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REGIO-CRATS' POLICY PARTICIPATION DEMANDS IN THE EU MULTILEVEL SYSTEM

Introduction

Over the past 50 years, regions - and especially those in today's European Union - have been entrusted with ever greater political authority (Hooghe *et al.* 2010). However, we know very little about the elites who run these subnational political structures, who shape regional political decisions and implement political programs. This chapter focuses on the policy preferences of top-level regional civil servants ("regio-crats").

How do regio-crats want to see policy competences allocated in the emerging multilevel system?

Competing explanations: what explains regio-crats' competence allocation preferences?

Analyzing regio-crats' preferences, the question is: what might deter- mine differential policy allocation demands? In other words, what are the factors, with respect to a range of predefined policy areas, that lead regio-crats to desire policy codetermination rights in the multilevel system? We suggest three explanatory programs: the individual opportunity approach, the functionality approach, and the social identity approach.

The individual opportunity approach

The first explanatory program is strongly related to utility calculus. It argues that individuals calculate the respective impacts of different options on their personal opportunity structures. As a consequence, when faced with a choice, individuals will favor the option they believe will lead to a higher personal payoff. Other studies have shown that individual opportunity structures - especially in the case of bureaucrats - are driving forces behind preference formation. Regarding the question of regional authorities' policy competences, we argue that top-level subnational bureaucrats will desire the allocation of competences to the regional level if they expect some gain for themselves.

The functionality approach

The second explanatory program concerns the nature of policies them- selves. Recent studies find that functionality is an influential factor when the allocation of competences is examined (Schakel, 2009). The issue of functionally efficient policy allocation is debated in the literature on fiscal federalism. Oates' theorem states that, in the absence of problems of redistribution and negative external effects, policies should be allocated at the lowest possible hierarchy level (Oates, 1999, p. 1122). In addition, although economies of scale might push the provision of most public goods and services toward the national (or even higher) political levels, possible heterogeneity of local preferences, which would pull allocation of competences to subnational levels, also have to be considered. Especially because detailed information about local diversity (which would be needed to design efficient policy solutions) is difficult to obtain and to process centrally, efficient (that is, functional) allocation of competences is usually not quite as central as the functionality paradigm predicts at first sight. Concerning regio-crats, we can assume that they come with special knowledge about these characteristics of the different policies. In consequence, it is plausible to argue that they are able to roughly rate the efficiency of different options regarding policy competence allocation. In sum, if top-level subnational bureaucrats base their preferences regarding policy competences

for regions on a rationale of functionality, then they should favor policy competences for subnational entities only if regulation at this level of authority is functionally efficient.

Subnational social identity approach
The explanatory program we call the subnational social identity approach sees the affiliation of individuals to socially defined groups as an impor-
tant factor in the formation of preferences. Individuals form and orient their preferences in line with the norms and values of their own social groups. It is clear that subnational administrators are part of the socially defined group of the region to which they belong and for which they work. Since they hold top-level positions within their regional admin-istrations, they prepare, design, and implement policies and political

Table 15.1 Explanatory approaches and respective hypotheses

Explanatory approach	Hypothesis	Dependent variable
Individual opportunity	Regio-crats should desire more regional policy competences if they expect a positive impact on their individual situation	Regio-crats' preferences regarding regional policy competences
Functional criteria	Regio-crats should favor policy competences for the regions if regulation at this level of authority is functionally efficient	
Subnational social identity	Regio-crats should desire more regional policy competences if they belong to a region with a high emancipatory potential	

Source: Own compilation.

decisions and consequently are familiar with the political interests of their region. In consequence, it is plausible to assume that the interests and preferences of regions' institutions are a primary focus of the
regional administrators (Table 15.1).

Other alternative influences: socioeconomic context, cultural distinctiveness, and politico-institutional setting
One important factor discussed in the subnational mobilization literature is the socioeconomic situation of regions. However, there is disagreement about the actual direction of this relationship. On the one hand, socioeconomically strong regions want to gain some independence from central government and assume competence for certain policies (Gourevitch, 1979). On the other hand, socioeconomically weak regions are also believed to have an incentive to take matters into their own hands with a view to advancing their economic development independently of the nation state (Hechter,

1975). Whatever the explanation behind regional "emancipation" desires, they are evidence for the emerging of the multilevel state as has been outlined in the introduction of this book.

Another factor that influences the emancipatory potential of a region is its cultural distinctiveness. Subnational authorities that deviate from the national population with respect to ethnic or religious characteristics are culturally distinct from the nation state. This regional identity induces the desire to safeguard self-determination. Therefore, subnational entities that are culturally distinct from the nation state should be interested in holding competence with respect to many policies.

Third, party-political competition is believed to influence subnational demands for autonomy (van Houten, 2003, 2009). In particular, incongruence in the composition of the governmental coalition between the regional and national levels might produce disagreement in policy-making and consequently stimulate the desire for policy competences among regional elites.

Finally, the institutional setting of subnational authorities - also discussed in the mobilization literature - also has to be taken into account. On the one hand, regions that are already institutionally well endowed

are argued to be more active promoters of policies. The less restricted subnational authorities are with respect to their policy engagement, the greater their (potential) scope for development. On the other hand, the status quo of regional competences should be a good predictor of desire for competence allocation because the current setting to some extent determines the possibility of increased allocation. In other words, the degree of constitutionally defined regional autonomy should be correlated with the amount of policy competence desired by regio-crats. We attempt, where possible, to include these factors in our analysis.

Research design

In order to test for the territorial effect on regio-crats' preferences regarding policy allocation, we make use of a survey addressed to subnational administrative elites concerning their attitudes about different aspects of European integration and governance. We defined the subnational units we are interested in as political authorities that are located directly below the national level and have an elected assembly. The selection of interviewees - high-ranking officials in subnational administrations - was carried out in several stages.[1] Eventually we conducted about 350 interviews in over 60 European subnational administrations (Table 15.2; for further details see Table A15.1).

Our dependent variable is these regio-crats' preferences regarding the participation of the subnational level in 12 policy areas in the European multilevel system. We thus asked top-level subnational bureaucrats to decide whether or not regional authorities should be involved in policymaking across a range of 12 specific policy areas.[2] We constructed an

Table 15.2   Sample structure

Country	Regions included in sample	Interviews per region	Interviews per country	Response rate (per cent)
Germany	13 Länder (of 16)	4–9	78	47
Poland	12 Voivodeships (of 16)	2–9	70	45
Hungary	19 Megyek (of 19)	2–7	84	41
France	10 Régions (of 26)	1–13	66	45
Spain	6 Autonomous Communities (of 17)	5–11	49	53
		n = 347		

Source: Own compilation.

additive index ranging from 0 (no regional competence) to 12 (competence regarding all policies under study). An even more detailed analysis is possible if we distinguish between policies that are regulated in a functionally efficient manner at the regional level and those that are not. However, we need an objective benchmark in order to evaluate whether or not a particular policy is regulated efficiently at the sub- national level. Such a benchmark unfortunately does not (yet) exist. We adopt a second-best solution for our problem by following fiscal federalism arguments and then deducing implications for the subnational level. In essence, we assess whether the scope and externalities of policies are decisive parameters for ascertaining whether a certain policy can be regulated efficiently at the regional level or not. We thus derive a yardstick that is explained in more detail in the Appendix. Based on this distinction, we can derive two other variations of the dependent variable. *One* concerns the preference for competence allocation at the regional level in regard to policies that are efficiently regulated by sub- national authorities, while the other concerns those that are not.

The operationalization of the opportunity approach is based on individual-level variables that were also collected by means of the survey. On the one hand, the dummy variable "career ambitions" indicates whether top-level bureaucrats want to advance their career within the regional administration where they work. The dummy variable "security of employment" (as a motivation for entering the subnational administration) taps into another common aspect of individual utility.

The subnational social identity program is based on factors that are common in subnational mobilization research. The variable "regional GDP" (Gross Domestic Product) describes the socioeconomic situation of the regions. The dummy variable "stateless nation" indicates cultural differences between the nation state and the subnational entities. The party-political situation is captured by the opposition variables: if the subnational governmental coalition is partly in opposition at the national level, the variable "partly in opposition" is coded 1 (otherwise 0). If no regional government party is represented in the national government, the variable "completely in opposition" takes the value 1.

Finally, the institutional embeddedness of the subnational authorities is operationalized by an indicator taken from the regional authority index developed by Hooghe *et al.*

(2010). The variable "institutional depth" measures the extent to which a regional government is autonomous as opposed to deconcentrated.

Finally, we include a control variable allocated at the subnational measurement level. The variable "regional population (log)" captures how populous a subnational entity is. In the literature, it is assumed that efficient provision of public goods is determined not only by the characteristics of the policies themselves but also by the size of the affected group. We argue that, all else being equal, the larger the regional population, the more efficient (or less inefficient) is the regulation of the policy at the subnational level. Because regions differ in regard to their number of inhabitants, we control for this fact (Table 15.3; for further details see Table A15.2).

Empirical analyses

Asked whether the subnational level should hold competence regarding 12 policy areas, the average response of regio-crats was in the midrange, although there was a high standard deviation (see Table 15.4). In general, the regio-crats we surveyed turned out to be surprisingly reluctant

to see regions participating in the multilevel governance system. A comparison of the national mean values for competence allocation at the regional level reveals variation in the preferences for subnational participation within our sample. First, we observe differences across countries. Hungarian top-level subnational bureaucrats do not see a need for extensive policy participation. On average, they desire competence regarding only 1.6 of the 12 policy areas. Although the desire for policy competence is stronger in the other countries, German respondents are still surprisingly modest in their preferences, desiring subnational competence for only 3.4 policies. This picture is noteworthy because the preferences actually lag behind the status quo for German *Länder* competences. The national mean values for the Polish (4.8) and French (4.3) respondents point to a mid-degree claim for codetermination rights

Table 15.3 Operationalization of the explanatory variables

Explanatory approach	Variable	Operationalization	Expected sign
Individual opportunity	Career ambitions	Interviewee wants to advance his or her career within the subnational administration[3]	+
	Security of employment	Interviewee is motivated by the security of employment within the subnational administration[4]	+
Functionality		Number of individual competence preferences that match with allocation as functionally efficient for the 12 policies under study	+
Subnational social identity	Regional GDP	Gross Domestic Product	−/+
	Stateless nation	The region is a stateless nation	+
	Partly in opposition	Regional governmental coalition is partly congruent with the national governmental coalition	+
	Completely in opposition	Regional governmental coalition is in opposition at national level	+
	Institutional depth	Extent to which a subnational government is autonomous rather than deconcentrated	+
Control	Regional population (log)	The logarithm of the regional population	+

Source: Own compilation.

compared with the other country scores. In contrast, Spanish top-level subnational bureaucrats favor regional participation in about eight policy areas, which reflects a desire for strong policy participation within the European multilevel system. Second, the standard deviations for the countries listed in Table 15.4 indicate considerable within-country variation as well. In other words, we do find interesting variation within the five countries. What explains such differences among regio-crats' preferences for policy codetermination rights?

Table 15.4 National mean values for desired policy competence

Country	Mean	SD	N
Germany	3.4	2.3	76
Poland	4.8	2.5	65
Hungary	1.6	1.8	83
France	4.3	2.0	65
Spain	8.0	1.3	49
Total	4.1	2.8	338

Note: The table shows the mean value of the desired number of policies for regional policy competences. Shown are the mean values (mean) of the preferences, the standard deviation (SD), and the number of respondents (*N*) for the sample and per country.
Source: Own compilation.

Can the differential desires for policy codetermination be explained by functionality? Looking at the preference patterns of the top-level subnational bureaucrats in regard to the 12 policy areas, we are able to assess whether the administrators form their preferences on the basis of a functionality rationale or not. By comparing the preference pat- terns for regional policy competences with what we deem would be the objective functional policy allocation, we are able to assess whether or not there is a correlation. If the interviewees favored regional policy participation regardless of whether or not such codetermination is functional (according to our assessment), we have at least an indication that something other than a functional-efficiency explanation must be at work. Having carried out the categorization, we can count for how many policies the answers of our regio-crats are in line with the presumably most efficient allocation. Our result is that the answers of our respondents are substantially in line with functional criteria of competence allocation. Table 15.5 gives an overview of the share of policies for which the regio-crats' preferences for regional participation (or nonparticipation) are in accordance with the allocation on the basis of functional efficiency. For example, the preferences of about 59 per cent of the German interviewees are in line with the functionality rationale for six to eight policies. In France, about 57 per cent of our respondents show preferences that correspond with the efficient participation or nonparticipation of regional authorities for more than eight policies. All in all, in every country we studied, the preferences regarding (non-)

Table 15.5 Correspondence of regio-crats' preferences with functional needs

	Germany	Poland	Hungary	France	Spain	Total
For how many of the 12 policies do subnational administrators' responses correspond with efficient competence allocation?						
For less than 6 policies	7.9	9.2	41.0	4.6	12.2	16.3
For 6–8 policies	59.2	41.5	50.6	38.5	83.7	53.3
For more than 8 policies	32.9	49.2	8.4	56.9	4.1	30.4

Source: Own compilation.

participation of subnational authorities of the majority of interviewees correspond with the functional-efficiency expectation. Only a few respondents demonstrate codetermination preferences that clearly conflict with functionality.

Summing up, we observe that the national mean preferences for regional participation in the 12 policies differ across the 5 countries, with the Spanish having the highest and the Hungarian the lowest scores. At the same time, however, we observe variation within the countries under study. The individuals' preferences concerning the desired extent of regional policy competence vary considerably within the countries. Individual attitudes deviate most around the respective national average in Poland and Germany. To find a reason for this result, we turn to the statistical analysis.

Quantitative analysis

Our quantitative analysis assesses how the factors underlying the explanatory approaches are related to the dependent variable, namely, the desire for regional codetermination in different policy areas. We basically run three regressions, which differ in the conceptualization of the dependent variable. The dependent variable of the first model refers to all 12 policies under study. In the second and third models, the dependent variables relate to policies for which (according to our yardstick) regions constitute the functionally appropriate - or nonappropriate - governmental level of execution for the policies in our sample. This procedure enables us to detect stable relationships between the independent variables and the subnational administrators' preferences regarding regional policy codetermination. Moreover, we gain knowledge about the influence of policy-inherent logics on the process of preference formation. The results of the models are presented in Table 15.6.

First, the subnational administrators' preferences regarding regional competence are analyzed with respect to all 12 policies (Model 1 in Table 15.6). Concerning the individual utility variables, only the indicator for safety thinking ("security of employment") is significant. The positive sign is in line with the theoretically expected relationship: administrators who entered subnational administrations motivated by security of employment are in favor of more subnational competences. As regards the social identity approach, the socioeconomic variable reflecting the regions' economic performance (measured in GDP) shows a negative sign - implying that the desire for subnational competence decreases with regional wealth. In other words, our data

show that regio-crats from socioeconomically weaker regions are more in favor of regional policy participation than their colleagues from socioeconomically stronger entities.

Cultural distinctiveness is also influential as a predictor of regional desire for emancipation from the nation state. The positive and significant coefficient of the variable "stateless nation" indicates that subnational administrators of such regions in our sample (Alsace and Brittany in France, Catalonia and Pais Vasco in Spain) want to have more subnational policy competences. We also find significant coefficients concerning the indicators of the party-political constellation. On the one hand, the subnational context in which the regional government is "partly in opposition" to the national government or government coalition seems to be negatively related to the desire of the top-level bureaucrats for regional policy competences. In contrast, the individuals from subnational authorities where the regional government is "completely in opposition" to the national government (or governmental coalition) are obviously more in favor of policy participation by their authority. We supposed that the institutional setting would influence the preferences as well. The significant and positive coefficient of the variable "institutional depth" is in line with the theoretical expectation that top-level bureaucrats from institutionally strong regions would desire more codetermination rights over a greater range of policy areas. What also shows a significant and positive coefficient, however, is the variable measuring regional population. This means that the larger the regional population, the more competences are desired by regio-crats. The model including all 12 policies shows a considerably higher degree of variance between the groups (regions) than within the regions. Overall, Model 1 explains about 24 per cent of the variance.

Second, we analyzed only those policies that can be deemed efficiently regulated at the subnational level (Model 2 in Table 15.6).[5]

Table 15.6 Regression results for all 12 policies

Explanatory approach	Variables	Model 1: all 12 policies	Model 2: 7 functional policies	Model 3: 5 nonfunctional policies
Opportunity approach	Career ambitions	0.043	0.041	0.002
		(0.279)	(0.223)	(0.090)
	Security of employment	0.969*	0.381	0.386**
		(0.518)	(0.413)	(0.168)
Subnational social identity	Regional GDP	−0.125**	−0.069*	−0.058**
		(0.053)	(0.037)	(0.024)
	Stateless nation	2.728***	1.548***	1.229***
		(0.833)	(0.587)	(0.373)
	Partly in opposition	−1.427***	−1.275***	−0.112
		(0.449)	(0.313)	(0.204)
	Completely in opposition	1.410*	0.807	0.646*
		(0.773)	(0.537)	(0.352)
	Institutional depth	1.521**	0.298	1.244***
		(0.678)	(0.473)	(0.308)
Control	Regional population (log)	0.000**	0.000***	0.000
		(0.000)	(0.000)	(0.000)
	Constant	2.086*	3.568***	−1.521***
		(1.255)	(0.877)	(0.567)
	Observations	297	297	296
	Number of regions	57	57	57
	r-Squared			
	Within	0.000	0.000	0.003
	Between	0.446	0.446	0.362
	Overall	0.243	0.182	0.315

Note: Standard errors in parentheses; (***) $p < 0.01$, (**) $p < 0.05$, and (*) $p < 0.1$.
Source: Own compilation.

Whereas the individual variables of the opportunity model seem not to be influential at all, the social identity variables show similar patterns to the first model. The "regional GDP" variable is once again negative and significant. Similarly, the "stateless nation"

variable is significant and has a positive sign, as in the preceding model. With respect to the party-political situation, only the variable "partly in opposition" maintains its negative and significant coefficient in this model. In contrast, the variable "completely in opposition" is insignificant in Model 2. The same is true for the regional authority variable "institutional depth." Neither "fiscal autonomy" nor "regional representation" shows a significant coefficient. Finally, the regional population size repeatedly demonstrates a positive and significant coefficient. Comparing the variance explained by this model with the first model, we do not find any enhancement, neither in the explanation of the individual-level variance nor in the explanation of the between variance. However, the overall explained variance of the model on those policies that are efficiently regulated at the regional level is lower than in the model including all 12 policies (Model 1).

Finally, we assess the explanatory programs with respect to those policies in our sample that are supposedly not efficiently regulated at the regional level (see Model 3 in Table 15.6).[6] This variant of the dependent variable might be an interesting case for both the opportunity and the subnational identity approaches. Do such variables influence the preference for regional policy competence, although such participation is not efficient? In this third model, the individual variable of the opportunity explanatory program "career ambition" again shows no significant and positive coefficient. In contrast, the variable "security of employment" regains its theoretically expected positive sign.

The subnational identity approach variables perform comparably to the second model. The "regional GDP" variable shows a negative and significant coefficient. The better the socioeconomic situation concerning GDP, the less policy competences are desired by regio-crats. The variable indicating that a region represents a stateless nation is positive and significant, as expected. The same holds for the political variable "completely in opposition," which reflects the situation where the regional governmental coalition is incongruent with the party-political constellation in national government. Again, we see our expectation of a positive relationship between this variable and the desire for more regional competences confirmed. The variable "partly in opposition," however, is not significant. Concerning the aspect of regional autonomy, we find that subnational administrators from regions that are institutionally well endowed favor more policy competences.

The variance between the units explained by the regression model is lower than in the other two models. Model 3 explains about 36 per cent of the variance between the regions. Compared with Models 1 and 2, this proportion is lower. In contrast, with regard to the overall variance, we find a high proportion is explained by Model 3 (about 32 per cent). Discussing the regression results in the context of nonfunctional policies, we believe this is evidence that subnational administrators' preference formation is based on an opportunity rationale. Personal interest in secure employment in the regional administration is influential not only in the first model, comprising all 12 policies, but also in the third model, which concentrates on those policies that are not efficiently regulated at the regional level. As regards the emancipatory ambitions of regional authorities, which are supposed to be the driving force in the social identity approach, we find some evidence to confirm the theoretical reasoning. Whereas the picture is clear for those administrators from culturally distinct regions who favor more policy competences, the influence of the political situation is less evident. In contrast, we find unambiguous results for the influence of the institutional setting ("institutional depth") on the extent of regional policy participation.

Summing up, the results of our quantitative analysis are consistent. The significant variables do not change their signs in the different models and we find the theoretical expectations generally confirmed.

However, some points have to be reinvestigated in more detail. This applies, in particular, to the influence of the party-political constellation of the regions compared with the situation at the central state level. On the one hand, we find the expected relationship for the case when the regional government is not congruent with the party-political constellation of the central government. On the other hand, the opposite is true for the case where the regional government is partly in opposition at the national level. This contradicts the theoretical expectation and requires further investigation.

Conclusion

The modern state and its public administration are transforming. Multilevel structures of public administration including national, European, and international levels of decision making have become institutional characteristics of modern governance as Bohne *et al.* outline in the introduction chapter of this volume. Regional participation demands in the multilevel state are however dispersed and patchy and vary in intensity. It is this heterogeneity that poses a great challenge to more classical concepts of the state and how its administration should be organized and work. Two sets of conclusions can be drawn from our empirical study in this context. The first concerns the question as to how to explain regio-crats' preferences regarding policy participation in the emerging multilevel state. Notwithstanding bold statements in the relevant literature, the bureaucratic desire for subnational policy codetermination is astonishingly low throughout our sample. Regio-crats cannot be seen as "competence conquerors" that fuel state transformation by demanding ever greater policy involvement of their "regions."

Quite the contrary, regio-crats appear in this respect to be rather conservative, sometimes even astonishingly "state-centric." There is little reason to fear (or hope, depending on the perspective) that regio-crats will try to shake up the existing competence distribution in favor of "their" subnational level. In brief, the often articulated suspicion that regions will actively ask for ever greater policy involvement cannot be substantiated by our data. Instead, the preferences seem to a large extent based on a rationale of functionality. Our data suggest that regio-crats' policy participation demands are in harmony with what can be conceived as objectively efficient vertical competence allocation. On a smaller scale, the statistical analyses show that besides individual utility aspects, variables that are related to regional emancipatory ambitions also have a positive influence on the desire for more policy competence. Cultural and political distinctiveness (in comparison to the situation at the central state level) increases the demand for regional policy involvement. In other words, a large-scale and uniform movement in the direction of a "Europe of the regions" is unlikely. Pressure for greater regional policy involvement is differential, and its direction and magnitude depend on particular regional situations. On the basis of our analysis, we do not expect demands for regional policy involvement to be systemic and systematic, but disorderly, disparate, and diverse. Regional policy participation demands in the multilevel system are pragmatic, patchworked, and incremental - and more conservative than transformative.