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**Competence ring-fencing from below?
The drivers of regional demands for
control over upwards dispersion**

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ABSTRACT

Powers have been transferred and delegated to varying degrees of depth and scope at both the sub- and supranational levels. The resulting competence overlap is sometimes substantial. This has driven a number of regional authorities to demand a greater say in future power dispersion movements to the supranational level, so as to pre-empt their proportional disempowerment. We investigate what drives these demands using interview data collected from over 300 senior regional officials in 60 regions and five countries. Controlling for economic and demographic characteristics, we find that the status quo institutional arrangement in place for each region, both supranationally (the Committee of the Regions) and domestically (shared rule and self-rule) significantly affects such demands. These findings have implications for our understanding of how different public authorities cope with power dispersion. They also shed some light on the factors which shape their preferences for alternative institutional arrangements.

KEY WORDS Competence ring-fencing; control; European integration; power dispersion; regional authority; regions.

Introduction

Central governments have dispersed powers horizontally and vertically. Such power dispersion has been uneven and piecemeal. A general tendency to emerge from this process has been greater overlap in competences between bodies operating at different levels or within specific sectors. This has resulted in a need for policy coordination but also in some frictions regarding different authorities' autonomy to act independently.

This contribution focusses on the challenges of vertical power dispersion towards the supranational level (the European Union) and the sub-state level (regions).¹ Powers have been both transferred and delegated to varying degrees of depth and scope at each level (power dispersion). The resulting competence overlap is sometimes substantial. This has driven a number of regional authorities to demand a greater say in future power dispersion to the supranational level, so as to pre-empt their proportional disempowerment (ring-fencing demands). We therefore ask a simple question: what are the determinants of regional demands for greater control over upwards power dispersion?

We investigate what drives these demands using a dataset containing information on 336 regional senior officials in 60 regions and five countries. We find that the status quo institutional arrangement in place for each region, both supranationally (the Committee of the Regions) and domestically (shared rule and self-rule) significantly affects such demands. Other factors such as Europeanization levels, party political incongruence, mobilization in Brussels or actual success at influencing outcomes at the supranational level do not seem to play a role. Population size and economic richness, however, do have an impact, drawing our attention to questions related to democracy, representation and the salience of the economic dimension of the integration process.

These findings have implications for our understanding of how different public authorities cope with power dispersion (Jensen et al. 2014). Existing institutional opportunity structures, as well as economic and representation issues, shed some light on what shapes regional preferences for alternative institutional arrangements. These findings also have clear policy implications for current devolution processes unfolding in Europe, the future of the Committee of the Regions (CoR) and the effects of economic hardship. The contribution is structured as follows. We first outline the puzzle of regional demands for control over upwards power dispersion and then develop three types of explanations related to domestic and supranational opportunity structures, as well as size and wealth factors. We then provide information on data and analytical methods, report and discuss our main findings and finally conclude.

Opportunistic or unintended: The European Union's encroachment of regional competences

Decentralization and integration processes have followed parallel though separate paths within the European Union (EU). Successive treaty revisions have gradually empowered the supranational level (Borzel 2005), while most democratic countries

¹ The word region is used as shorthand to denote territories situated immediately below the member state level and endowed with structures of government and/or administration. In their domestic contexts, these regions are termed differently.

which are neither small in size nor already federal have decen-tralized competences over time to the regional level (Hooghe et al. 2010). As a result, the competence overlap between the regional and EU levels has grown and about two-thirds of EU programmes and legislation is now allegedly implemented at the territorial level.²

The resulting competence overlap has sparked a number of reactions from regional players, such as differential mobilization patterns in Brussels (Donas and Beyers 2013; Marks et al. 1996) with varying mobilization objectives (Marks et al. 2002) and a diversity of interaction styles (Tatham 2010, 2012, 2013). Beyond these mobilization efforts, regional governments and adminis-trations have also turned their attention to regulating power migration itself. This has come from the realization that, owing to the supremacy and direct effect of EU legislation, deeper integration also sometimes implies regional disempowerment (Bourne 2003; Fleurke and Willemse 2006). Such disempowerment may be an unintended consequence, since the internal div-ision of competences varies from member state to member state and functional pressures may dictate transfers to the EU level. These transfers will result in regional disempowerment in some member states but not in others. However, disempowerment may also result from strategic behaviour by central governments seeking to encroach upon regional competences. This is what Bednar describes as ‘opportunistic authority migration between levels of government’ which is ‘instigated by governments competing for voter affection’ (Bednar 2004: 403) . Such opportunistic acts of authority migration involve the central government encroaching on regional competences when it suits its (elec-toral) interests.

Unintended and opportunistic encroachment occurred most emphatically during the negotiations leading to the Single European Act (SEA) in 1987. Central governments – intentionally or not – changed the domestic distri-bution of powers without such changes having to be ratified domestically, hence without the explicit consent of regional governments and administrations or of their representatives, such as upper chambers or state-wide territorial associations (Jeffery 1996: 254 – 5). As Lynch argues: „the EU legislation, which gave birth to the single market, had been negotiated by central governments, even when negotiations involved regional competen-cies: essentially, central governments negotiated transfers of regional powers to the EU level with limited consultation.“ (Lynch 2004: 172)

Encroachment resulting from the SEA is symptomatic of long-term concernsexpressed since the 1970s by the German Lander” ‘that the concentration of powers in the Council of Ministers would allow their domestic government – by going through Europe – to encroach on matters of Land competence’ (Keating 2004: 192). Effectively, European integration would not only parallel decentralization, but often roll it back. As Keating summarizes: „despite the trend of decentralization in individual states, centralization may increase as there is a tendency to respond to transnational integration by taking more powers and competences to the European level.“ (Keating 2004: 196)

Regions have not been passive in this process. Learning from their experience they have, especially since the SEA, mobilized to influence future power dis-persion movements. At the forefront, regions who had most at stake, such as the German and Belgian regions, mobilized successfully to influence the outcome of the Maastricht Treaty negotiations, utilizing both inter-regional alliances and available channels via

² See the CoR official website: <http://cor.europa.eu/en/about/Pages/key-facts.aspx> (accessed 05 December 2012). Competence overlap is especially strong in areas such as the environment, transport, agriculture and fisheries, which tend to be both Europeanized and territorialized.

their member state (Lynch 2004: 171). The end result was notable, such as the incorporation of Article 203 allowing regional participation in Council negotiations or the creation of a new representative body for territorial authorities across the EU: the CoR. Such mobilization continued for each intergovernmental conference and on the occasion of the Convention on the Future of Europe (Jeffery 2004: 605). Hence, the dual strategy of direct involvement in treaty negotiations to influence upwards power dispersion and of the creation of safeguards to protect regional competences from EU activities has been pursued. This mobilization effort has resulted in tangible outcomes. The CoR has been created with ever-wider consultative powers and the right (since December 2009) to bring cases to the European Court of Justice (ECJ) on grounds of inappropriate consultation or breach of the subsidiarity principle; participation of regional ministers in Council meetings is ongoing since Maastricht, while the involvement of regions in the early warning mechanism via the CoR or directly via their regional parliament or member state upper chamber has been secured. These developments culminated with the extension of the subsidiarity principle to the territorial level on the occasion of the Lisbon Treaty (for an overview, see Tatham [2014]). However, despite these achievements, a renewed emphasis has been given to desires to ring-fence regional competences from opportunistic and unintended encroachments. As Keating summarized: „some regions, including some German Lander, have become a little Euro-sceptic and emphasize the dangers of Europe extending its competences at their expense. They have sought to limit the competences of the EU, demanding a strict and exclusive division among the three levels and a retrenchment of EU powers.“ (Keating 2004: 200 – 1)

Individual regions have sought to promote such ring-fencing through solo activities, but also via their member state and via transnational networks such as the ‘regions with legislative powers group’ (RegLeg) which represents 73 regions spread across eight member states, hence over 40 per cent per cent of the EU’s population. Many of RegLeg’s longstanding demands were fulfilled on the occasion of the Lisbon Treaty in 2009. Outstanding issues concern the generalization of the application of Article 203, that the CoR be instituted as a fully fledged EU institution and that it be reformed to overcome the challenge of mixed local/region representation, or the establishment of a provision for member states to designate regions as ‘Partner Regions of the Union’ enjoying specific rights at the European level. Also among the unfulfilled RegLeg demands one can find the desire for mechanisms delimiting power transfers to the EU and institutional machinery for managing competence overlap.³ If individual regions and groups of regions have since the SEA regularly sought to protect their competences from supranational encroachment, one can wonder what the drivers of such demands are and how one can account for their variation. Do these demands vary according to domestic factors such as decentralization levels, Europeanization levels or party political dynamics? Are they driven by supranational factors such as interaction with the CoR, having an office in Brussels or success at influencing EU decisions? Or are they driven by economic and demographic factors such as population size or economic wealth?

Competence Ring-Fencing from below: Three Expectations

³ See the 12 yearly summit declarations, available online at http://www.regleg.eu/ndex.php?option=com_content&view=section&layout=blog&id=5&Itemid=8 (accessed 06 December 2012).

Beyond the argument that ring-fencing demands are triggered by deepening integration encroaching upon regional competences, few explanations have been put forward to systematically account for variation in these demands across different regions. To fill this research gap, we focus on (1) domestic and (2) supranational opportunity structures available to regions, as well as factors related to (3) the region's size and wealth. We expect that the opportunity structure (both institutional and actor-based) available to a region, as well as its own demographic and economic condition, will affect the nature of its ring-fencing demands. The concept of opportunity structure is, of course, a latent one (Kitschelt 1986), in the sense that such a structure is composed of and influenced by numerous factors. These factors determine the payoffs of certain behaviour, creating incentives and disincentives to act in a given way. Based on findings provided by the adjacent literature on region – EU interactions we disaggregate the domestic opportunity structure into four components (related to regional authority, Europeanization levels and party political incongruence), while we identify three factors related to a region's supranational opportunity structure (the CoR, and mobilization and influence in Brussels) to shed some light on demands for greater control over upwards power dispersion.

Ring-fencing demands may be affected by the domestic opportunity structure. We hypothesize that decentralization levels (H1a and H1b), Europeanization levels (H1c) and party political dynamics (H1d) may all influence regional actors and lead them to express greater or weaker ring-fencing demands.

Competence overlap and the domestic distribution of power between the central and regional levels have been portrayed as the underlying cause of regional demands for greater involvement at the supranational level. This is why much research on this question has focussed on regions within federal or quasi-federal polities (Bauer 2006; Bourne 2003, 2006; Jeffery 2004; Lynch 2004). This suggests that vertical power dispersion, broadly construed, is a key motivating factor. However, recent research has suggested that downwards power dispersion can be conceptualized with greater nuance as composed of two interrelated but distinct elements: self-rule and shared rule (Hooghe et al. 2010). While self-rule can be defined as 'the capacity of a regional government to exercise authority autonomously over those who live in its territory', shared rule can be understood as 'the capacity to co-determine the exercise of authority for the country as a whole' (Hooghe et al. 2010: 6). Given these definitions, we expect self-rule and shared rule to generate contrasting outcomes.

Greater self-rule will magnify demands for ring-fencing because of the desire to protect the essence of self-rule itself (i.e., autonomous government) from the threat of competence overlap posed by deepening European integration. Shared rule, on the other hand, involves domestic co-decision and therefore regional leverage on the member state. Such leverage may provide an avenue for regions to efficiently promote their European interests – such as competence ring-fencing – via their member state, thereby reducing the need for additional ring-fencing instruments in Brussels. We do expect that shared rule will trigger ring-fencing demands, but we anticipate that as shared rule increases, such demands will weaken, since they can be fulfilled by co-determining the member state's EU position. The logic underpinning the effect of shared rule can be further subsumed under the more general framework of linked-arena bargaining (Heritier 2007: 54), as regions can use their formal powers (and in some cases veto powers) in their domestic arena to create leverage in the EU arena where they have fewer formal powers.

We expect that greater Europeanization levels will trigger greater ring-fencing demands. European integration has proceeded in a rather patchy and piecemeal way (Borzel 2005). Some policy areas are highly Europeanized – typically agriculture or environmental policy – while others such as education or health care provision are less so. Regions across the EU have different policy portfolios and we expect that the resulting differences in Europeanization levels will trigger differential demands. We expect that, as domestic Europeanization increases, sensitivity to and knowledge of the consequences of deeper integration will be higher and that this will translate into greater demands for control over upwards power dispersion. In other words, highly Europeanized regions will know what they are ‘in for’, and this will be reflected in a greater desire to regulate any further Europeanization of their competencies.

Finally, we expect that party political incongruence will increase demands for ring-fencing. This is in line with Bednar’s argument that authority migration may be opportunistic and that shirking, burden-shifting and encroachment may be driven by partisan considerations (2004: 404). Moreover, one can equally expect that politically incongruent regions will be shut out by central government from the domestic EU policy-shaping process (Keating 1999: 12; Marks et al. 1996: 411 – 12). Just as party political incongruence has resulted in greater bypassing and less co-operation in Brussels (Tatham 2010, 2012), we expect that it will equally translate into greater demands for direct control over upwards power dispersion (Bauer 2006: 36). These four domestic opportunity structure explanations can be formalized as follows:

H1: Ring-fencing demands are affected by the domestic opportunity structure: H1a: The greater self-rule, the greater the demand for regional control over upwards dispersion;

H1b: The greater shared rule, the weaker the demand for regional control over upwards dispersion;

H1c: The more Europeanized a policy, the greater the demand for regional control over upwards dispersion;

H1d: Regions governed by an opposition party will display greater demands for regional control over upwards dispersion.

Ring-fencing demands may also be affected by factors related to a region’s supranational opportunity structure. More specifically, we conjecture that the impact of the CoR on the region’s work (H2a) the existence of a regional office in Brussels (H2b) and success at influencing decisions directly on the EU level (H2c) may all affect ring-fencing demands.

The CoR is the regions’ official representational body within the EU political system and therefore their most institutionalized supranational opportunity structure. Its consultative powers have been expanded with each treaty revision, while it gained the right to trigger procedures at the ECJ in cases of suspected breach of the subsidiarity

principle or when it deems it has not been adequately consulted by the EU's institutions. Despite persistent scepticism over the CoR's development, it has recently been evaluated in a more positive and maybe more lucid manner (Carroll 2011; Honnige" and Panke 2013; Neshkova 2010), far from the grandiose expectations of the 1990s and the perhaps unrea- listic enthusiasm generated by the Maastricht Treaty. Since the CoR represents regional interests in the EU polity, we expect that the more positively it is assessed in this function, the weaker the demands for greater control over power dispersion to the EU level. However, if the CoR is evaluated as not having any positive impact or even a negative impact on the region (e.g., by advocating a position contrary to the region's interests, failing to convey a regional viewpoint on an important piece of legislation or being too slow to produce a recommendation), then demands for competence ring- fencing will be greater. In other words, we expect a substitutive effect of the CoR when it impacts the region positively but that demands for ring-fencing will rise when the CoR is viewed less positively.

Similarly to Europeanization levels, we expect that regions with an office in Brussels will have more at stake there (Donas and Beyers 2013; Marks et al. 1996, 2002) and will likely be more sensitive to EU affairs as a result of their presence at the heart of Europe. We therefore expect greater ring-fencing demands from these regions.

The last supranational opportunity structure expectation deals with the success of regions at in fluencing decisions directly at the European level. If regions already manage to efficiently represent their interests supranationally, then the need for ring-fencing will be lower, as it is less critical to the safeguard of regional interests. In other words, regions which fail to influence decisions in Brussels will be keener for greater control over upwards power dispersion. But a desire for such control mechanisms will be less pressing for regions which have encountered greater success in Brussels. These three supranational opportunity structure explanations can be formalized as follows:

H2: Ring-fencing demands are affected by the supranational opportunity struc- ture:

H2a: The more positive the impact of the CoR on the region's work, the weaker the demand for regional control over upwards dispersion;

H2b: Regions with a Brussels office will display greater demands for regional control over upwards dispersion;

H2c: The greater the success of a region at influencing decisions on the EU level, the weaker the demand for regional control over upwards dispersion.

Beyond a region's domestic and supranational opportunity structure, we expect that demographic and economic factors may also play a role. We hypothesize that demographic weight (H3a) and economic wealth (H3b) could affect ring-fencing demands.

We expect greater demographic weight to generate greater ring-fencing demands. More populated regions are likely to express greater demands for power dispersion because (1) being bigger, as a pure scale effect, they will have greater resources to allocate to EU affairs (de Rooij 2002; Fleurke and Willemse 2006) and therefore a greater capacity for involvement, and (2) being more populous, they will be under greater pressure from their citizens to have their interests taken into account and accounted for, thereby creating incentives to limit supranational encroachment. While some regions in our sample are only half the size of Malta, a number are actually much bigger than numerous member states. Nordrhein-Westfalen is bigger than the Netherlands and about twice the size of Austria, Bavaria is bigger than Sweden and Slovenia combined, the region Ile -de-France is bigger than Portugal or the Czech Republic, Andalucía is more populous than Bulgaria, Catalonia outweighs Finland, the Rhone-Alpes region is bigger than Denmark, while the Wojewodztwo Łódzkie in Poland matches the Republic of Ireland. Overall, our average region is bigger than Lithuania and over eight times bigger than Malta. Hence, as their population size approaches that of small and medium-sized EU member states, demands for greater control over power dispersion may increase owing to both a greater capacity and greater necessity to do so.

We expect that economic wealth may also generate greater ring-fencing demands. Unlike demographic weight where we expect absolute values to affect the dependent variable, we here anticipate that relative wealth, understood as deviation from the EU average, will affect ring-fencing demands. Regions with a gross domestic product (GDP) per capita higher than the EU average will be more likely to demand greater control over competence dispersion, as their economies might be affected to a greater extent by EU developments and, more crucially perhaps, by their (direct or indirect) contribution to the EU's budget (Kiefer 2008: 17 – 18). Poorer regions will be less attracted to further ring-fencing, since they are likely to benefit from greater EU redistribution (e.g., via agricultural and cohesion policy funds). These two size and wealth explanations can be formalized as follows:

H3: Ring-fencing demands are affected by the region's size and wealth:

H3a: The greater the demographic weight, the greater the demand for regional control over upwards dispersion;

H3b: The greater the economic richness relative to that of the EU, the greater the demand for regional control over upwards dispersion.

These nine expectations seek to fill a research gap. They may be contested, and for some the directionality of their effects could legitimately be expected to be otherwise. We therefore systematically implement two-tailed significance tests to account for this possibility. We further discuss issues related to data, operationalization and analytical methods below.

Data, Operationalization and Methodes

To empirically assess our expectations, we interviewed regional senior civil servants who have policy responsibilities in substantive areas.⁴ We focus on this group of actors because of their relative stability in the territorial landscape and their nodal position in the politico-administrative set-up of the region that they both serve and incarnate. These 'elite civil servants' embody as much as they reflect their administration's preferences. They are therefore an ideal target group to assess the level of ring-fencing demands across policy areas and regions.

Three hundred and forty-seven civil servants were phone-interviewed in their native language. So as to maximize sincere responses, the anonymity of their responses was legally guaranteed. Interviews were carried out in 60 regions spread over 5 countries, averaging at 5.5 interviewees per region and 66.2 per country.⁵ Beyond the fact that they had to be senior with policy responsibility, civil servants were otherwise randomly selected in each region.

Interviewees were drawn from the top layer of the Lander (Germany), Voivodships (Poland), Megyek (Hungary), Regions (France) and Comunidades Autonomas (Spain) administrations. These five countries were selected to provide a spread over accession waves (1957, 1986, 2004) and geographical location (East, West, South). They also include both legislative and non-legislative regions. As no Northern country was included, our findings cannot be extended to different country types such as Nordic, Anglo-Saxon or Baltic states. We believe they can, however, be usefully extended to countries most similar to those included in our sample, such as Italy, the Czech Republic or Austria.⁶

As summarized in Table 1, it is through our survey instrument that we collected data for our dependent variable and four independent variables. The dependent variable was captured through a question which asked the extent to which respondents would agree with the following statement: 'The EU needs a procedure that guarantees the region a joint decision making power about whether and when parts of their responsibilities are transferred to the EU-level' on a 10-point scale ranging from 'fully disagree' to 'fully agree' (0 – 10).⁷ Although rather long and complex, this question seemed most appropriate to capture nuanced ring-fencing demands while remaining comprehensible (in their native tongue) to elite bureaucrats.

Data for four independent variables were also collected via our survey instrument. To operationalize variation in Europeanization levels across policy areas in each region, we asked our elite bureaucrats to think about the number of EU directives and framework regulations as well as their interaction with EU officials in the policy area in which they work, ranging from the 'EU plays no role' to the 'EU plays a big role' (three-point scale). With regard to the impact of the CoR on the region, we asked respondents how the CoR impacts their working area, ranging from a 'negative impact' to a 'positive impact' (five-point scale). It is also via the survey that we enquired about the existence of an office in Brussels and finally about the region's success at

⁴ Hence, senior civil servants working in areas such as human resources, internal legal services, internal administration or information technology departments were excluded from our sample selection. All officials were based in the home region.

⁵ For additional details see Online Appendix 3.

⁶ The more so since the country random intercept becomes insignificant in the full and parsimonious models (5 and 6).

⁷ This variable was subsequently recoded to range from 1 to 11.

influencing decisions at the EU level. To do this, we asked our interviewees how they assessed the overall success of their region in influencing decisions on the EU level, ranging from 'not successful' to 'very successful' (0 – 10).⁸

The remaining independent variables were operationalized using non-survey data. We used Hooghe et al.'s (2010) dataset to measure regional self-rule and shared rule, a variety of sources to identify party political incongruence,⁹ and Eurostat data¹⁰ to measure demographic weight and relative economic wealth within the EU. For the latter measure, since our hypothesis considers the effect of regional richness both within the embedding polity but also relative to richness levels in the EU as a whole, we opted for a purchasing power parity measure of the deviation from European GDP per capita.

Before proceeding to the discussion of our findings, we address three methodological issues related to the nature of our data. First, since bureaucrats are nested within regions and that regions are nested within countries, we cannot safely assume that our observations are independent. Calculation of the intraclass correlation level reveals that almost 12 per cent of variance on the dependent variable can be attributed to regional clustering, while about 3 per cent can be attributed to country clustering.¹¹ We consequently implement a three-level random-intercept model (maximum likelihood estimation).

Second, our survey data – as all survey data – suffer from a number of missing values. We lost 11 observations owing to missing values on the dependent variable and up to 51 additional observations owing to missing values on different independent variables. We did not detect a particular pattern in value absences. However, we nonetheless decided to replicate our models with missing values imputed on our independent variables via chained equations, since this method does not assume a multivariate normal distribution and has lower sample size requirements than imputation using the multivariate normal model.

Finally, since our overall sample size remains relatively small, we test each theoretically defined explanatory block separately (models 2 – 4) and then concomitantly in full and reduced models (5,6) so as to distinguish suppressor effects from individual effects while also assessing how variables behave in a more controlled setting. For the same sample size reason, we also recalculated our standard errors via random-x bootstrapping (5,000 replications) and jack-knifing (285 and 320 replications). As reported in Table 2 and in Online Appendix 1, our results are robust to various model specifications, bootstrapping, jack-knifing and multiple imputation via chained equations.

⁸ This variable was subsequently recoded to range from 1 to 11.

⁹ Schakel (2013), <http://www.arjanschakel.nl>, <http://electionresources.org/>, and regional individual webpages

¹⁰ See <http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/>.

¹¹ Each time the likelihood-ratio test returns estimates significant at the 0.009 (country) and 0.001 (region) levels hence indicating that the variance components model is significantly different from a pooled model.

Table 1 Summary of variables, data and hypotheses

Explanatory factor	Variable	Data source	Level	n	Range	Mean (std deviation)	Expected sign	Results
Dependent variable	Regional control over competence transfer to the EU	Survey data	Individual	336	1– 11	8.28 (2.66)		
Domestic opportunity structure	Self-rule	Hooghe et al. (2010)	Regional	336	8– 14	9.89 (2.02)	+	+
	Shared rule	Hooghe et al. (2010)	Regional	336	0–9	2.21 (3.65)	-	-
	Role of EU in policy area	Survey data	Individual	329	1–3 0–	2.53 (0.56)	+	Not sig.
	Opposition in government	Schakel (2013) and web sources*	Regional	319	1 (dummy)	0.58 (0.49)	+	Not sig.
Supranational opportunity structure	CoR impact in working area	Survey data	Individual	320	1–5	3.38 (0.62)	-	+
	Brussels office	Survey data	Regional	336	0–1 (dummy)	0.76 (0.43)	+	Unstable
	Success of region in	Survey data	Individual	322	1– 11	4.82 (2.42)	-	Not sig.

		influencing decisions on the EU level						
Size and wealth	Population size	Eurostat	Regional	336	0.21– 18.06 (million)	3.46 (3.76)	+	+
	GDP per capita (ppp) deviation from EU average (average ¼100)	Eurostat	Regional	336	32.45– 167.53	79.47 (32.99)	+	-

Notes: CoR ¼ Committee of the Regions; ppp ¼ purchasing power parity; not sig. ¼ estimate beyond specified significance threshold.

*See <http://electionresources.org/>; <http://www.arjanschakel.nl> as well as individual regional webpages.

Table 2: Hierarchical linear model of the demand for regional control over competence transfer to the EU

		Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
		Empty	Domestic opportunity structure	Supranational opportunity structure	Size and wealth	Full	Parsimonious
H		Estimate (s.e.)	Estimate (s.e.)	Estimate (s.e.)	Estimate (s.e.)	Estimate (s.e.)	Estimate (s.e.)
Constant		8.26 ^{***} (0.28)	6.93 ^{***} (1.30)	6.83 ^{***} (0.89)	9.75 ^{***} (0.67)	6.46 ^{***} (1.51)	5.62 ^{***} (1.34)
Self-rule	H1a		0.20 [*] (0.12)			0.23 ^{**} (0.12)	0.24 [*] (0.13)
Shared rule	H1b		-0.20 ^{***} (0.07)			-0.17 ^{**} (0.07)	-0.19 ^{***} (0.07)
Role of EU in policy area	H1c		-0.09 (0.28)			-0.37 (0.31)	
Opposition in government	H1d		-0.04 (0.39)			0.08 (0.51)	
CoR impact in working area	H2a			0.64 ^{***} (0.24)		0.62 ^{**} (0.26)	0.51 ^{**} (0.23)
Brussels office	H2b			-1.08 ^{**} (0.46)		-0.23 (0.62)	
Influencing EU decisions	H2c			0.02 (0.07)		-0.03 (0.07)	
Population size	H3a				0.11 [*] (0.06)	0.12 ^{**} (0.06)	0.11 [*] (0.06)

Economic wealth	H3b					-0.02 ^{***}	(0.01)	-0.02 ^{**}	(0.01)	-0.02 ^{**}	(0.01)		
√ (relative)													
√ u individual level		2.49 ^{***}	(0.10)	2.53 ^{***}	(0.11)	2.46 ^{***}	(0.11)	2.48 ^{***}	(0.10)	2.49 ^{***}	(0.11)	2.47 ^{***}	(0.11)
√ c regional level		0.81 ^{***}	(0.20)	0.74 ^{***}	(0.21)	0.74 ^{***}	(0.21)	0.64 ^{***}	(0.23)	0.56 ^{**}	(0.25)	0.63 ^{***}	(0.23)
c country level		0.47 [*]	(0.24)	0.00	(0.00)	0.21	(0.33)	0.57 ^{**}	(0.29)	0.00	(0.00)	0.16	(0.36)
Log likelihood		-798.63		-742.97		-724.27		-795.14		-671.19		-752.56	
AIC		1605.25		1499.94		1462.53		1602.27		1368.38		1523.13	
BIC		1620.52		1526.14		1488.62		1625.18		1415.86		1557.04	
Observations		336		312		307		336		285		320	

Notes: Three-level model of the demand for regional control over competence transfer to the EU. Unstandardized maximum likelihood estimates. Standard errors in brackets. *** $p \leq 0.01$; ** $p \leq 0.05$; * $p \leq 0.10$ (two-tailed). Column H refers to the hypothesis number.

Findings

Findings regarding the extent to which domestic opportunity structures capture some variation in ring-fencing demands are mixed. While self-rule and shared rule have the anticipated effect, Europeanization levels and party politics seem to not play a role.

Expectations regarding self-rule and shared rule are supported by our analysis. Self-rule is found to increase ring-fencing demands while shared rule decreases those demands. Though shared rule and self-rule often go hand-in-hand (Hooghe et al. 2010) and indeed correlate positively in our sample ($r = 0.67$; $p < 0.001$) they have opposing effects. These findings are in line with those uncovered by qualitative analyses. For example, in his study of the German Länder and of the Scottish government, Jeffery suggests that shared rule increases leverage via the member state and therefore decreases the attractiveness of extra-state strategies, while lower shared rule but relatively high self-rule will trigger more mixed strategies. Hence, at the Convention:

the German Länder have opted for a strategy focused heavily on using the structure of the member state to limit EU regulation of their fields of competence, while the Scottish government developed a more open-ended and flexible strategy based also in constructive engagement beyond the member state at the EU level. (Jeffery 2004: 605; see also 615 – 16)

Surprisingly, Europeanization levels as well as party political incongruence display no significant association with the dependent variable. This might be because if the policy area is already Europeanized, then the question of future transfers in this area is less salient. Meanwhile, in non-Europeanized policy areas, the Europeanization prospects may be too abstract to trigger any ring-fencing reflex. In other words, either it is too late (the policy area is already Europeanized) or too early and therefore too abstract.¹² This finding may be viewed positively by pro-integrationists, since greater exposure to the EU fails to trigger ring-fencing demands. Hence, deeper integration does not seem to go hand-in-hand with desires to retrench or rollback integration.

Similarly, party political incongruence also fails to affect ring-fencing demands. The estimate is both unstable and insignificant across models. Regions governed by the opposition may be shut out domestically from EU policy-shaping (Keating 1999; Marks et al. 1996), hence triggering increased mobilization and bypassing in Brussels (Tatham 2010, 2012). But this will not translate into demands for competence ring-fencing. This might be because opportunistic competence transfer (Bednar 2004) via European integration is not perceived by regional elites as a credible threat, considering how lengthy and unpredictable the procedure to expand the EU's competences can be, from intergovernmental conferences to treaty signing and ratification. Another reason for regional elites' lack of concern under party political incongruence may be that, though elected politicians may have a short time horizon, they may also be cautious about disempowering regions they themselves might end up governing. Owing to second-order election effects, today's central government majority may well be tomorrow's opposition, refuted in regional governments. Hence, irreversibly disempowering regions which may well provide their only political platform in meagre electoral times makes opportunistic encroachment via deeper integration a rather unattractive political strategy. Again, that ring-fencing demands are not primarily driven by party political considerations can be considered as an encouraging prospect.

¹² Recoding the variable as a dummy (highly Europeanized = 1) reaps equally insignificant findings.

Findings regarding the supranational opportunity structure were equally surprising. While levels of regional influence in Brussels as well as having an office there fail to affect ring-fencing demands, the CoR's impact has a significant effect but contrary to that expected.

The general expectation was that if supranational opportunity structures proved open and efficient, then an additional instrument to control upwards dispersion would be deemed a less pressing issue. The reverse was actually found with regard to the CoR. The more positively the CoR impacts a region, the greater the demand for ring-fencing. The logic at play seems to be one of 'sensitization' to the importance of the EU in regional policy-making.

Elites successfully interacting with and utilizing the CoR will be better aware of the consequences of European integration and therefore keener for greater control over competence migration. CoR efficacy does not seem to have a substitutive effect on other means of involvement in and control over European integration. To the contrary, the underlying dynamic seems to be a cumulative one. Regional elites' utilizing the CoR to its full potential are intent on greater involvement and control still. This is an important finding, considering the CoR's growing maturity and effectiveness (Carroll 2011; Honnige and Panke 2013; Neshkova 2010) and its additional powers since Lisbon (Tatham 2014). These are likely to increase the CoR's relevance in the future, thereby triggering greater ring-fencing demands by regional elites. In this sense, formal supranational involvement (via the CoR) generates greater demands for more institutionalized supranational involvement – here expressed as control over upwards dispersion.

No such dynamics seem to be at play with regard to having a Brussels office or being successful at influencing decisions directly on the EU level. Having a Brussels office has a significant effect in the reduced model but loses its significance in the full model. This is in part because self-rule generates functional pressures for the opening of an office (Donas and Beyers 2013; Tatham and Thau 2014), and some of the variance captured by this variable may hence be captured by self-rule. Interestingly, however, the effect is negative, implying that presence in Brussels weakens ring-fencing demands. This might be because many of these regional offices do not focus on policy-making and influence, but rather on funds-hunting (Marks et al. 2002). Additionally, an increasing number of regions have an office in Brussels – and three-quarters do in our sample – hence, decreasing variance on this variable and therefore its ability to capture variation on the dependent variable. But whatever their role and commonality today, regional offices in Brussels do not seem to translate into greater demands over competence ring-fencing back home. If anything, being present in Brussels decreases interest in competence ring-fencing, although rarely significantly so.

Similarly, a region's level of success in influencing outcomes in Brussels does not seem to affect its desire for further competence ring-fencing. The assessment of lobbying success is hence disconnected from demands for greater control over power dispersion. The effect of this variable is unstable and very weak across models. Lobbying success and competence dispersion seem to therefore follow separate logics.

Size and wealth factors capture much variation in ring-fencing demands. As population size rises, demands for regional control over upwards dispersion become more marked, reflecting both the greater capacity of bigger regions to engage with EU affairs but also the greater pressure these regions face from their constituents. Regions the

size of medium or small member states are therefore more preoccupied with ring-fencing than those the size of a micro state such as Malta. These findings echo those putting forward arguments about scale and size effects within integrating polities (Alesina and Spolaore 2003; Hooghe and Marks 2009).

Contrary to our expectations, greater economic wealth reduces ring-fencing demands. Poorer regions, who are often 'losers' of EU integration, are more attracted to greater control over upwards power dispersion, since integration prohibits certain national redistributive policies (e.g., state aid to flagging industries). These regions habitually also display higher levels of Euroscepticism and therefore may find ring-fencing and rolling back integration attractive answers to their economic woes. Comparable dynamics were already observed regarding financial transfers to the more needy regions in the EU. Carrubba (1997) argues that structural funds monies have been distributed to less economically developed areas as a side-payment for further integration, since these areas tend to also display greater levels of Euroscepticism, while Kemmerling and Bodenstern (2006) have found that regions with larger EU-sceptical groups in the European Parliament also receive more objective 1 and 2 funds. Economically performing regions, on the contrary, are more likely to be winners of the integration project, benefitting from an open and competitive free market. These regions are consequently less keen on competence ring-fencing, since their economies have performed well under the current, integrating set up. Hence, while winners of European integration come across as unconcerned by deeper integration, its losers are anxious for greater control over upwards dispersion.

Overall, our findings indicate that, beyond demographic or economic factors, the domestic and supranational opportunity structures are important in understanding what drives demands for control over upwards power dispersion. Three factors significantly increase such demands: a desire to protect the region's self-rule from European encroachment; the CoR's impact on the region's work; and greater demographic weight. Two factors significantly decrease ring-fencing demands: shared rule and economic wealth.

Conclusion

As European integration and decentralization processes have unfolded, thereby dispersing central government powers upwards to the supranational level and downwards to the regional level, these two dynamics have interacted in unforeseen ways. In many instances, deeper integration implies regional disempowerment as European competences encroach upon regional ones. Regions have not remained passive and have mobilized in Brussels to shape EU policy-making and to influence the outcome of various intergovernmental conferences in the run-up to treaty revisions. Such mobilization gained momentum after the SEA and resulted in substantial changes, most notably in the Maastricht and Lisbon treaties. Each time, regional inputs were further institutionalized through various bodies and procedures, such as greater powers to the CoR, participation in Council negotiations, the redefinition of the subsidiarity principle or the right to initiate proceedings at the ECJ.

As regions have mobilized to increase their influence in Brussels they have also sought to curb European intrusions in regional affairs. This has resulted in strengthening demands for greater control over upwards power dispersion to the EU level. While these demands increased in frequency and visibility, their determinants have remained under-researched beyond the general argument that decentralization

and the resulting competence overlap are the cause of all ills. Seeking to take this research agenda a step further, we argue that domestic and supranational opportunity structures as well as economic and demographic factors matter a great deal in better understanding the sources of regional ring-fencing demands. More specifically, self-rule will increase such demands, shared rule will diminish them, while a CoR impacting positively on the regions will also generate further ring-fencing demands. Meanwhile, demographically weighty regions as well as the economic losers of the integration process are also more anxious to have a say in upwards dispersion. As Keating had observed on the occasion of the Convention debates, 'some regions want to get Europe out of the region, while others want to get the region into Europe' (2004: 201). In view of our findings, regions with greater self-rule, working effectively with the CoR and with a demographic weight equivalent to that of a small or medium-sized member state are especially anxious to get Europe 'out of the region'. Regions with greater shared rule and higher levels of economic development are less concerned by further integration.

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