policy correction phase. This system was not operational at the time, causing other than environmental departments to be only involved very late. In other words, domestic formal institutions were not facilitating in the noise case. Overall, data from the interviews point out that the presence of elaborated formal institutional structures seem to foster efficient shaping and taking of European policies. The absence of elaborated formal structures in the noise case seems to correlate with a low shaping and taking capacity while the presence of these institutions in the sugar case seem to be stimulating factor for the smooth handling of the European policy issues.

The third domestic factor that is expected to have an impact on the shaping and taking of EU policies is the amount of *administrative resources* available to those responsible for European dossiers. With respect to the European sugar reform, administrative resources were, both before and after the regionalization of agriculture policy, well elaborated: contrary to what was expected, regionalization didn't lead to a lack of administrative capacity in Flanders. Interviews reveal that Flemish (and Belgian) experts were able to play a decisive role in the expert and consultative committees of the European Commission, partly because

their strategy was based on impact analyses by the administration and the sugar sector. Also during the taking phase administrative resources of the Flemish agricultural administration seemed to have been adequate enough to foster smooth implementation. While this evaluation doesn't mean that administrative capacity alone can guarantee effective adaptation, the empirical evidence from the sugar case suggests that successful shaping and taking benefits from a high level of administrative resources.

The noise case, on the contrary, presents itself as a dossier with a substantially smaller amount of supporting resources. Regionalization of environmental competences in the 90's divided environmental expertise over the three Regions. Policy on noise pollution in particular has been badly served in terms of personnel and resources. This lack of resources resulted in a shortage of basic factual information about the situation of noise pollution in Flanders, hampering the Flemish experts to make a profound impact analysis of the draft EU-directive and causing a rather passive behavior during EU decision-making procedures. Only one single Flemish expert was involved in the early stages of the directive. As a consequence, the formal Flemish cooperation mechanisms were not activated but replaced by informal contacts between the expert and the cabinet of the Flemish environment minister. Because of the limited political salience and the technical nature of the directive, these contacts worked smoothly. The implementation phase is still going on. It has already become clear, however, that much more personnel and resources are necessary to meet the EU-deadlines. Departments of transport, traffic and roads were only involved very late while there input for the construction of 'noise maps' and action plans is indispensable.

In short, the considerable differences in administrative resources confirm our hypothesis: substantial administrative resources in the sugar case correlate with efficient shaping and taking, while the under-resourced noise case was – and still is – characterized by a deficient tackling of the matter.

The presence and active involvement of *norm entrepreneurs* is a next domestic factor that is assumed to influence the domestic EU approach. In the sugar reform, the well-organized and very active Flemish/Belgian sugar lobby can be regarded as such a crucial norm entrepreneur. Realizing the major impact of the sugar reform proposals, this lobby played a significant role in the initial stages of the process, resulting in an influential position with respect to the formation of the Flemish/Belgian position. On their request, for instance, a special taskforce was installed to ensure a continuous screening of the development of the proposal. With respect to noise directive, we could not detect norm entrepreneurs of real

significance. While environmental lobby groups were expected to be attentive and influential, in practice, no single stakeholder actively lobbied Flemish or Belgian political or administrative actors. None of the stakeholders considered the directive as vital since no hard commitments but only less compelling features such as information collection were envisaged. In short, also the role of norm entrepreneurs differs in the two cases, but equally reveals that the hypothesized relation between the presence of norm entrepreneurs and smooth adaptation is confirmed.

The presence of *informal cooperative institutions* is assumed to increase the chances for a successful adaptation process. In this respect, several authors have described the cooperative behavior of Belgian governmental levels when dealing with European issues. Beyers and Bursens (2006) have argued that European integration forces subnational and federal governments to cooperate, leading to a shift from de iure competitive federalism towards a de facto cooperative federal system. Earlier, Kerremans (2000) had already pointed out that the federal and the regional level are simply forced to cooperate, since regional entities cannot act in their own right at the European level while at the same time the Belgian federal government is not allowed to conduct foreign policies with respect to the competences of Regions and Communities. The constitutional provision that Belgium has to abstain when no common position is reached in the domestic arena, triggers a joint interest in mutual assistance and cooperation. In the case of the sugar reform, such informal institutional networks were found to be very important. Civil servants of the Walloon, Flemish and Federal administration still knew each other personally, as a result of the recent regionalization. Interregional (between the Regions) and inter-federal (between the Regions and the federal level) relations among experts were numerous, both in terms of formal institutions and informal networks. In both policy cases informal coordination sometimes rendered formal institutional steps obsolete or only necessary for rubberstamping informally reached agreements. This cooperative political culture clearly facilitated the up- and download capacities in these policy issues through mechanisms as information and burden sharing. In addition, political fragmentation, which is assumed to have a negative impact on cooperative behavior, was relatively low in both cases. In the environmental case Flemish and Belgian experts were able to approach the dossier from a very technical perspective without much political interference. Although the sugar case triggered much more political debate, the involved interests and preferences converged relatively well. In short, the sugar regulation brought exactly what was expected: a collaborative reflex and a successful adaptation process.

The noise directive, on the other hand, seems to more puzzling. Empirical data equally reveal informal cooperative institutions at work but showed no smooth shaping and taking of the European policy.

Issue salience was presented as a last intermediating factor. High salience of a European policy issue is assumed to trigger early and intensive activity of private actors and public authorities and therefore to be beneficial to efficient adaptation. The two cases clearly diverge in this respect. While salience was relatively low in the noise case, it was much higher in the sugar reform. The latter easily follows from the substantive budgetary stakes of the regulation: a substantial profit or loss for Flanders - and Belgium in general – was at stake. Interest groups, political elites and administrations were alarmed in early stages of the procedure. Also the low salience of the noise case can be derived from the nature of the directive. Presented as a kind of framework legislation, the directive focused in the first place on harmonization of data collection, monitoring and planning leaving aside hard commitments. While it is likely that follow-up legislation will include hard indicators and commitments, the scope of these targets was very difficult to assess during the development of the first directive. The domestic ‘noise community’ decided that there was relatively little to lose and acted according to this assessment. Concluding, the difference in issue salience and the corresponding attention EU policy issues receive from domestic actors seems to work out empirically as predicted. High relevance and successful adaptation in the agriculture sector opposed to low salience and less efficient tackling of EU legislation in the environmental sector.

5. Concluding remarks

The puzzle of this paper was embedded in the institutional approach of the Europeanization literature. We tried to find out if and understand how subnational entities adapt under the pressure of European integration. More in particular, this paper aims at testing whether the combined institutional mechanisms of goodness of fit and mediating domestic factors offer sufficient understanding of adaptational behavior by regions of member states. We argued that, because hardly any Europeanization literature deals with the subnational level, the question whether the institutional approach of Europeanization is useful to study regional adaptation to European integration, is a very relevant one to ask. Empirical data for this exercise were derived from the Flemish adjustment to legislative proposals in EU

agriculture and environmental policy. In terms of research design we tested whether six domestic variables could predict the shaping and taking behavior of the Flemish regional level: veto players, formal institutions, administrative resources, norm entrepreneurs, informal institutions and issue salience.

Table 4 presents an overview of the empirical test of the hypotheses that were derived from institutional theoretical insights. Let us first discuss the type of misfit. It was clear from the empirical data that in both cases the Flemish level was confronted with a misfit in terms of policy content, while only the noise case suffered from an institutional misfit. Reasoning purely from goodness of fit logic, the sugar case should result in a more satisfactory adaptation than the noise case. The description of the shaping and taking behavior in both cases indeed confirms that goodness of fit is a first step in understanding regional adjustment to European integration. Goodness of fit, however, doesn't tell the whole story. We still needed to explain why the policy misfit didn't cause more problems in the agriculture case. Adding insights from institutional theory expose the mechanisms through which the adaptation processes take place. It offers understanding of the importance of domestic factors.

Table 4: domestic mediating variables

		noise directive	sugar regulations
degree of adaptation		unsatisfactory	satisfactory
type of misfit	policy misfit institutional misfit	yes yes	yes no
domestic variables	H1: absence of veto-players H2: facilitating formal institutions H3: administrative resources H4: norm entrepreneurs H5: facilitating informal institutions H6: issue salience	no no no no yes no	no yes yes yes yes yes

With respect to these domestic variables, a 'yes' in table 4 means that the factor is present while a 'no' points to the absence of the factor. In the sugar case, this means that policy misfit was compensated by the presence of formal and informal facilitating institutions, administrative resources and norm entrepreneurs and a high salience of the issue. In other

words, policy misfit doesn't have to result in unsatisfactory adaptation as long as the domestic context is favorable. The only domestic variable that doesn't work is the presence of veto-points. While the agriculture case was characterized by a substantial number of veto-points, this didn't seem to hamper the rather efficient adaptation in the sugar dossier. The noise case further refines our analysis. It was found that Flanders wasn't able to deal with EU legislation in a satisfactory manner. Misfit, both in terms of policies and institutions, seem to play a role. In addition, also the presence of veto-players, the absence of formal institutions, enough resources, and active norm entrepreneurs and the low salience of the issue didn't help to overcome the misfit. We also point out that the presence of informal cooperative institutions in the noise case is not sufficient to compensate for policy and institutional misfit, hence adding an important nuance to the findings in the sugar case. Summing up, formal institutions and resources on the one hand and norm entrepreneurs and issue salience on the other hand pop up as crucial domestic variables to explain regional adaptation to European integration. In other words, both rational and sociological institutionalisms seem to offer explanations in the Europeanization debate.

Overall, we conclude that what the institutional literature established with regard to the central governmental level also applies for the subnational governmental level. Although based on empirical evidence of only two cases and in only one region, the explanatory power of institutionalism can be confirmed. Whether it holds in other sectors and in other member states remains to be seen. We have to wait for empirical analyses in this sphere.

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