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State rescaling and a ‘Europe of the Regions’ in small unitary states: A damp squib?

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ABSTRACT

This conclusion ties together the various contributions to the Special Issue from the perspective of the introductory framework. Based on this framework, the conclusion shows that: (i) domestic mediating factors are responsible for nuanced state rescaling outcomes in small unitary states, (ii) the EU has led to decentralization and recentralization in both phases of the EU decision-making process and (iii) the level of authority is the best predictor of SNAs’ empowerment, although this is intertwined with secondary mediating domestic factors. This concluding article sheds new light on the hybrid nature of the European polity and demonstrates that states remain the most important pieces of the European ‘puzzle’. The Special Issue arrives at two conclusions: first, we are witnessing a ‘transformation of the state’ rather than its demise, and second, the notion of a ‘Europe of the Regions’ in small unitary states is nothing more than a ‘damp squib’.

KEYWORDS European Union; subnational mobilization; state rescaling; hybridity; small unitary states

The European Union and state rescaling in small unitary states: Mediating domestic factors as a ‘bridging concept’

The aim of this Special Issue was to address the impact of the European Union (EU) on subnational mobilization in small unitary states in the formulation and implementation phases of the EU’s decision-making process. By means of a comparative analysis of eight small unitary states, we have identified in each of the contributions the ways in which the presence of domestic mediating factors helps us to explain the various impacts of the EU on state rescaling processes. As suggested in the Introduction of the Special Issue (Antunes and Loughlin 2018), although it is commonly argued that the impact of the EU on unitary states, large or small, differs from that on federal states (Börzel 2002; Bursens 2007; Hanf and Soetendorp 2014; Kassim 2003; Schmidt 1999 and 2003), research has thus far produced little systematic empirical evidence of the role of domestic mediating factors in producing these differences

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(Jeffery 2000, 12–18; Börzel and Risse 2003, 63–69; Radaelli 2003, 46–50; Graziano and Vink 2013, 41–42). Likewise, there is a general lack of research on the relationship between the EU and small unitary states, as most case-studies have involved large unitary states such as France and the UK, the majority of which have already established regionalized or decentralized systems of central-local relations over the past thirty-odd years.

Drawing on theories of multilevel governance and Europeanization literatures, and following the theoretical framework offered in the Introduction, we are now able to deliver a systematic account of the domestic factors that mediate the impacts of the EU on state rescaling processes in small unitary states. In so doing, we hope to rectify the lack of a theoretical explanation that can establish the missing link between the grand theories of European integration set out by neofunctionalism or liberal intergovernmentalism and multilevel governance approaches, specifically in explaining the consequences that can be derived for state power in a context of complex interdependencies. In this respect, the concept of mediating domestic factors (Börzel and Risse 2003), also referred to as intra-state factors (Jeffery 2000), will be validated as a ‘bridging concept’ between grand theories of European integration and a multilevel governance vision of the EU (Hooghe and Marks 1996). Moreover, this strategy will permit us to illuminate the ‘hybrid’ nature of the European polity (Loughlin 2009) whereby European, national and subnational authorities all participate in European governance thought without threatening the centrality of the state.

The systematic account of the findings will be presented bearing in mind the specificities of each phase of the EU decision-making process. In other words, we will examine the two phases of the EU decision-making process separately before engaging in a final overarching comparative assessment of the overall impact of the EU on state rescaling processes in small unitary states. In the implementation phase, we will compare the findings of **7 case-studies** (the Netherlands, Ireland, Sweden, Finland, Greece, Czech Republic and Estonia); in the pre-legislative phase, we will consider the findings of **5 case-studies** (the Netherlands, Ireland, Sweden, Portugal and Czech Republic). The Portuguese case is particularly interesting due to the country’s ‘dual nature’: a centralized unitary state that encompasses two Autonomous Regions with a special status (Hooghe, Marks, and Schakel 2010). In practical terms, this case will allow us to establish a comparison with the Finnish Åland Islands. The discussion of the findings will be complemented by citations that situate them in the context of the existing body of literature, enriching the conclusions drawn from the data collected in this sample of eight case-studies.

Overall, the findings confirm that the EU has led to decentralization and recentralization in both phases of its decision-making process, although state actors have remained ‘the most important pieces of the European

puzzle' (Hooghe and Marks 1996, 3). These findings corroborate the hypothesis that the European influence can be simultaneously constraining and enhancing, as originally suggested by Fleurke and Willemse (2006 and 2007). Our empirical data also confirm that the level of authority is the best predictor of SNAs' empowerment, an assertion that is implicit in the argument that the impact of the EU on unitary states, small or large, differs from that on federal ones. However, this factor is not the exclusive explanation for the nuanced variations within and across cases. Consequently, both primary and secondary domestic mediating factors will be considered in the final analysis. In this way, we hope to reconcile the simplicity of scientific reasoning with the complexity of empirical realities. For the purpose of clarity, this paper will be divided into three parts. In the first part, we will discuss the findings from the implementation phase, presenting an overarching theoretical framework and providing a comparative analysis of the cases under investigation. In the second part, we will follow the same procedure for the pre-legislative phase. Finally, in the third part, we will summarize the conclusions and assess the consequences that can be derived for the idea of a 'Europe of the Regions' in small unitary states.

Seeking 'patterns' in state rescaling processes: Methodological concerns

Seeking 'patterns' with the purpose of building a middle-range theory on the topic at hand could be perceived as a daunting task due to the absence of theoretical systematization found so far in the literature and to the empirical 'thickness' found in each contribution to this Special Issue. A pattern can be defined as an overarching explanation that runs across the data, linking dimensions of the phenomenon together and helping us to see the bigger picture. In order to find such patterns, we have decided to apply a mixed approach, using both deduction and induction as two complementary logics to generate a theory. Whereas the former method allows us to benefit from the propositions found in the literature (and mentioned in the introductory theoretical framework), the latter enables us to move beyond these propositions, utilizing the richness of the empirical data to lay the foundations for an encompassing explanation that can provide a more comprehensive understanding of the phenomenon under analysis.

Methodological concerns have also been taken into account in order to test and confirm meanings, avoid bias and ensure the quality of the conclusions. To this end, we have followed some of the tactics suggested by Miles and Micheal Huberman (1994, 262–287). Thus, in the present research, the pattern-seeking process was implemented in two steps: first within each case-study and then across case-studies. Our strategies were diverse, including both concrete and conceptual/abstract measures. In the first phase, that

is, within each case-study, the strategy consisted of building clusters of intervening variables and noting the relationships that could be established between the impact of the EU, the mediating domestic factors identified in the introductory framework and the state rescaling outcomes. In the second phase (that is across case-studies), the strategy involved making contrasts/comparisons and building a logical chain of evidence in order to achieve conceptual coherence.

By following these rules, we hope to provide a consistent and predictable understanding of state rescaling processes in small unitary states. Discrete bits of information will come together to create an economical whole that, analytically speaking, will be more than the sum of its parts. Ultimately, we will be able to tie the findings of the eight contributions in the Special Issue to overarching, cross-study propositions that can account for the 'how' and the 'why' of the phenomenon under investigation.

State rescaling in the implementation phase: Theoretical framework and empirical findings

Theoretical framework: Mediating domestic factors and outcomes

Concepts involving the emergence of a multilayered polity and the consolidation of an MLG framework gained currency in the EU studies literature thanks to the seminal work of Marks (1992) on the early stages of the European Community Structural Policy. In fact, the 1988 reform of the structural funds included an obligation on the part of national governments to establish a 'partnership' structure whereby national, subnational and EU representatives would take part in the identification of priorities for structural fund investment, as well as in the monitoring of spending on the regional level. This opened up a new arena for direct dialogue between subnational, national and supranational actors, with the presumption that this could potentially challenge centralized decision-making at the national level, although this aspect might vary across countries. Generally speaking, this would suggest that the 1988 structural funds reform and the adoption of the partnership principle could lead to 'decentralization'; however, the reality is far from straightforward, as domestic mediating factors have interfered with the extent to which SNAs engage in policy-making.

To ensure a consistent evaluation of the impact of the EU on state rescaling in the implementation phase of the EU decision-making process, three primary mediating domestic factors should be considered: a) the level of authority of the SNAs, b) their proficiency in capacity-building and c) the quality of intergovernmental relations. The first factor indicates that the empowering effect of the EU relies on the scope of the competences that are allocated to SNAs; the second and third factors show that SNAs can be empowered

as long as they are 'efficient' in the exercise of these competences. In other words, SNAs can only maximize their 'gains' within the scope of the competences granted to them as a condition of European membership if horizontal coordination (i.e. proper coordination between SNAs) and vertical coordination (i.e. open dialogue with the central state) are correctly implemented. Additionally, the contribution of each one of these three primary factors to an SNA's overall empowerment also relies on the presence of secondary factors that may contribute to either constraining or enhancing empowerment.

With respect to the **level of authority** granted to SNAs – that is, the scope of competences over which they can exert influence – three domestic factors mediate the impact. Here, a crucial role is played by path dependencies. One example would be the existence of a strong historical legacy of policy-making practices that help to reinforce a centralist presence in policy-making, thus minimizing the enhancing role of the EU in enhancing decentralization. However, path dependencies can also justify and reinforce decentralization; in these particular cases, we may identify a localist (to a greater extent) or a regionalist preference (to a lesser extent) in territorial organization. In certain cases, this decentralized path dependency can be collaborative in the sense that it is realized in a close and voluntary relationship with the centre, mainly for historical or normative reasons.

A second domestic factor that mediates the impact of the EU on the level of the authority allocated to SNAs involves the presence of veto players in the political system, as suggested by Tatham with respect to the pre-legislative phase of the European decision-making process (2010 and 2017). These aspects had already been emphasized by Risse (Risse, Cowles, and Caporaso 2001) as well as by Vink (2005), albeit in very broad terms. In sum, as noted by Pitschel and Bauer (2009), 'party politics' matter in the sense that both party congruence or incongruence and changes in governments may impact the level of authority granted to SNAs, leading either to decentralization (at the local and/or regional level) or recentralization. Within this factor, we have identified a third possible situation whereby a centralist path dependency persists due to a lack of political consensus on decentralized territorial reforms prevailing at the domestic level. Finally, the third type of mediating factor that may constrain or enhance the maneuvering room of SNAs involves contextual factors (Graziano 2003). Such factors include periods of economic prosperity, which tend to favour decentralization, as well as times of economic crisis, which in most cases favour the opposite trend. In this broader category, we must also consider the role of societal challenges, as decentralization can be perceived as a territorial solution to functional problems.

With regard to the **capacity-building proficiency** of SNAs (Jeffery 2000, 14; Hooghe and Marks 1996) – that is, the institutional capacity of SNAs to adapt to European membership in order to take full advantage of their new

competences – we should consider secondary factors affecting the levels of human and financial resources (Kull and Tatar 2015; Oikonomou 2016) placed at their disposal, as well as factors affecting their ability to establish horizontal coordination to implement policies. Indeed, whilst many authors praised the 1988 reforms as ground-breaking because of the upgraded role of municipalities and regions as managing authorities in the EU decision-making process, the outcomes have been rather disappointing for two main reasons. First, the central state remained firmly in control of the process of negotiating cohesion and structural funds with the European Commission. Second, the decentralization of the competences granted to SNAs was not accompanied by adequate funding (i.e. financial autonomy). As a result, SNAs have been largely dependent on structural funds received over time, implying an enormous financial reliance on national grants. As noted by Tatar (2011, 391) as well as by Kettunen and Kungla (2005, 357), with the adoption of the partnership principle, SNAs gained participation in the policy process but still could not significantly influence its outcome. Additionally, in some cases, mastery of the technical expertise required to manage European projects was a critical issue, especially for more recently joined member states (Kull and Tatar 2015). In sum, the reform efforts promoting decentralization in response to the European opportunity structure have not resulted in a decrease in the power of centralism, as the overall transfer of real power and resources has been relatively negligible in this category of states. Moreover, contextual factors such as times of economic crisis have not facilitated the decentralization process (see the general overview of the theoretical framework in Table 1 below).

Furthermore, the ability to promote horizontal coordination relies on the presence of a pro-active leadership, as mentioned by Jeffery (2000), Héritier et al. (2001) and De Rooij (2002); significantly, this pro-activeness is supported by the factor of legitimacy (political and democratic). The level of fragmentation of SNAs or overlap of SNAs may impede the development of this vital

Table 1. State rescaling processes in the implementation phase.

Primary Factors		Secondary Factors	State Rescaling
Level of authority		Path dependency Veto players Context	Decentralization and Recentralization
Capacity-building	Resources (human and financial) Horizontal coordination	Level of fiscal autonomy Context Level of technical expertise	
		<ul style="list-style-type: none"> • Political leadership • European values • Level of fragmentation of SNAs • Political culture • Norms of territorial organization 	
	Quality of intergovernmental relations	<ul style="list-style-type: none"> • Level of authority • Political culture 	

quality. Norms and values (Olsen 2002) also come to the fore, as a pro-European stance and consensual political cultures (López and Tatham 2018) tend to facilitate horizontal coordination, whereas European skepticism, statist cultures and a sectoral approach to territorial governance tend to inhibit it.

Finally, the **quality of intergovernmental relations** (Jeffery 2000) is the third primary factor that should be taken into account: here, the level of authority enjoyed by SNAs will determine the quality of the dialogue that can be established with the central state. In other words, whereas strong SNAs, that is, SNAs with legislative powers, such as the Autonomous Regions of Azores and Madeira in Portugal and the Autonomous Islands of Åland in Finland, are embedded in formal domestic structures that guarantee a constant and fluid dialogue with the centre, weak SNAs (that is, SNAs with no legislative powers) must resort to informal networks that, according to Beyers and Kerremans (2012), are much less efficient. In this respect, political cultures that are 'consensus-building' (López and Tatham 2018) can potentially overcome the absence of formal mechanisms by means of a natural ability to establish informal dialogues. However, this practical solution is not as efficient as the presence of formal mediating structures.

Empirical findings: A comparative analysis

For the 7 case-studies under investigation, the state rescaling outcomes are divided between decentralization and recentralization. It should be noted that these outcomes have been realized under the supervision of the central state without threatening the latter's overall authority. Even where outcomes are similar, we can distinguish three categories of SNAs: 'resource-strong', 'resource-weak' and 'in-between' cases.

In our sample, Sweden is the only country with 'resource-strong' SNAs, in the sense that they benefit from a decentralized path dependency, proficient capacity-building and a fluid (though not formalized) relationship with the national government. Conversely, Ireland, Finland, Greece, Czech Republic and Estonia are countries in which SNAs are 'resource-weak' due to a robust centralist-localist path dependency, a modest capacity-building proficiency and a predominantly top-down logic prevailing in intergovernmental relations. Finally, the Netherlands is something of an 'in-between' case, as it combines a decentralized path dependency with modest capacity-building proficiency and a strained relationship with the centre.

A more comprehensive picture of the overall impact of the EU requires full consideration of the secondary factors that impinge upon the three primary factors described above. Hence, with regard to the **level of authority** enjoyed by SNAs, Sweden and the Netherlands are examples of countries where local and regional SNAs have benefited from a decentralized path dependency, although Swedish SNAs are better resourced and perform a

wider range of functions compared to SNAs in the Netherlands (Hooghe, Marks, and Schakel 2010). This decentralized path dependency contrasts with the rest of the cases, in which centralist-localist path dependencies have prevailed, helping to constrain the authority of SNAs, regions in particular. By and large, in these countries, regions were an artificial creation, either established or consolidated by the EU in order to facilitate the planning and monitoring of European funding. In all cases investigated here, the historically rooted local tier of government is actually the most privileged subnational actor. Municipalities wield more competences than the regional tier; furthermore, they are better resourced and are democratically elected (which is not the case for the regional authorities in Finland and Ireland).

Although path dependencies play a prominent role in the relative distribution of powers in SNAs, power imbalances can only be fully understood in light of contextual factors and party politics. This is especially the case for Greece and Ireland, where the international crisis of 2008 brought recentralization (fiscal and functional); in the Netherlands, in contrast, it reinforced decentralization. In a similar way, new societal challenges in Finland are currently triggering a new territorial reform in favour of the regions. Party politics have also had impacts on territorial reforms, leading either to decentralization (to the local and regional levels) or recentralization (back to the state) – or to no change at all. For example, in Czech Republic, party incongruence between state executives and subnational governments between 2004 and 2013 resulted in decentralization (in favour of regions), and party congruence between 2014 and 2020 has brought recentralization (from regions back to the state). Situations closer to ‘no change’ have been identified in countries where political consensus over regionalization is difficult to achieve, leaving the centralist-localist paradigm largely untouched. This is particularly the case in Finland, Estonia and Ireland. Overall, we can posit that the empowerment and uneven distribution of competences across SNAs are not simply the result of European interference. The disruptive effects of path dependencies, party politics and contextual factors must be accounted for in order to assess the true impact of the EU on SNA empowerment.

In terms of **capacity-building**, findings show that the ability of SNAs to extract benefits from their competences relies on their level of financial resources as well as on their capability to implement horizontal coordination. With respect to finances, Sweden has the highest in terms of local fiscal autonomy (Hooghe, Marks, and Schakel 2010), enabling Swedish SNAs to function independently of European and national grants. This privileged situation contrasts with the unstable conditions found in the Netherlands, Ireland, Finland, Greece, Estonia and Czech Republic; in these countries, SNAs do not have the right to levy taxes, rendering them completely reliant on grants from the central state and the EU. Additionally, in all cases under investigation, attempts to establish horizontal coordination have been hampered by

excessive numbers of municipalities (varying from 79 to 6,000). In some settings, this has been aggravated by an overlap of the regional administrations in charge of implementing policies (Finland), by a sectoral approach to policy-making (Ireland) and by regional authorities that lack democratic legitimacy (both countries). These handicaps have prevailed despite a positive stance towards the EU, especially before the international economic crisis of 2008. All in all, with respect to capacity-building, Sweden is the only country in our sample in which the SNAs are financially well-off and coordination issues have been overcome by a consensual political culture and a proactive leadership supported by a strong sense of legitimacy (both political and democratic).

Finally, **the quality of intergovernmental relations** is generally informal and indirect across cases, reflecting the limited constitutional powers enjoyed by SNAs. However, intergovernmental relations tend to be fluid in Sweden and more constrained in the other cases, mainly due to nuanced forms of political cultures. In this regard, the Netherlands represents a unique situation, whereby a consensual political culture is partially obstructed by the practice of 'polder politics' (Hendriks and Toonen 2001).

Overall, in the 7 cases under investigation, the EU's influence has ranged from bolstering decentralization in favour of the local and regional levels (in Sweden) to mild decentralization at the regional level, strong decentralization at the local level and recentralization at certain moments in time (in Finland, Greece, Czech Republic and Estonia). In the Dutch case, the EU's impact has enhanced authority at the local level and constrained it at the provincial level, corroborating the findings of Fleurke and Willemse (2006 and 2007)

State rescaling in the pre-legislative phase: Theoretical framework and empirical findings

'Modus operandi' of the Brussels game: Rationales and channels

The impact of the EU on state rescaling processes in the pre-legislative phase of EU decision-making is the phenomenon that attracted the most attention from scholars in the late 1980s and early 1990s. Subnational mobilization in the EU outside the territories of SNAs' member states was viewed as a territorial challenge to central states in terms of the administration of foreign policy (Aldecoa and Keating 1999). As a result, subnational activity in Brussels tended to be equated with 'bypassing' (Keating, Hooghe, and Tatham 2015), and bypassing with conflict. Within this particular context, European engagement used to be understood as the ability of SNAs to participate autonomously from the state and to act towards the attainment of incompatible objectives (Callanan and Tatham 2014; Tatham 2010). This understanding presumed a conflicting relationship, which in turn was reflected in the emphasis put on

extra-state channels as opposed to intra-state channels (Tatham 2008). However, as the international activity of SNAs became routinized (Moore 2008; Rowe 2011), the phenomenon became less threatening in the eyes of state actors and less ambiguous for scholars. Consequently, the sense of 'conflict' embedded in territorial activities in Brussels has gradually disappeared, and the opposition between extra- and intra-state channels has become more muted. Additionally, the misperception that all bypassing activities were aimed at policy influence has been discarded.

With this clarification in mind, the discussion of our findings will rely on three premises. First, conflict between territorial actors and state executives is the exception rather than the rule (Tatham 2013). Second, following Callanan and Tatham's heuristic definitions (2014, 192), two 'rationales' of territorial mobilization can be identified: regulatory and financial. The former describes a pro-active type of mobilization whereby SNAs seek to exert influence over the EU's institutions for their own interests, whereas the latter refers to a reactive type of mobilization consisting of searching for information and establishing networks with a view to accessing EU funding. Despite this clear-cut definition, regulatory and financial mobilization are not mutually exclusive, and both may be present as motivations underpinning the EU activities of subnational authorities. Finally, the third premise contends that intra – and extra-state channels can be mobilized as complementary means to achieve regulatory and/or financial ends.

Drawing on these premises, and diverging from what was originally suggested by Bourne (2003), the concept of 'decentralization' will be clarified in order to address the necessary distinction between the term's use to qualify rationales and to qualify channels. In the first case, 'decentralization' will be understood as the ability of SNAs to influence policy decisions (i.e. to fulfil regulatory ends), and 'modest decentralization' will denote the ability to achieve fund-seeking purposes (i.e. financial ends). In the second case, 'decentralization' will indicate the ability of SNAs to utilize extra-state channels to achieve regulatory and/or financial ends. Thus, for the sake of coherence, the discussion of the 5 case-studies under investigation will follow the same analytical path.

Theoretical framework: Mediating domestic factors and outcomes

Rationales of territorial mobilization: Regulatory and financial

With respect to the rationales that underpin SNAs' territorial strategies, findings have confirmed that the **level of authority** of SNAs is the best predictor of their empowerment. In line with Jeffery's early propositions (2000) as well as with Callanan and Tatham's later argument (2014), an SNA's constitutional situation is, logically, the variable with the most predictive strength in determining the level of influence it wields in European policy. Strong

SNAs will prioritize regulatory purposes, whereas weak SNAs will instead concentrate on fund-seeking purposes, although regulatory forms of mobilization may sometimes overlap with financial ones (Callanan and Tatham 2014; Donas and Beyer 2013). Based on these propositions, we will expect that state rescaling outcomes will lead to decentralization in the first case and to modest decentralization in the second (see the overview in Table 2 below).

Channels of interest mediation: Intra – and extra-state

The channels of interest mediation considered in this analysis have been divided into two categories: intra-state channels, also termed the ‘national route’, and extra-state channels, also termed the ‘Brussels route’ (Greenwood 2011). The former will allow us to highlight the use of national structures to engage in EU decision-making; the latter will focus on formal and informal European structures that SNAs can exploit to represent their interests in Brussels. In this analysis, informal channels will encompass both informal coalitions/alliances and subnational representative offices. Additionally, the Committee of the Regions (CoR) will be viewed as the primary formal channel that SNAs utilize to participate in policy-making within the European political system.

With respect to the mediating domestic factors that may affect the choice of the channels that SNAs use to represent their interests in Brussels, three **primary factors** can be identified: first, the **quality of intergovernmental relations**; second, the **capacity-building** proficiency of the SNAs; and third, their **democratic legitimacy**. The first factor will allow us to anticipate whether SNAs will opt to utilize national diplomatic services to secure their interests, whereas the second will evaluate their ability to engage in coalition-building strategies themselves. Finally, the third factor will permit us to evaluate the SNAs’ effective participation in the CoR. Notably, the first two primary factors will be affected by secondary factors.

The **quality of intergovernmental relations** may vary according to three secondary factors: the constitutional status of SNAs, the presence of veto players in the political system and the political culture. First, in practical terms, SNAs with legislative powers will tend to engage with national representations to the EU because they are formally entrenched in intergovernmental European policy coordination and are therefore in a better position to influence their central government (Beyers and Kerremans 2012; Jeffery 2000;

Table 2. ‘Rationales’ underpinning territorial mobilization in the pre-legislative phase.

	Primary Factor	Rationale of Mobilization	State Rescaling
Level of authority	Strong SNAs	Regulatory (influence-seeking)	<i>Decentralization</i>
	Weak SNAs	Financial (information – and fund-seeking)	<i>Modest decentralization</i>

Tatham 2010). The opposite situation applies for weak SNAs, which will generally neglect the use of intra-state channels due to the absence of formal coordination structures. Second, party politics matter. As noted by Tatham (2010), party political congruence between state executives and subnational governments will reinforce the use of intra-state channels; conversely, party political incongruence in this setting will promote the use of informal extra-state channels, namely representative offices. Finally, consensual political cultures will tend to privilege the use of intra-state channels through less formalized networks, in contrast to the extra-state channels exploited in statist political cultures (López and Tatham 2018).

Furthermore, the **capacity-building** proficiency of SNA – that is, the ability of SNAs to adapt to the European policy environment and engage in coalition-building strategies (Bomberg and Peterson 1998) – will depend on their policy resources. According to the wider literature on territorial mobilization (Hooghe and Marks 1996; Jeffery 2000; De Rooij 2002; Donas and Beyer 2013), policy resources are paramount, as they effectively determine the likelihood of SNAs to engage in coalition-building strategies. A good measure of an SNA's resources draws on key variables such as its fiscal autonomy, its size (the bigger, the richer), its technical expertise and/or the availability of personnel (see the overview in Table 3 above).

Additionally, in line with the earlier literature, leadership styles must be addressed. The personal authority and commitment of political leaders can stimulate the formation of alliances or facilitate the establishment of liaison offices (De Rooij 2002; Héritier et al. 2001; Jeffery 2000). However, these features are not sufficient to explain the existence of coalition-building strategies. Such strategies must be reinforced by a perceived legitimacy – political and

Table 3. Channels of mediation used in the pre-legislative phase.

Primary Factors		Secondary Factors	Channels	State Rescaling
Quality of intergovernmental relations		<ul style="list-style-type: none"> • Level of authority • Veto players • Political culture 	Intra-state	<i>Recentralization</i>
Capacity-building	Resources (human and financial)	<ul style="list-style-type: none"> • Level of fiscal autonomy • Size • Context • Pool of human resources • Level of technical expertise 	Extra-state (informal channels)	<i>Decentralization</i> or <i>No change</i>
	Coalition-building strategy	<ul style="list-style-type: none"> • Political leadership • Path dependency • Level of structural fragmentation • Political culture 		
Democratic legitimacy		_____	Extra-state (formal channels)	<i>Decentralization</i> or <i>No change</i>

democratic – in order to be effective. Hence, the credibility of an SNA's claims, either regulatory or financial, is likely to be enhanced by the perceived legitimacy of its political leaders (Jeffery 2000, 17). Moreover, as noted by Donas and Beyer (2013, 534), SNAs with more 'self-rule', i.e. a higher level of autonomous authority (Hooghe, Marks, and Schakel 2010; Marks et al. 1996), will tend to be involved in a larger number of trans-regional associations. Indeed, the exercise of more competences implies a larger number of policy areas in which one has a stake and thus a greater need for additional specialised and functional representation. Finally, a consensual political culture and previous successful experiences (i.e. a stimulating path dependency) may also contribute to the establishment and maintenance of policy alliances. Conversely, contextual factors (Graziano 2003) such as periods of economic crisis or the presence of fragmented institutional structures can inhibit coalition-building practices. Overall, the decision to engage in one or more channels will depend on the unique combination of mediating domestic factors found in each empirical case.

Empirical findings: a comparative analysis

Rationales of territorial mobilization: Regulatory and financial

For the 5 case-studies examined here, the dividing line between strong and weak SNAs applies. The Autonomous Regions of Azores and Madeira can be described as regional authorities that are endowed with significant legislative powers. As such, they are considered strong SNAs, and research has proven that their European approach is targeted towards regulatory ends, irrespective of the channels used to achieve them. Conversely, SNAs in Sweden and Ireland and the mainland Portuguese CCDRs possess limited administrative powers; as a result, they have limited their strategy to financial purposes. It should be noted that regulatory mobilization and financial mobilization are not mutually exclusive, and both were present in all strategies under analysis. However, policy-seeking purposes were predominant in the strategies undertaken by the Autonomous Regions of Azores and Madeira; fund-seeking purposes dominated in the rest of the cases. These conclusions corroborate previous findings from Oikonomou (2016) and Tatar (2011) on the Greek and Estonian cases, respectively. In sum, in our sample of 5 case-studies, territorial engagement in the EU has resulted in 'decentralization' in the Portuguese Autonomous Regions and in 'modest decentralization' in the rest of the cases. However, whenever influence was exerted, the actors demonstrated complete respect for the internal division of competences.

Strategies of territorial mobilization: With and without the state

For the 5 case-studies under investigation, the territorial strategies of SNAs have consisted of a nuanced combination of intra – and extra-state channels.

To simplify the analysis, we can define three categories of strategies: first, strategies that were executed *with and without* the state, on equal footing; second, those that were executed *with and without* the state, with a preference for (informal) extra-state channels; and third, those that were executed almost exclusively *with* the state, albeit indirectly.

In the first category, we include the Autonomous Regions of Azores and Madeira. This typology is characterized by a very good relationship with the centre, excellent capacity-building and a proportionate representation in the CoR. Both regions are strong regional authorities and are, as such, deeply entrenched in domestic policy networks at COREPER. Drawing on an ideal combination of privileged political status, high levels of self-rule and an inspiring legacy of coalition-building practices – namely, with the Assembly of the European Regions (ARE), the Conference of Peripheral and Maritime Regions (CPMR) and the Conference of the Presidents of the Outermost Regions (CPOR) – both regions are very active in partner-searching. Additionally, in March 2017, they decided to establish a joint regional office to elevate their position in Brussels. Finally, because their leadership is democratically elected, both regions sit in the CoR on behalf of their constituencies.

The vast majority of SNAs fall into the second category. This typology is characterized by a stable (but informal) relationship with the centre, modest to very good capacity-building proficiency and a disproportionate representation in the CoR. In this respect, Swedish and Dutch SNAs maintain a fluid albeit informal relationship with their national governments. This is due in part to a decentralized path dependency, which in the Swedish case is enhanced by a natural tendency towards consensus-building. However, major differences emerge with regard to the ability to build alliances, despite high levels of self-rule, and to their capacity to establish liaison offices. In the Dutch case, the SNAs' deficiencies are mainly due to size differences between municipalities, a fragmented local structure and limited financial autonomy. In contrast, Swedish SNAs have always been very active on the European playing field, even before Sweden joined the EU. In addition to this positive historical path dependency, Swedish SNAs enjoy abundant financial, democratic and political resources. Their high level of self-rule provides them with a sense of autonomy that allows them to engage in multiple transnational European networks such as ARE, CPMR and the European Municipalities and Regions (CEMR). Moreover, the vast majority of Swedish SNAs have liaison offices in Brussels.

Also in this second category, we include the mainland Portuguese regional CCDRs and Irish and Czech SNAs. These SNAs have relatively modest powers and are not accustomed to being invited to participate in policy-making. Their relationship with the centre tends to be informal, indirect or almost in-existent. Consequently, they tend to find their way by engaging with transnational European networks such as CPMR (in the Portuguese case) or CEMR (in the

Irish case), but such participation is rather restricted due to limited fiscal autonomy. The establishment and long-term survival of regional offices have been constrained by inadequate financial capacities (all cases), fragmented local structures (Ireland and Czech Republic) and differences in size (mainland Portugal), thus leading to recentralization. In both sub-categories, the vast majority of SNAs are represented in the CoR (Finland, Ireland and the regional authorities from mainland Portugal are the exceptions); however, this representation is disproportionate and subject to national nomination.

The third category of SNAs consists of SNAs whose representation in the EU occurs exclusively through national governments. This typology is characterized by a poor relationship with the centre, limited capacity-building proficiency and no representation in the CoR. In this category, we also include SNAs that previously held a bureau office or were active in transnational networks but were forced to withdraw from Brussels due to limited capacity-building proficiency. For example, none of the Irish associations representing local governments currently have a presence in Brussels, nor do the Portuguese CCDRs. Similarly, in Czech Republic, only three regions have their own delegations; notably, such delegations were numerous in times of congruent political governments (between 2007 and 2013) and before regional operational programmes became integrated in 2013. Finally, neither the Portuguese nor the Irish regional authorities are democratically elected, and thus they do not have seats in the CoR.

In sum, for the 5 cases under investigation, the EU has led to 'decentralization' and 'recentralization' in the first two categories of SNAs, and to 'no change' and 'recentralization' in the third category of SNAs. However, decentralization always took place with the consent of the state and worked towards the attainment of compatible objectives. This confirms that bypassing is not necessarily associated with conflict, as it has been suggested by Tatham (2010) in previous literature.

Conclusion: The European Union, small unitary states and state rescaling: The end of the notion of a 'Europe of the Regions' in these states?

At the end of this comparative analysis, we arrive at two conclusions: first, 'hybridity' (Loughlin 2009) is the best way to capture the heterogeneous impact of the EU on state rescaling processes in small unitary states; and second, the notion of a 'Europe of the Regions' is nothing more than a 'damp squib' (Elias 2008a and 2008b; Hepburn 2008; Keating 2008). In this respect, our analysis confirms that the level of authority is the best predictor of an SNA's empowerment in both phases of the EU decision-making process. Additionally, it proves that we are not witnessing the emergence of a third level (Bullman 1996), nor is the demise of the state imminent (Rhodes 1997).

Beyond these intriguing conclusions, this comparative analysis offers innovations in the theoretical understanding of EU territorial governance. First, it provides an overarching theoretical framework previously missing in the literature to account for the role of intra-state factors in territorial mobilization. Second, it demonstrates that we are witnessing the ‘transformation of the state’ rather than its elimination. Third, contrary to early expectations (e.g. Bourne 2003), it shows that decentralization and recentralization are the two major outcomes of state rescaling in both phases of the EU decision-making process. Moreover, it advances the concept of ‘decentralization’, increasing its precision in order to more satisfactorily address the complexity of state rescaling processes in the pre-legislative phase of the EU.

In conclusion, although it is arguably too soon to say farewell to the ‘Europe of the Regions’ in small unitary states, as regions have not entirely lost their place, it is important to develop a realistic understanding of what this slogan means for such countries. Is the notion of a ‘Europe of the Regions’ irrelevant in these states? It is, if we mean by that the establishment of directly-elected regions with strong legislative powers. However, its relevance persists at the level of cognitive discourse and perceptions on the part of political actors. Indeed, regions are still significant actors in small unitary states, but the form they take differs from that found in large unitary states such as France, Italy and Poland and in federal states such as Belgium and Germany. Overall, this Special Issue has contributed to the literature by detecting nuances in the ways the EU impacts small unitary states, even when national governments remain ‘the most important pieces of the European puzzle’ (Hooghe and Marks 1996, 3).

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