

Regions with regionalism: the rescaling of interests

By Democratic Audit

*A number of factors, but most prominently European integration, have seen Governments add a 'regional' dimension to their policymaking, including in many cases genuine devolution of powers to the regional level. But has this increased regional focus seen an equivalent rescaling of interest groups, such as trade unions, businesses and environmental organisations? **Michael Keating** argues that regions are becoming a significant place for mediation of economic and social interests which supplement, rather than replace, the central state.*



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Do we have regions without regionalism?

Modernist state integration theories presents the process of state-building as a form boundary-construction, which shapes the articulation and representation of social and economic interests, turning them inwards and at the same time extending them across the state territory. Function or class thus displace territory as the basis for interest formation and these interests are intermediated and social compromises are forged at the national level.

This stark contrast of function and territory has always been misleading. Any social or economic interest has a functional scope and a territorial reach, although this is often disguised by the fact that the scope is state-wide and can thus be presented as non-territorial. Sometimes territory itself may also become the basis for common interests, if cross-class coalitions of territorial defence are constructed. If it be objected that territorial interests are an artificial construction or a reification, then that is true of any collective interest.

In other cases, there is a more complex interplay between function and territory as class and sectoral interests are refracted at different levels. Rescaling has enhanced the territorial dimension of politics, but without eliminating functional ones. Social alliances and conflicts may take on a new shape at different levels while territories are emerging as spaces for the mediation of interests.

Surveying the effects of regional devolution in the 1980s and 1990s, some observers argued that we may have 'regions without regionalism' or a 'paradox of the regions' in that politics and interest articulation still operate within the nation-state framework. To test whether this is still the case, we conducted a study of peak interest groups in between two and four regions each in of six countries (the UK, France, Italy, Spain, Germany and Belgium).

These are business groups (large and small); trades unions; farmers; and environmentalists. The results are complex and many variables are at play, the main ones being economic interest; ideology; the strength of regional

government and the extent to which they can impose a territorial boundary on policy systems; and territorial identities, which may affect members of groups or provide legitimacy for territorial institutions. I examined the following dimensions:

- *Organisational*, the extent to which groups have a regional structure and power relationships within it;
- *Cognitive*, the territorial framework which groups use to articulate their demands and the extent to which territory itself is constituted as an interest.
- *Relational*, the relationships with governments at all levels and among groups.

Nearly all interest groups have restructured their organization so as to operate at the regional level. In some cases, this takes the form of decentralized arms of the national organization while in other cases distinct regional bodies exist. It is notable that new groups, like environmentalists, will almost always set up on a regional basis, while older groups often cling to their older structures based on localities, with only weak coordinating structures at regional level. The degree of autonomy conceded to regional branches varies significantly.

On the cognitive dimension, big business appreciates the new importance of territory for development and favours a territorial perspective on policy with a focus on planning and infrastructure. On the other hand, it is less keen on political devolution, fearing that it could be captured by territorial interests including separatists, environmentalist and left-wing movements. It therefore prefers corporatist institutions in which it has a guaranteed role, focused on development in the narrow, economic sense and. Small business depends more on public goods produced by regional government and is sometimes rather protectionist. It is usually closer to popular opinion, shading into the artisan class, and so affected by mass identities and sentiment. This makes it more sympathetic to regionalist demands, especially in wealthy regions, where there are demands to limit territorial redistribution.

Trades unions often favour the region as a new spatial level, providing opportunities for influence, which they have lost in national corporatist exchanges or in bargaining in the firm or the work place. In contrast to business, they seek to expand the regional agenda beyond competitive regionalism and to bring a stronger social dimension. This plays out in debates about economic development strategy, training and local investment priorities. On the other hand, unions are strongly attached to the welfare state, which remains essentially a national responsibility and are reluctant to devolve core welfare functions and labour regulation or to see disparities of services between regions.

There is also a more purely ideological dimension. Some unions are historically more centralist and linked to the more statist versions of social democracy, while others have localist and regionalist traditions. As mass organizations, unions are affected by strong identity sentiments and movements, which influence their members directly. They do support corporatist structures at the regional level, which gives them an input into the policy process but over recent years have moved to support for elected government as a way of challenging business dominance of the regional agenda and including more social considerations.

Rescaling, together with reform of the Common Agricultural Policy, has served to fragment agricultural interests. New interests, including ecological farmers and neo-ruralists, together with many small farmers, favour the regional level as a way of undermining corporatist management of the sector by large farmers and agri-businesses in partnership with the states and the European Commission. Ecologists tend to be close to territory, to support regionalism, and to value the European level, where they can obtain binding regulations applicable all the way down. They, and some farming interests, are also part of broader coalitions for the defence of traditional cultures and ways of life.

The rescaling of interests has realigned them in many ways. Productivist alliances of business and unions can be found, with environmental movements on the other side, although in other respects environmentalists and unions are on the same side. Old territorial lobbies, on the other hand, can be fractured by the arrival of regional government, which forces groups to compete for the same resource base and over policies and priorities. Rescaling has created new actors and venues for social dialogue and interest intermediation. Regional governments have sought to foster regional interest groups as interlocutors and to legitimize the region-building project by incorporating social and economic interests.

In pursuit of this they have established mechanisms for social partnership and compromise, including social and economic councils, *quasi*-corporatist mechanisms paralleling those at state level and consultative procedures. There are varying experiences of territorial social dialogue. It would be an exaggeration to talk of regional corporatism, since regions are loosely-bounded spaces and some groups have the ability to venue-shop among levels. The region, however, is becoming a significant place for mediation of economic and social interests, not replacing the nation state but supplementing it, to shape the details of public policy in various ways. Regional governments, in turn, seek territorial social dialogue as a form of legitimation so strengthening the regional arena in turn.

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