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Cohesion, competition and contradiction: INTERREG and Franco-British Cross border co-operation.

Andrew Church

*School of the Environment and Technology
University of Brighton*

Universitat Autònoma de Barcelona
Edifici E-1
08193 Bellaterra
Barcelona (Espanya)

Introduction and a personal reflection on INTERREG

The INTERREG programme is the Community Initiative which provides funds for cross-border and regional cooperation. European Commission (EC) officials responsible for the programme and academics were both part of the audience when this chapter was first presented at a conference. It was one of a series of three papers presented by academics that had all been quite critical of local examples INTERREG initiatives. As we left the conference room I overheard one of the EC officials saying to his colleague that he was 'not used to all this criticism'. His colleague responded that he felt many of our academic criticisms were unreasonable and would not be so well received by an audience mainly comprised of INTERREG officials. I was surprised to overhear these comments as whilst my conference paper had been critical some of the observations had already been made in evaluation reports and were partly related to the difficulty of developing co-operation between regions in northern France and southern England separated by a substantial sea border with significantly different local economies and political structures. I entered into a discussion with the two officials which revealed our rather different viewpoints on how the effects of INTERREG should be assessed. For the EC officials INTERREG is part of the wider political process to promote cohesion in the European Union (EU). Providing co-operative programmes are well managed financially and funds are used as intended then the exchange of knowledge, innovation, people and good practice that INTERREG supports was viewed positively by the EC officials because it contributed to the wider goals of integration and cohesion. From my academic perspective and interests in political geography I was more inclined to judge INTERREG in terms of how it affected governance and power relations in the regions concerned. For the EC officials my criticisms were viewed as short term problems that were not an issue providing they did not hinder the longer term goal of integration. For me the criticisms of INTERREG were an essential part of a wider analysis aiming to understand how regional

co-operation would effect national, regional and local governance and contribute to the on going transformation of state forms in Europe.

Clearly, therefore, INTERREG can be viewed from very different political perspectives and perhaps not surprisingly EC officials adopted a rather different viewpoint compared to academic commentators. These differing perspectives can also be found by comparing chapters in this book. This chapter argues that the Franco-British INTERREG programme contains a number of contradictions that are linked to the rescaling of governance in the EU and the power relations between the key organisations and different scales of government involved in implementing the programme.

The research on which the paper is based has taken place at a number of times for over a decade (see Church and Reid 1995, 1996 and 1999). Prior to 1999 I was based at the University of London and the research methods mainly involved document analysis and key informant interviews. For this period I was an 'outsider' to the INTERREG initiative as my University was not in a position to bid for INTERREG cross border funds. In 2000 I moved to the University of Brighton which is based in the City of Brighton and Hove a local government district eligible for funds under INTERREG II and III. So for the last seven years I have been an 'insider' working in an institution which has been a partner in initiatives funded by INTERREG III A, B and C. This enabled close observation of how INTERREG projects have been developed and implemented. In addition, I have been the University's project manager for an INTERREG IIIC GROW project researching community participation in brownfield land regeneration in the high growth regions of south east England, Nord Brabant in southern Netherlands, Bologna in Italy and Malapolska in southern Poland. My research methods have continued to involve key informant interviews and document analysis but I have also undertaken participant observation recording my experiences in informal and formal meetings concerned with INTERREG projects involving the University of Brighton. My positionality at

times involved complex power relations where I was supporting University bids for funds whilst seeking to understand the wider impacts of the INTERREG programme. Nevertheless, by drawing on my earlier experiences as a critical 'outsider' and by contextualising analysis in theoretical and conceptual writing on changing governance in the EU I have sought to maintain a critical perspective on Franco-British cross border co-operation.

The next two sections of this paper summarise the development of the INTERREG programme and co-operation on the Franco-British border over the last twenty years. This is followed by a consideration of how cross-border co-operation can be understood by drawing on conceptual discussions of changing European governance and the power relations between different tiers of government. These conceptual ideas provide a context for an in depth consideration of the INTERREG IIIA initiative on the Franco-British border which highlights some of the key problems and contradictions of cross border co-operation.

Franco-British co-operation INTERREG 1 in a 'maritime region'

The EC has made Community Initiative funds available for cross border co-operation through three INTERREG programmes. INTERREG I ran between 1990-94, II from 1995-99 and III from 2000-2007. INTERREG IV is currently being developed and will run from 2008-2013. In the UK INTERREG is typified by a process of 'enlargement' as the number of regions eligible for funds has grown from just one in the first programme. This has been accompanied on the British side of the border by a growing 'centralisation' of control as national government organisations rather than local councils have increasingly managed and overseen the programme.

Under INTERREG 1 Franco-British co-operation had some features that were highly distinctive compared to elsewhere in the EU. INTERREG was initially

designed only for terrestrial borders and maritime borders were not eligible for funding. Between 1990 and 1992 the English county of Kent and the French region of Nord Pas de Calais embarked on an intensive campaign of lobbying the EC for their inclusion in the INTERREG programme despite being separated by a maritime border (Church and Reid 1994). Other EU regions separated by a maritime border were involved in similar lobbying. A number of key arguments were used to support the Franco-British case. The opening of the Channel Tunnel in 1994 provided a fixed link between Kent and Nord Pas de Calais which these areas claimed meant they should be treated as having a terrestrial border. The case for INTERREG support was also based on the fact that cross border co-operative initiatives had been significantly advanced in Kent and Nord Pas de Calais in the 1980s well before the INTERREG programme was announced. The Franco-British Channel Fixed Link Treaty signed by national governments was ratified in 1987 and formed the agreement to construct the Channel Tunnel. Also in 1987 the Transmanche region was designated as including Kent County Council and Nord Pas de Calais region who signed a joint accord which identified policy areas where the two authorities felt they could co-operate including commercial, education, transport, tourism and economic links. The aim of the accord was partly to ensure The Transmanche region maximised the benefits linked to the Channel Tunnel and the emerging Single European Market (Church and Reid 1995). This was the first initiative of its type involving a French and UK region. By September 1990 the Joint Accord was further formalised into a Transfrontier Development Programme (TDP) which identified specific cross border co-operative initiatives for which funding would be sought. Kent County Council and Nord Pas de Calais region, therefore, based their case for INTERREG funding not just on the 'terrestrial' link of the Channel Tunnel but also the existing political frameworks supporting cross border co-operation in the Transmanche region (Church and Reid 1996). The lobbying was rewarded in May 1992 two years after INTERREG I had formally started when the EC granted formal approval for the Transmanche region to receive INTERREG

funding. This meant that Kent County Council was the only area of Great Britain that received funding under INTERREG 1. In the EU 4 other maritime borders also managed to secure funding (Interact 2005).

The Transmanche region is indicative of how cross-border co-operation often predates the availability of EC funds but clearly INTERREG funds have been a key factor in stimulating many of the cross border coalitions that have emerged. The initial co-operation in Transmanche region prior to INTERREG was driven by a combination of changing economic and infrastructural circumstances. Cross border co-operation emerged despite marked political and economic differences between Kent and Nord Pas de Calais (Collier and Vickerman 2001). In the 1980s the socialists were the ruling party in a region with a population of nearly 4 million. Kent County Council with a population of just under 2 million was controlled by the conservatives and despite job losses in the recessions of the early 1980s and 1990s it was still a relatively prosperous part of England (Eurostat 1993). In Nord Pas de Calais in 1990 manufacturing still accounted for over a quarter of employment compared to 16% in Kent (Government Office for the South East 1994). The effects of deindustrialisation and high levels of unemployment meant Nord Pas de Calais was in receipt of Objective 1 and 2 funding from the European Regional Development Fund (ERDF). These economic differences have continued into the more recent period and in 2003 the unemployment rate in Kent was 2.3% compared to 12.8% in the Nord department (INSEE 2005)

Competing to co-operate - INTERREG II and III on the Franco-British border

Under INTERREG 1 the Transmanche region had a total budget of 54m ECU of which 40% was from the programme and 60% match funded from local and regional governments. The financial benefits for the Transmanche region of INTERREG 1 funds meant that other UK regions were keen to be involved in the INTERREG II programme especially as it was now clear that maritime

regions could be eligible for funds (AEBR 1996). A complex lobbying process emerged in 1993-4 as a number of English and French local government organisations sought to become eligible for funds. A number of French and British towns had already formed informal co-operative groupings in the early 1990s. In 1993 a local economic accord was signed between the northern French towns of Caen, Le Havre and Rouen and the southern English towns of Bournemouth, Poole, Portsmouth and Southampton. This grouping was termed the Transmanche Metropole and was partly designed to contribute to the lobbying campaign to obtain INTERREG eligibility (Church and Reid 1996). Lobbying for eligibility involved coastal regions on both sides of the Channel and was a complex process seeking to influence the Regional Policy of the European Parliament, the Assembly of European Regions and the INTERREG management committee. The Transmanche Metropole towns were in the English counties of Hampshire and Dorset and the French regions of Haute-Normandie and Basse-Normandie all of which were applying for eligibility (Church and Reid 1996). The Transmanche Metropole grouping and the existing Transmanche region appeared to constitute an influential lobby. Squeezed between these groupings geographically were the English counties of East and West Sussex and the French region of Picardie. East Sussex were not optimistic about their chances of gaining INTERREG funding despite having signed an economic accord with the French Department of Seine Maritime since these two authorities were not part of a well defined grouping like the Transmanche Metropole (Church and Reid 1996). Picardie was applying for eligibility partly on the basis of co-operation with the English county of Essex which is north of the river Thames and has few maritime links to Picardie.

On 1 July 1994 when the list of border regions eligible for INTERREG II funding was published the outcomes for the coastal regions of northern France and southern Britain were a mix of the predictable and the unexpected. As expected due to involvement in INTERREG I the Transmanche region containing Kent and Nord Pas de Calais was on the list. Less expected were the other eligible

regions. From the French region of Picardie only the coastal department of Somme was granted eligibility along with the Department of Seine Maritime in the region of Haute Normandie. The two departments were eligible for co-operation with the English County of East Sussex and these three authorities now termed themselves the Rives-Manche region (Church and Reid 1995). The English county of Essex along with the counties and regions covered by the Transmanche Metropole were not on the list of eligible regions. The towns of Rouen and Le Havre, however, were part of the Transmanche Metropole but are located in the Department of Seine Maritime and so were now eligible for funding. East Sussex viewed their inclusion on the list as unexpected but a significant achievement. One of the French Departments was initially unaware they were included on the list as the application process had been dealt with by the French regional agency DATAR (Church and Reid 1996).

East Sussex county council felt their success was partly based on the economic arguments used to support their case which stressed cross border co-operation would aid the existing links between the ports of Dieppe and Newhaven and the shared problems of stagnating tourism resorts. In addition, East Sussex believed that central government had been a significant influence in their success. The central government bodies involved in the application process for eligibility had indicated they would prefer INTERREG II to focus on areas that were eligible for national regional policy funding which included some coastal towns in East Sussex and Kent but not areas in the Transmanche Metropole (Church and Reid 1996). The outcome of a complex lobbying and application process had resulted in an expansion of eligible areas compared to INTERREG 1 but this was accompanied by central government in the UK having an increasing influence on the evolution of the INTERREG programme in the English regions. In the 1990s the desire of UK central government to act as a 'gate keeper' over EU funding had already been noted (Martin and Pearce 1993). Under INTERREG I Kent County Council had considerable opportunity to determine the direction of the programme (Church and Reid 1994). By

contrast, for INTERREG II the final bid for funding for the Transmanche region was submitted by the centrally appointed Government Office for the South East (1994).

Obtaining eligibility for INTERREG II was clearly a highly competitive process in southern England and northern France involving intensive lobbying and the formation of complex temporary alliances. Indeed, this highlights a key contradiction of co-operative cross border initiatives which is that they also stimulate intensive periods of competitive political activity as local and regional organisations seek to gain eligibility for funding. Some organisations benefit from this process whilst others receive little gain and resources are diverted from other local democratic priorities (Church and Reid 1995). This history of INTERREG policy evolution especially the increasing involvement of central government agencies in the UK highlights the need to consider not only how cross border co-operation is influenced by relations between tiers of government but also by the interactions between agencies at the same scale of local and regional governance who in the process of seeking eligibility for funding have been competing to co-operate.

The value of being successful in 1994 was further reinforced when INTERREG III for 2000-2006 was developed because the eligible areas in southern England and northern France effectively remained the same. The total number of programmes funded in the EU by INTERREG I was 31 and this rose to 59 under INTERREG II but fell to 53 under INTERREG III (Interact 2005). Rather than enlarging the number of eligible regions on internal EU borders INTERREG III resulted in mergers of programmes on certain borders and a decline in the total number of programmes. The Franco-British border was an example of where programme merger occurred and the Transmanche and Rives-Manche regions were integrated into a single programme of Franco-British co-operation involving the same regions and counties. In certain circumstances two adjoining counties in England (West Sussex and Surrey) and four Departments

in France (Aisne, Oise, Eure and Calvados) could become involved in INTERREG programmes but the reality was that the Franco-British area eligible for INTERREG funding remained static from 1994-2006.

INTERREG IV for 2007-2013 will involve a significant expansion of the regions eligible for funding on EU internal borders. Areas eligible for funds on the Franco-British border have effectively doubled (Local Government International Bureau 2006) to include the majority of the coastal regions of northern France and southern England. Seven French departments and 9 English counties will be the main recipients of INTERREG IV funding compared to 2 counties and 4 departments under INTERREG III. Furthermore, the Franco-British INTERREG IV initiative is now a France-British-Belgian-Dutch programme as two coastal authorities from the Netherlands and three from Belgium are now involved in the programme. Key informant interviewees felt the budget is unlikely to expand to a similar degree meaning that those areas eligible under INTERREG III are unlikely to have the same funds at their disposal. The Franco-British border received significant funds from INTERREG III and the total budget of 206m EUR for 2000-2006 (108m EUR from the ERDF) was the second largest budget for an EU internal border programme exceeded only by the 1075m EUR budget for the Spain-Portugal border (Interact 2005). A later section of this paper examines the detail of how this INTERREG III budget was allocated but before a more in-depth analysis is presented the next section outlines how the evolution of cross border co-operation on the Franco-British border and in the EU more generally has been considered in wider conceptual discussions of changing governance in the EU. The value of examining this wider literature is that it highlights possible explanations for the features of INTERREG programmes which can inform the detailed empirical analysis presented later in the paper.

European governance and the politics of cross border co-operation

The discussion so far has highlighted the contradiction of significant competition being a feature of the evolution of cross border co-operation. This was also noted in some of the early studies of the economic dimensions of cross border co-operation. Cappelin (1992) argues that peripheral border regions may become more economically integrated with core regions through initiatives to support cross border co-operation but peripherality can also be accentuated through competition between border regions for policy resources. During the early phases of INTERREG the contradictions of cross border co-operation were often considered in the context of wider debates over the emergence of networked governance in the EU (Marsh and Rhodes 1992, Church and Reid 1996). Clearly cross border co-operation can be seen as one example of the growing international networks involving local and regional government in the 1980s and 1990s (Van der Wusten 1995). Indeed, the growth of such networks has been linked to a wider internationalisation of local and regional government activity (Goldsmith 1993). During this period quite optimistic conclusions were sometimes drawn concerning the potential of networks to allow local and regional bodies to develop alternative strategies that were to some degree free from the constraints of central government (Van den Wusten 1995, Batten 1995). Networks and co-operation based on accountable leadership have been shown to result in significant policy innovation (Bennett and Krebs 1994).

Other commentators were more pessimistic arguing that networks could create new constraints and concentrate power in certain agencies (Marsh and Rhodes 1992, Nijkamp 1993). Cochrane (1993) noted that the emergence of complex coalitions involving local government raised concerns of accountability as the resources of local government were increasingly influenced by other tiers of government rather than issues of local concern. Detailed analyses of networked governance noted that there was often a highly selective process determining who was involved in co-operative networks. Thus networks and cooperation can result in a concentration of power in small bureaucratic groups. As Dang-

Nguyen et. al. (1995 p.94) note 'the lack of transparency democratic legitimation and the control of 'networked policy making' suggest that the development of these new political institutional forms represents only a transitory stage on the way to an emergent European state'.

More recent discussions of the changing nature of EU governance have further extended the understanding of the significance of network-based governance that often involves new spatial arrangements such as cross border collaborations. Indeed, new cross border spaces have developed in many locations outside Europe (Perkmann and Sum 2002). The nature of INTERREG has partly evolved in response to wider changes in the organisation of structural funds and also the enlargement of the EU which has markedly changed the nature of both external and internal borders (Interact 2005). The evolution of INTERREG, however, is also shaped by wider changes in EU governance. Jessop (2002, 2005) suggests that changes in national and EU governance structures are leading to the emergence of what he terms a Schumpeterian Workfare Postnational Regime in which networks and partnerships, often promoted by EU organisations, play a key role in the development of multilevel metagovernance. Jessop (2005) argues that a type of post national statehood is emerging in Europe and multilevel metagovernance is used by national and European tiers of government to maintain control of local and regional politics through a system of 'decentralised steering' which tends to promote neo-liberal welfare agendas. This has resulted in a rescaling of institutional activities as certain spatial scales of governance become best suited for particular types of political intervention. Jessop (2005 p.5) notes that 'whereas promoting micro-social conditions for economic competitiveness maybe better handled now at sub national or cross-border levels, large national states are still better equipped in principle to deal with problems of territorial integration, social cohesion and social exclusion because of their fisco-financial powers and redistributive capacities'. From this perspective, therefore, cross border spaces and networks of co-operation must be understood as part of the

wider restructuring and rescaling of governance and statehood that will involve shifts of power and control between tiers of government as multilevel governance develops across the EU. The concept of multilevel governance and has received considerable debate and criticisms but is still viewed as essential for identifying 'the tensions between representative democracy on the one hand, and partnerships and deliberative forms of democracy on the other' (Eckerberg and Joas p.411). The debates over multilevel governance and European political transformation more generally, confirm the need to consider how cross border initiatives such as INTERREG are shaped by the evolving power relations between and within the changing tiers of governance that are linked to the ongoing political rescaling associated with multi level governance.

The early writing on networks and cross border co-operation in the 1990s along with more recent interpretations of the changes in European governance indicate that an examination of cross-border cooperation must search for contradictory tendencies that may emerge and also recognise that whilst co-operation opens up new options for local and regional authorities to act more independently it creates new constraints as national and European tiers of government, often through their appointed 'decentralised' agencies, seek to control new forms of co-operation. These conceptual writings along with the empirical material presented earlier in this paper on the evolution of INTERREG on the Franco-British border suggest that a full understanding of the implications of cross border co-operation requires an analysis of how power relations between different tiers of government shape these co-operative programmes and also which organisations acquire the power to influence the nature and direction of cross border policies. Given the complexities of power theory (Clegg 1989, Haugaard 2002, Morriss 2002) and the complex nature of power in local and regional situations (Allen 2003, Coles and Church 2007) it is not the intention here to develop a detailed analysis of all the power modalities and tactics linked to INTERREG. Instead the aim of the next section of the paper is to explore issues of power broadly and empirically through a more detailed

discussion of the nature of INTERREG IIIA. This seeks to establish how the nature of cross border co-operation is influenced by the power relations between tiers of government and the goals of specific organisations acting at the regional and local scale.

Power, politics and INTERREG IIIA

The organisational structures and expenditure outcomes of INTERREG IIIA provide insights into the power relations that shaped the nature of the programme and reveal a number of criticisms of INTERREG both in the Franco-British example and more generally. The whole INTERREG III programme had three strands and IIIA, the largest strand in terms of budget, was for adjacent regions to develop cross border co-operation. The other strands were mainly for regions that are not adjacent with IIIB for transnational co-operation and IIIC for interregional co-operation. Figure 1 outlines the organisational structure of the Franco-British INTERREG IIIA programme and indicates a significant difference in how INTERREG was managed in the two countries. The Managing Authority for France was the elected regional tier of government the Conseil Regional de Haute-Normandie. In the UK the managing authority was the Government Office for South East England (GOSE) which is regionally based agency of central government. The increasing influence of central government on INTERREG in the UK (Church and Reid 1996) is reflected in this management structure. As one key informant interviewee from a UK local council noted 'when the French argue it is usually tensions between the regions and departments....in England its us getting irritated with GOSE's desire to control'.

Central government influence is also exerted in the French regions but through the presence on the steering committee of the Prefets who act as central government's representatives in the three French regions. The programme organisation shown in Figure 1 was also designed so that Franco-British cross-border co-operation could adopt a bilateral and parallel approach to individual

project assessment followed by negotiations over short listed projects in the Steering Committee. In interviews with some key informants this bilateral approach was seen as overly bureaucratic compared to the alternative of integrated project assessment. Other informants, however, felt it ensured projects were rigorously assessed prior to funding. The debate over the value of parallel compared to integrated management systems for INTERREG has been raised in comparative evaluations. The Interact (2005 p.99) study compared a large number of the mid term evaluations for INTERREG III and concluded as follows:

‘Over successive programming periods, there has been an overall trend for INTERREG programmes to move towards more integrated and shared management and delivery systems, although programmes have progressed down this route at different speeds and to varying degrees. The proposed European groupings of cross-border cooperation (EGCC) provide a potential means for more programmes to develop further in this direction, creating joint structures with a legal status. It is important at this stage to explore whether these structures are, in practice, suitably framed to resolve the difficulties they have been introduced to address. Although well-intentioned, the EC’s proposals may not in fact go far enough towards addressing the real causes of INTERREG programming difficulties, including incompatibilities between different national funding regimes. It may also be useful to explore different models of INTERREG management, to understand the merits not just of joint structures but also parallel management arrangements. It may be that, given good coordination, parallel management models to cross-border cooperation, for example, provide a valid, realistic and sustainable solution to INTERREG management which accommodates the realities of working in a multinational setting. These questions require further investigation.’

Whatever the advantages or disadvantages of parallel or integrated approaches, the form of programme organisation that emerged in the Franco-British example clearly reflected not only the differences in national funding

structures mentioned in the above quote but also the interactions between tiers of government who are seeking to control the management and implementation of INTERREG.

Central government organisations are clearly a key source of power influencing the nature of cross border regional co-operation. The steering group for Franco-British co-operation, however, also included a considerable degree of representation from local and regional organisations. Power relations between these organisations were a crucial influence on how the programme developed and the nature of expenditure outcomes. The steering committee for INTERREG IIIA in France and the UK had 21 members with the chair being a Franco-British partner who was the representative of the managing authority (see Figure 1). The 10 French members were all drawn from central-regional, regional and local statutory organisations and included the 3 Prefets for the regions, the 3 presidents of the Regional councils and the 4 Presidents of the general Councils for the Departments. The 10 English members include three representatives from regionally based central government organisations two from GOSE and one from the South East England Development Agency. Local government on the steering committee is comprised of four representatives from the largest councils. The remaining three members represent small and medium sized enterprises (SMEs), further/higher education and the voluntary sector. This appears on the surface to be indicative of a more pluralistic structure than in France designed to include perspectives on the steering committee beyond those of government bodies. This arrangement, however, does not mean that the power to influence and benefit from INTERREG is evenly distributed amongst the sectors represented on the steering group and the uneven power relations that emerged are partly reflected in the INTERREG IIIA budget and expenditure patterns.

The allocation of the budget for Franco-British co-operation under INTERREG IIIA was meant to be guided by six strategic objectives and four budgetary priority areas (interreg 3A 2004). The six strategic objectives were:

- Developing a wider maritime region and its rural and urban areas
- Reinforcing the cohesion of the cross-border area bordering the Channel and promotion of project contributing to the competitiveness of the region and the creation of employment
- Involving citizens more closely and taking account of their needs
- Supporting sustainable development of this area
- Promoting the use of information and communication technology
- Promoting equal opportunities and social inclusion

Whilst these strategic objectives appear ambitious in reality budget expenditure was more closely related to the four priorities (MC2 2006). Priority 1 was to strengthen cross-border co-operation in the service of the citizen, priority 2 promoted balanced spatial development and priority 3 promoted an attractive and welcoming region. The final priority was technical assistance which accounted for only 7% of expenditure. The mid-term evaluation for Franco-British co-operation noted that expenditure was spread amongst the three main priorities with 20% occurring under priority 1, 31% under priority 2 and 42% under priority 3 (MC2 2004). Expenditure, however, had not been spread amongst the strategic objectives with only 23% being allocated to the last three objectives listed above (MC2 2004). Indeed, the consultants undertaking the 2006 update to the mid term evaluation for Franco-British co-operation noted that programme organisation had concentrated on budgetary priorities but had lost sight of the strategic objectives so that some objectives had only been partially addressed (MC2 2006). Similar criticisms have been made of INTERREG more generally and the comparative study of mid term evaluations noted that often programmes lacked strategic vision (Interact 2005). The emphasis on budgetary issues in the Franco-British programme, however,

meant that the mid term evaluation noted that budgetary programming was well executed.

Despite this, the Franco-British programme still experienced a significant degree of 'deadweight' referring to projects that might well have occurred without funding and so were not additional. The mid term evaluation of the Franco British IIIA programme (MC2 2004) suggested as many as 25% of projects might have occurred anyway and so were not additional. General discussions of INTERREG stress that 'more so than other Structural Fund programmes, INTERREG programmes are additional to domestic policy initiatives. They are catalysts - providing opportunities which lead either to new and additional activities or to pre-existing priorities being taken forward in a different way' (Interact 2005). This quote however, indicates the difficulty of establishing if an INTERREG project is 'deadweight' or additional. If the projects funded by INTERREG are long standing local priorities but were taken forward in a slightly different way under INTERREG that would fulfil the additionality criteria.

More generally, the nature of expenditure outcomes and project funding also reflected the power and influence of the key organisations involved in the programme. By the time of the mid term evaluation in 2004 42% of INTERREG IIIA funds for Franco-British co-operation had been programmed. Perhaps as might be expected a significant proportion of funds (42%) had been allocated to projects where local/regional government was the lead partner. A further 11% was allocated to projects lead by 'other public' organisations (e.g. the public health sector) and 20% to voluntary organisations many of which were projects to reinforce cohesion and involve citizens. More surprisingly, 24% of the budget had been programmed for projects led by universities whereas only 4% had gone to projects led by private business or chambers of commerce. (MC2). The difficulties of involving SMEs is a problem common to INTERREG programmes (Perkmann 2003) stemming in part from the demands financial

reporting places on SME partners and the billing procedures on INTERREG (MC2 2004). Also some programmes have been wary of SMEs as partners as support for SMEs from INTERREG could conflict with the Lisbon Treaty's competitiveness agenda. The high proportion of funds programmed to initiatives lead by universities may reflect the fact that some were large scientific research projects. Universities, however, had been significant beneficiaries under INTERREG II from the Franco British border. More generally, Universities had the organisational and financial structures which allowed them to bid for and manage large INTERREG projects. One key informant noted 'I'm not sure how universities have got so much funding this time aroundtheir position on the steering and monitoring committees must have made a difference'. The influence of universities on the Franco-British INTERREG programme emerged slowly over the three programmes but clearly by the time of IIIA the local universities had developed the power of their own internal resources and their involvement in programme planning networks to ensure they were heavily involved in the programme.

Whilst university projects may possibly result in a high degree of co-operation between institutions and academic staff they may not directly address one of the criticisms of Franco-British INTERREG initiatives which was the lack of public awareness of cross border co-operation. An ex ante evaluation of INTERREG IIIA concluded that the France-British programme was 'primarily directed towards organisations and local enterprises rather than local populations and citizens or residents, who benefit indirectly from the programme rather than feeling involved' (interreg 3 A 2004). A number of the projects led by voluntary sector bodies have resulted in an expansion of exchange activities between local communities some of which are quite deprived. Under INTERREG IIIA there has been an exchange of community leaders and members involved in the regeneration of former mining settlements in northern France and the east Kent coalfields. Despite such initiatives, however, the significant proportion of funds programmed under INTERREG

111A for local government and universities is unlikely to significantly alter the perception that it is an expert driven programme which may benefit local residents but will not directly involve them. The power relations and organisational structures that have evolved in connection with the Franco-British INTERREG initiative have tended to result in a situation whereby certain types of institution are the main beneficiaries of INTERREG resulting in a relatively low level of awareness of the programme amongst local populations.

Conclusion: INTERREG, long term cohesion and short term contradictions

A number of the criticisms made of the Franco-British INTERREG programme in this chapter reflect the contradictions that arise when local and regional governments get involved in 'competitive co-operation'. The marked expansion of the eligible Franco-British authorities under INTERREG IV may well heighten the competitive dimensions of the programme. Equally, many of the criticisms can be given a different interpretation if seen from the perspective of the EC officials discussed in the introduction to the chapter who tended to view INTERREG as part of a long term EC inspired drive for cohesion. For example, some of the organisational weaknesses of Franco-British INTERREG identified in evaluations (interreg 3A, MC2 2004, MC2 2006) can also be presented in a more positive manner. It has long been argued that competition amongst local and regional authorities for funds stimulates the emergence of innovative and high quality policy initiatives (Department of the Environment 1994). The lack of attention to strategic objectives could be presented as symptomatic of an initiative seeking to develop a flexible approach that responds to changing local circumstances. The bilateral and parallel project assessment procedures that have been portrayed as bureaucratically cumbersome could also be seen as providing a robust and critical approach to funding decisions. 'Deadweight' projects that were not additional may have a positive dimension if they move forward identified local priorities.

Similarly the critiques of the power relations and politics associated with INTERREG III can also be portrayed as having an appropriate justification. Increased central government involvement may avoid poor management by local or regional authorities. The significant influence on the programme of only certain local organisations such as local government and universities may result in initiatives that address local priorities even if this results in a lack of awareness of the initiative amongst local residents. Evaluations of INTERREG have often recognised that whilst weaknesses exist it is important to take a broad view and acknowledge the long term gains. For example, the comparative study of INTERREG III mid-term evaluations concluded that 'The Community Added Value of INTERREG is difficult to dispute. Supporting enhanced integration between EU Member States and the balanced and sustainable development of the European space is clearly a distinctive area where supranational frameworks and initiatives can come into their own' (Interact 2005 p.21). Such a broad interpretation of INTERREG may have some justification although the criticisms outlined in this chapter are still important and cannot just be dismissed as short term problems. The empirical evidence presented in this chapter indicates that an understanding of how INTERREG involves requires an analysis of the power relations involved. The tensions between different tiers of government have been significant in shaping how France-British co-operation developed. Equally, the competitive dimensions to power relations between organisations at the same scale of local and regional governance have a significant impact on the nature of co-operation. The argument that cross-border co-operation contributes to the 'big picture' of cohesion may be used to give a positive interpretation to INTERREG. There is, however, a complex politics of uneven power relations associated with the process of cohesion. Local and regional, coalitions, networks and competitive interactions allow some institutional structures to gain a position of power which allows them to be the main beneficiaries of cross border co-operation.

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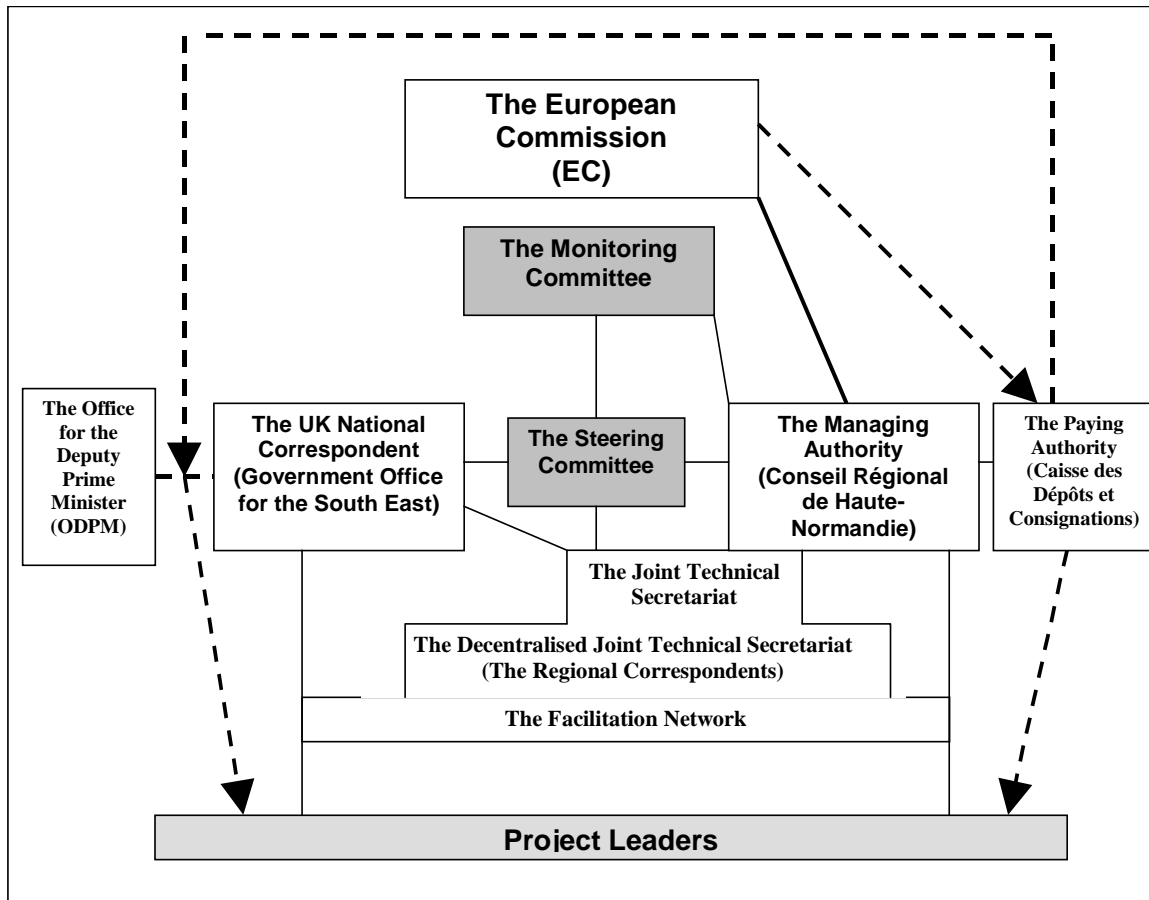
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Figure 1 Franco-British INTERREG IIIA Programme Administration



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