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OLD AND NEW PERIPHERIES IN THE EUROPEAN PROCESSES OF TERRITORIAL EXPANSION

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1. Introduction: Centre-periphery relations in the EU formation

During the 19th and early 20th century it was felt that socio-economic and cultural modernisation implied a process of progressive integration that would eventually eliminate the territorial distinctiveness based on cultural as well as economic disparities and differences. Either new states had to be formed (by secession and aggregation) which were more homogeneous, or the modernisation process would have progressively attenuated, if not eliminated, the territorial concentration of distinctive features and/or their political significance. Nineteenth century federal constitutions in newly formed states (Canada and Germany) and the federal solution advocated for Italy and Spain, were imagined as a uniform (albeit not unitary) system of government, with limited concessions being made to territorial distinctiveness (the Quebec system of civil law, the Bavarian state tradition - further eroded by the German Weimar constitution - the distinctive arrangements for the Basque provinces in Spain, for Scotland in Britain, and for the cultural communities in Belgium). So, the general trend in the 19th century was toward national uniformity and the denial or non-recognition of territorial distinctiveness, even if the dream of complete conformity was never attained (the Spanish *fueros* were never completely eliminated; the French provinces of Alava and Navarre retained their economic privileges; Quebec its own system of civil law, and Canadian provinces their guarantees of religious education and language autonomy; Scotland its own legal, educational and local government system and differentiated administration. After WWII, forms of autonomist arrangement were extended to Wales; Northern Ireland, the Italian special status border and island regions, and a variety of European islands: Greenland, the Faroes, the Alund islands, the Azores, the Canaries, and Corsica). [1]

This long term trend toward territorial standardisation was based on the perception that the rise of the nation state as a sovereign entity was incompatible with the persistence of historical rights of previously independent territories and with the recognition of distinctiveness as a collective right. The 'nation' implied a unitary identity as opposed to the multiple identity required by the persistence of such distinctiveness. Second, liberal

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[1] See M. Keating, *Asymmetrical territorial government in Western democracies*, ms. 1998, p.1-2, for a full list of these experiences.

democracy was based on an individualistic principle of representation that left little room to territorial collective identities. Finally, state policies in domains like education and welfare were devised to breakdown particularistic identities on the basis of the principle of individual equity and broad national solidarity. In fact, those cases of relative autonomy recognition mentioned above could all be presented as small-scale exceptions, without major implications for the structure of the state.

However, democratisation showed that territorial politics remained a continuing element of politics in Europe. In the late 1960s and 1970s, following a further expansion of the state bureaucratic development into the welfare state and industrial and economic policies, a clash emerged between the classic top down model of government and the new demands of local management often articulated by new mobilised actors within the regions. The response of the state was a variety of programmes of devolution and regionalisation (Belgium, Italy, France, failed in Britain). More recently, from the late 1980s, a further wave of territorial representation demands seems to have emerged together with new forms of territorial politics. It can be argued that this latter wave of territorial politics differs in many ways from previous historical phases and examples of peripheral resistance:

(1) it is based on a new form of 'nationalism' or cultural identity which no longer aims at the establishment of its own independent statehood, but at a change and revision of the form of the state which can provide new opportunities of local autonomy. It is 'autonomist' rather than 'separatist', looking for cultural, economic and social autonomy within the framework of the incorporating state; it recognises the possibility, or even the desirability, of dual or multiple identities; it tends to concentrate more on issues, problems and practices of self-consciousness and self-organisation than on distinctive cultural models of lineage; it is more often the territorial community that seeks the social and cultural categorisation and institutionalisation of its distinctiveness rather than the state.

(2) it is developing in the context of the creation of new centres and new types of centres in the international environment. The relationship between centre and periphery is no longer based on the dyadic relationship between the state and the regional distinctive

community. Therefore it can no longer be only or exclusively dealt with within the nation state through its policy of concessions or administrative reforms.

(3) it is based on and articulated by new types of local political mobilisation which do not necessarily take the form of new and different political organisations and movements, but of less organised and formalised networks of local alliances often cutting across the typical historical cross-local organisations for mobilisation into the central national state (parties, corporate organisations, etc.).

(4) it is based on a new perception of the institutional competition among territories within, as well as outside, the nation state for the accession and acquisition of resources which are no longer exclusively dependent from the centre of the state. This also implies that it is based on the perception of communality of interests and problem-pressures among territories which are neither belonging to the same nation-state, nor are they necessarily contiguous in territorial terms.

(5) it is likely to create new types of constitutional and political strains within the nation-state as its claims may determine differential attitudes of territories on the extent and deepness of the participation into supra-state integration processes (sub-state regions may have different attitudes toward European integration than the central political elite).

The analytical notes of this paper concern the possible changing nature of centres and peripheries in this new context as compared with the historical peripheries in Europe. The core theoretical question can be summarised in the following terms:

(1) historical peripheries of a cultural, economic or politico-administrative nature were the result of the process of territorial, cultural and economic retrenchment associated

with the formation of the nation-state and national-economy. The closure of boundaries [2] for various types of transactions (goods, messages, peoples, capital) that the formation of the European system of states produced, actually determined the formation and strengthening of new centres and the peripheralisation of other territories.

(2) If this is the case, the question is what happens to historical peripheries in phases of territorial, cultural and economic expansion and opening as a result of a regional integration process such as European integration. Is this associated with a redefinition of centres and peripheries? Will other and different peripheries be created? On the basis of which resource-imbalances can new peripheralisation occur in a loosely bounded territoriality such as that defined by the European Union? What opportunities and which costs are produced for different types of territories by the multiplication and differentiation of centres at the EU level?

2.   Historical formation of peripheries

Rokkan distinguishes three dimensions of differentiation in the development of large-scale territorial systems: (1) military-administrative differentiation, (2) economic differentiation, and (3) cultural differentiation. For each of them can also be specified the corresponding process of 'retrenchment' to smaller territorial systems. [3] As more deeply

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[2] I use the term *boundary* to indicate the focal point for delimitation of a territory: the economic boundary defines an area of free market transactions (economic rights, property rights, exchange options, productive factors' mobility, common currency); the cultural boundary defines spaces characterised by the traits of the inhabitants' membership group (ethnic, linguistic, racial, etc.); the politic-administrative boundary delimits the territory on the basis of the regulatory regimes (politico-social rights, education, labor market, etc.); the coercion or military boundary delimits the territory on the basis of the extraction-coercion agency and capacity. The term *border* refers to the actual physical frontier of historical states. In theory, therefore, a border can delimit a territory that is characterised by specific, distinctive and coinciding economic, cultural, administrative and military boundaries. On the contrary, a border may define a territory whose boundaries are blurred, overlapping with those of other territories and/or disjoined one from the other.

[3] S. Rokkan, "Dimensions of State Formation and Nation-Building: A Possible Paradigm for Research on Variations within Europe", in C. Tilly (ed.), *The Formation of National States in Western Europe*, Princeton, Princeton University Press, 1975.

elaborated in another paper, [4] I prefer to keep four dimensions of differentiation and boundary building, separating the *force-coercion-extraction* boundary and differentiation domain, from the *politico-administrative* differentiation of internal functional regimes. This four-fold typology of boundaries of an authority arena and the corresponding four processes of differentiation clarify more precisely the process of state formation, which in early days took place mainly in the coercion-extraction dimension, much before it came to be differentiated internally along administrative functional areas.

The territorial retrenchment processes triggered off by the collapse of the remnants of the Roman Empire and the final attempt to resurrect it by Charlemagne happened first in military-administrative terms; next in economic terms, and finally also in cultural terms. The long-term development of the west and east successor of the Empire took the form of processes of 'retrenchment' during which progressively new boundaries were built in each of the four main areas of military-force, administration, culture and economy.

2.1.   *Territorial retrenchment: state building*

The progressive military and then also administrative consolidation of smaller territorial units as sovereign states was the final and crucial step of retrenchment on the territorial force-coercion dimension. The process of central government power consolidation and of state building was a process of accretion of societal functions by a process of differentiation and accumulation. The process of functional differentiation and the process of the centre's accretion are the two key concepts of Rokkan's state formation vision. In this way force-military and administrative boundaries progressively coincided. That is, to be more precise, in the early state-making effort, for instance in France from Hugues Capet in 987 to Louis XIV in 1715, what happens is both a process of sub-system administrative differentiation (as at the beginning military, tax, juridical and economic sub-systems were ill-differentiated) and of accumulation of central control of such sub-systems.

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[4] S. Bartolini, *Exit Options, Boundary Building and Political Structuring*, Florence, European University Institute Working Paper n. 1, 1998.

In the early state-building process the state's and centre's accretion was made difficult and retarded by the low functional differentiation of sub-systems which proved an obstacle in the sense that it provided to peripheral territories - nobles and magnates, communes, competing kingdoms, etc. - sufficient control of resources to menace and actually implement exit in a strong sense (when they secede) or in a weak sense when they accepted the formal authority of the king (centre) in exchange for concessions which actually reinforced their local position and autonomy. [5]

Whether we look at the process of functional differentiation and centre accretion concentrating mainly on systemic, juridical or power aspects,[6] the consolidation of the centre always implied the acquisition and the extension of original territory. If the new state was a territorial retrenchment with respect to the encompassing imperial order, it was at the same time a territorial expansion with respect to the feudal units, principalities, imperial cities, little kingdom, etc. However, for the formation of the modern state the acquisition of the territory was a necessary condition, but not a distinctive feature. What actually made the state 'new' were much more the processes of border control and internal penetration that the sheer acquisition of territory.[7]

Once territorial rights were acquired, their enforcement required the extrusion of counter-claimants within the territory or outside the territory. The latter took obviously the form of the defence of the borders, although this expression may be seen as anachronistic

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[5]   Several examples are mentioned in S. E. Finer, 'State-building, state boundaries and border control: An essay on certain aspects of the first phase of state-building in Western Europe considered in the light of the Rokkan-Hirschman model', *Social Science Information,* 13, 1974, pp. 79-126.

[6] Finer, *cit*., p. 84-87.

[7] Territory was acquired and lost frequently, with ease and various means throughout the period of state formation. Military conquest was not necessarily the most frequent and/or safe. Inheritance, purchase, marriage, feudal intervention in the successions of vassals were equally, if not more, important means of acquisition for the expanding king and kingdom. Actually, a most important source of acquisition derived from feudal law; that is, it was juridical. This law provided many opportunities for the overlord for its intercession and/or acquisition of right. For example, the right to intervene in a disputed secession to a fief, or the right to arrange the marriage of its heirs or to extend royal jurisdiction via judicial appeals.

until well into the 16th century (and later for certain less clear borders, such as the eastern border of France)

This border control had different costs that influenced decisively the structuration of internal voice. One can not understand why French historians are so obsessed with the problem of exit, while the British are equally interested in the problem of voice without considering how different these problems were in the two countries. France had contested borders up to WWII; Britain has more or less the same borders today as in 975. [8] The French-British contrast, or more generally the British-Continental contrast, or even more broadly the Anglo-Saxon-continental contrast (including in this case the ex-British colonies which, from the United States to New Zealand all developed in conditions of low external pressure) generate the hypotheses that historically and comparatively the territories and centres less subject to the problem of exit as a result of geographical position, military consolidation, geopolitical role, etc. were more willing to yield to the pressure for the form of voice which was available and possible at the time.

If externally the new aspiring state needed to control borders against the centrifugal forces of exit, internally it tended to expand its rights over the population in scope, effectiveness and universality. The concrete relationship between external boundary control and internal penetration was responsible for the creation of the extraction-coercion cycle so disruptive for many polities: war and defence required money that was collected by taxing territories and groups; the latter required voice in estates, assemblies, cortes or courts. If they were denied this, they may resort to exit through tax revolt or even secession as in the case of Portugal and Catalunia from the Kingdom of Spain. To obtain the taxes without which it had

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[8] In England, by 1328 the kingdom possessed and universally recognised one central assembly as expressing voice, whose composition remained more or less fixed and whose consent for taxation was generally recognised and its high court role also. There were setbacks, conflicts, etc. but the issue remained an issue of voice not of exit and several parliaments expressed their dissatisfaction with the 'deteriorating performance' of the organisation (particularly after 1603). The exit that existed was the weak functional exit of refusal to pay taxes and to levy military personnel. In France, the Estates General not only failed as a voice but they were also different from the beginning, rarely kingdom-wide, infrequently tax-granting, never a law court (the sovereign court was a different assembly, the parliament). Cf. S. Finer, cit., p. 115 and p. 120.

no army to defend the border, the centre had to coerce, for which it needed an army.[9] From the point of view of exit-opportunities Rokkan's finding is therefore not so paradoxical: that the new states emerged earlier, stronger and most durable at the periphery of the old empire while the lands of the Italian and German territories remained fragmented and dispersed until the nineteenth century.

The heartland of the old Western Empire was constellated by cities in a broad trade route belt stretching from the Mediterranean to the east as well as to the west of the Alps northward to the Rhine and the Danube. This 'city-belt' was at the same time the stronghold of the Roman Catholic Church, with a high density of cathedrals, monasteries, and ecclesiastical principalities. The resurrection of the Holy Roman Empire under the leadership of the four German tribes did not help to unify the territory. The emperors were prey to shifting electoral alliances; many were figureheads, and the best and the strongest expended their energies in quarrels with the Pope and the Italian cities. The very density of established centres within this territory made it difficult for anyone of them to accumulate enough resources to become superior to all others. Actually, any cumulating of power means and resources that might look threatening to the neighbours could easily be contrasted with alliances mastering balancing power. At the same time, and for the same reasons, every peripheral territorial area in this zone kept considerable chances of exiting the incumbent rule and/or selectively withholding from duties and obligations imposed upon them. In this region, there was no geographical core area for the development of strong territorial system.

By contrast, it was by far easier to develop effective core areas at the edges of the city-belt territories of the old empire, where centres could be built up under less competition and could achieve command of the resources in peripheral areas far removed from the cities in the central trade-belt. In this case the acquisition of new territories and the control of the territorial borders was made easier by the low or non-existing exit options of under-lords and territories. Peripheries tended to be external, rather than inter-face territories among different master-systems.

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[9] This 'vicious circle' is one of the core topics and key dimension of S. E. Finer, *The History of Government from the Earliest Times*, 3 vols., Oxford/New York, Oxford University Press, 1997.

The first success in such efforts of state building at the edges of the old empire came on the coastal plains to the west and to the north, in France, England, and Scandinavia, later also in Spain. In these cases the dynasties in the core areas were able to command resources from peripheral territories which were beyond the reach of the cities of the central trade belt. The second wave of successful centre building took place on the landward side, basically on the East Side of the central trading city-belt. First the Habsburgs, with their core area in Austria; then the eastern march of the German Empire, next the Swedes and finally, and decisively, the Prussians.

The fragmented middle belt of cities and petty-states was the scene of endless onslaughts, counter-moves and efforts of reorganisation during the long centuries from Charlemagne to Bismarck. First the French monarchs gradually took over the old Lotharingian-Burgundian buffer zone from Provence to Flanders and incorporated such typical trade cities as Avignon, Aix and Lyon. In the wake of the French Revolution, Napoleon moved across the middle belt both north and south of the Alps and set in motion a series of efforts at unification which ended with the successes of the Prussians and the Piedmontese in 1870.

The difficulties of state building in the city belt was, according to Rokkan, the result of low resources with which to impose a centre over the others in the context of high possibility of exit in a strong and weak sense. However, there are at least two other reasons that contribute to explain the timing and also to cast light on the consequences for internal political structuration of the lateness of external boundary control. First, of course, the attempts at state building of the latecomers had to face the already consolidated interests and resources of the early-consolidated states. The early comers saw any centre accretion of the latecomers as a threat. A second reasons to be added is that the troubles of Piedmont and Savoy or Prussia as 'conquest centres' derived also from the fact that, as a result of their lateness, they had to superimpose themselves on pre-existing political structures and institutions far more sophisticated and far more deep-rooted than those the Austrian Habsburgs, the kings of Spain, of France, not to speak of England, had had to contend with.

Late comers had to deal with more functionally differentiated systems. The more contested nature of latecomers' territorial expansion and the more complex pre-existing political structures and institutions of the conquered territories made for deeper and rootless efforts of internal control and penetration, implying often the complete suppression of traditional pluralism and of early voice channels. In conclusion, the timing of state formation has a lot to do with 'exit options', and particularly with territorial exit options.

This applies particularly well to the Piedmontese and Prussian centre formation and subsequent drives of territorial expansion. The alternative to this late-contested pattern in the city belt was the formation of a defensive confederacy of equals without a dominant centre among the cities of the central trading belt. The key cities to the North of the Alps managed to establish a defence league against all-comers, and gradually built up the Swiss confederation. Similar leagues established along the Rhine and across the Baltic and the North See (the Hanse) never managed to establish themselves as sovereign territorial formations. The Habsburgs' encroachment upon the city-belt from both west and east, and their attempt to control for some time the crucial territories to the mouth of the Rhine, triggered the next successful effort of consociational federation, the United Provinces of the Netherlands.

With the development of the modern sovereign state (starting in the 17th century), exit further diminished as a possible option; at times the state borders became so well demarcated and patrolled that individuals, groups and territories that wanted to leave against the state's wishes were obliged to make very risky attempts. At the same time, the structuring of a state-system made progressively more clear its implication for the articulation of the internal voice within the state; i.e., the relationship between external border control and internal political structuring. The agreements among states not to interfere in the respective internal affairs was essential in determining the scope and the reach of the state bureaucracy in local affairs.

The essential point of the mutual recognition of the system of states was the fact that each state was the only political authority with the exclusive possession of a territory, which was a new development with respect to the middle age which never knew such a one-to-one relationship between authority and territory. Political authorities combined with other forms

of functionally specific 'governance' - as corporations, religious communities, etc. - existed and overlapped with parallel and often contrasting claims over the same territory. [10] After the Westphalia treaty, government engaged to cease to support the religiously like-minded communities across the borders when they were in conflict with their own state. This mutual recognition on the side of the states of the respective sovereignty in religious matters (and in others as well) meant that the dominant elite of each territorial state was willing to renounce certain political goals of aggrandisement in exchange for increased internal control and stability. As a matter of fact, exploiting the relative freedom from external interference implied by the Westphalian agreement, the states and their dominant elite - mostly dynastic autocracies - were able to address their attention inwards, towards imposing their 'sovereignty', that is, control and increasing extractive capacities, to their 'internal societies' by further limiting their exit options.

One could say that the international agreement modified the balance of power between territorial authorities and confessional groups and hierarchies in favour of the first, limiting the exit options of the second. By the same token, the so-called internal sovereignty of the modern state was mainly the result of the external consolidation of its borders in terms of military-administrative, economic and cultural transactions. The territorial political elite gained a certain amount of political stability and the consolidation of their local territorial domination. This 'international agreement' among sets of dominant territorial elites allowed the development of their internal grip on the respective societies. This determined the development of the modern distinction between 'international relations' and 'domestic politics': the effective internal monopoly within a territory and the absolutist claims to sovereignty was based on the agreement among states as independent units and required the states to be independent contract holding entities, which, as such, were an anarchic group no longer bounded by broader membership spaces like 'Christendom' or 'imperial citizenship' and rights and duties. In other words, the monopoly of internal power on a virtually infinite matter meant the full autonomy of the new state and its being unbounded by any previous larger membership community.

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[10] See O. Gierke, *Political Theories of the Middle Age*, Cambridge, Cambridge University Press, 1988 (1900).

Only after this was granted, the state engaged fully in its strategy of nationalisation, that is, in its attempt to make cultural boundaries to reproduce and coincide with politico-administrative boundaries. Nation building was therefore, from the point of view of the state dominant elite, a further limitation of exit option; a way to strengthen loyalties, as a mean to strengthen sovereignty

2.2. *Capitalist development (economy)*

However, the crucial juncture in European history of the 16th-17th century brought about a parallel potential trend to boundary loosening. This was the emergence of capitalism as a world force contributing to reduce physical distances, increase economic interdependence and cut barriers long since established. After the collapse of the Roman Empire, economic retrenchment had taken place in the form of a sharp decline of long-distance trade and exchange as a result of the collapse of the politico-administrative and military borders which made legal contract enforcement impossible or very risky and uncertain.

The rebirth of trade, particularly in Europe, starting with the beginning of the new millennium and then rapidly accelerating thereafter was based on many factors (new political stability, etc.) among which was of great importance the progressive development of new forms of trust based either on individual or family reputational mechanisms, which enabled future exchange to be based on information on past conduct, or on a community's reputation mechanisms (cities or corporations and their collective responsibility for their citizens' /members' behaviours). This facilitated a sort of infra-community contract enforcement mechanisms conditioning behaviour of exchange on individual social affiliation (that is, developing mechanisms to hold all members of a community responsible for the default of a particular member) rather than an individual's past behaviour.

These elements of a 'community responsibility system' [11] started to decline by the late thirteenth century, progressively substituted by various alternative legal procedures that reintroduced (based on old Roman law traditions) the principle of individual legal

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[11] This is the term used by A. Greif, *On the social foundations and historical development of institutions that facilitate interpersonal exchange: from the community responsibility system to individual legal responsibility in pre-modern Europe*, unpublished paper, June 1997.

responsibility. [12] Historical records of the late middle age are rich in providing evidence of the development of 'royal licenses of immunity' which liberated the individual from persecution of any debt except those that he had personally incurred. Their replacement with state enforceability of individual responsibilities was, however, more or less possible according to the political structure: more possible in early states such as England and France and less in the politically fragmented areas of the city belt as in Italy or Germany.

The potential tension between the strengthening of the various boundaries of the state, on the one side, and the implicit boundary removing impetus of capitalist development were not, however, immediately operational. For quite a long time, the potential of a capitalist cross-territorial market remained fundamentally subordinated to the imperatives of 'high politics' as embodied by the state-system. The dominant processes remained up to the 19th century these of progressive coincidence and mutual reinforcement of the administrative-military, cultural and economic boundaries.

The opposition between the boundary building operation of the rising nation-state and the boundary removing pushes of capitalism is probably exaggerated. Or, at least, they remained for a long time only potential contradictions. Actually, the close parallel in the periodisation of the rise both of the nation-state and of capital to world hegemony, is paradoxical from this point of view, but, at the same time, probably not accidental. The new forces of capitalism developed and operated within the pre-existing framework of ethnic communities and states frequently involved in rivalry and warfare. The rise of first merchant, then industrial and financial, capitalism intensified these rivalries, while the latter and war in

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[12] There are many interpretations of this decline and growth of individual responsibilities. For D. C. North and R. P. Thomas, (*The Rise of the Western World*, Cambridge, Cambridge University Press, 1973), this change reflected the economy of scale made possible by the population increase. For Benson they reflected the attempts made by emerging states to undermine the 'spontaneous' operation of the market and community institutions. The aim was to increase the state fiscal revenues by eroding the social links which made communities viable (B. Benson, 'The Spontaneous Evolution of Commercial Law', *Southern Economic Journal*, 55, 1989, pp. 644-661). For Greif, the same increase in trade and commerce fostered the growth of those community institutions that eventually eroded the efficiency and reliability of the community mechanisms (A. Greif, *On the social foundations and historical development of institutions that facilitate interpersonal exchange: from the community responsibility system to individual legal responsibility in pre-modern Europe*, unpublished paper. June 1997, p. 5). This paper documents (pp. 23-33) the early provisions that slowly made only the individual trader responsible for his debt and similarly reduced the collective responsibility of his country or city or corporations fellows for his faults.

turn cemented both the state and its dominant ethnic population into a territorially and legally unified nation. There were often close links between the operations of capital and the rise of particular nations. 'If the trade rivalries sharpened the sense of national difference, and provided economic content for national conflicts, so equally the rising national sentiment of the bourgeoisie gave a new edge to their competitive drive overseas'. Therefore, capital provided the economic instruments of the modern state, but at the same time, the framework of ethnically based states and their loyalties often dictated the direction of trade and the competition between merchants and (later) industrialists. [13] Trade and capitalist rivalries, state-wars and national identities served each other, and in this process of mutual reinforcement the potential mobility of capital - its boundary removing implicit logic - ended up being bound by the ties of the areas of cultural solidarity represented by the nation and by the legitimacy of the sovereign bureaucratic state as a guardian of national identity. [14]

The state and the nation progressively 'looked' capital within the territorial institutions whose legitimacy depended on the one side on the principles of sharp differentiation of its citizens from the 'foreigners', and, on the other hand, on the progressive removal of within-population status and inequality boundaries so that the latter would result equally undifferentiated from each other internally. In other words, the state-nation requires a measure of internal homogenisation and eventually came to represent an 'equality area', what was , in turn, the source of its legitimation, and, at the same time, the fundamental resource to constrain capital territorially and to submit it to its logic.

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[13] See A. D. Smith, *National Identity*, London, Penguin Books, 1991, pp. 166-168.

[14] Habermas goes as far as to say that 'the administrative state depends on taxes, while the market economy relies on legal guarantee, political regulations and infrastructural provisions. ... The immense political success of the nation state can partly be explained by the fact that the modern state, that is, the tandem of bureaucracy and capitalism, has turned out to be the most effective vehicle for accelerating social modernisation'. J. Habermas, 'The European Nation State. Its Achievements and its limitations. On the Past and Future of Sovereignty and Citizenship', *Ratio Juris*, 9, 1996, p. 126.

2.3.   Cultural retrenchment: nation building (culture)

On the cultural front, the long-term process of retrenchment took the form of the redefinition of European membership spaces through mainly the processes of linguistic vernacularisation, religious divisions and, more generally, national identity enforcement.

The development of vernacular languages from the large variety of flourishing vernacular literatures during the middle ages and the process of rising of vernacular to linguistic standards operated by intellectual groups and epitomised by the great symbolic figures and actions like Dante, Shakespeare or the German translation of the Bible by Luther, progressively broke the European intellectual unity around Latin as a single intellectual and scientific language. The decisive developments in this area came with printing and the religious division of the reformation breaking with Greek and Latin standards. The mass reproduction of messages in vernaculars and the mass accession to them brought about the possibility to reach new strata, progressively differentiated and separated the national standards of communication and increased intellectual fragmentation of European elite. At the same time, this also meant a considerable limitation of the mobility of cultural messages, fashions, etc. and the actual capacity and possibility to limit cultural exit by confining communication within the limits of the particular vernacular. 'Gutenberg created an essential technology for the building of nations'. [15] The printed press, the development of 'national literatures' and, in the end, the school system tied the subjects culturally to the territory.

The reformation went further, well beyond a break with Rome on matters of theological doctrine: it strengthened the cultural distinctiveness of each territory and particularly in the Protestant north it integrated the priests within the administrative structure of the state and in this way it strengthened the elements of loyalty reducing further the possibilities of exit. The Reformation (and counter-Reformation) accentuated the cultural significance of the borders between territories, not infrequently combining, in a self-reinforcing drive, religious differentiation with linguistic differentiation.

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[15] S. Rokkan, D. Urwin, F. H. Aerebrot, P. Malaba, T. Sande, *Centre-Periphery Structures in Europe*, Frankfurt-New York, Campus Verlag, 1987, p. 57.

The final process of nation building as related to state-formation was not uniform, of course. This was not only due to the varying degree of ethno-linguistic non-homogeneity that the processes of military-administrative boundary consolidation had produced in the interface cultural peripheries at the edges of the central city belt and in some other areas and in the 'external' peripheries at the border of states. It was also due to the different routes in the formation of national identities.

The most common model was one of bureaucratic incorporation, leading to the rise of territorial and civic political nations. This was usually led by aristocratic elite from a lateral community by using a strong state to incorporate lower strata and outlying areas. If the unit was sovereign and independent it did not require a movement of liberation from alien rule, but a transformation of its political system and cultural self-definition. If, on the contrary, there was a colonial legacy of high dependency from a dominant imperial centre, a new cultural identity needed to be forged (as in Ireland and Finland). In other cases the process of vernacular mobilisation was more important for the creation of ethnic and genealogical political nations. Nations were created from below by excluded intelligentsias and some middle strata from a vertical community, using cultural resources (ethno-history, language, ethnic religion, customs, etc.) to mobilise other strata into an active 'politicised 'nation' (as in Norway, for instance).

It is debatable whether these different routes implied two ideal-type models of nation-formation. One with a predominant civic-territorial content (historic territory, legal-political community, equality of members, common civic culture and ideology) and one with a prevalent ethnic-genealogical content (genealogy rather than territory common descent; vernacular culture, language and customs; common traditions). [16]

It is more important to underline the crucial timing between the process of state consolidation of military-administrative boundaries, on the one hand, and consolidation of

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[16] See A. D. Smith, *cit.*, pp. 8-15, for these two models.

state cultural boundaries, on the other; that is, the timing between state-formation and nation-formation. In cases of late state-building, and particularly when the three processes of state-building, nation-building and internal democratic structuration were coincident (Germany and Italy as most notable cases), cultural nationalism slid more easily into a political weapon for the further strengthening and affirmation of state autonomy, international legitimacy and internal cohesion.

At the same time, nation building and nationalism was something that required the development of some internal citizenship rights. The cultural conformity of nation-building implied a new area of membership space territorially coinciding with the politico-administrative authority and it required, therefore, the development and specification of the rights embodied by this membership space vis-à-vis the non-residents, the external. The strengthening of demarcation also meant the need to define more accurately the set of rights and obligations valid for the membership group and to modify the foundation of allegiance. This paved the way for the process of liberalisation and democratisation as a process of internal voice structuring in absence of exit options opportunities. Democracy came to be identified and practised within areas of considerable cultural homogeneity or within areas whose cultural non-homogeneity was publicly declared and acknowledged within some broader unifying political identity. I do not need in this context to elaborate the relationship between liberalisation, democratisation and centre-periphery relations.

2.4.   Centre-periphery within nation states

This process of new cultural and administrative boundary building associated with the consolidation of the state system determined the formation of the various kind of European peripheries according to their geopolitical geo-cultural and geo-economic position with respect to the new state geography. The European state building and nation building was not exclusively - as is often thought - a process of integration and of unification of disparate and different territories, economies and societies. It also implied the disintegration or simply the

division of *previously existing* and integrated territories, economies and societies. When cultural identities were strong, this determined the creation of minorities on both sides of the new border. Border groups, economies and societies had therefore to face a reorientation toward national centres created around the new cores of production and exchange. Their linkages with the older economies and societies were necessarily and progressively cut, and their claims redirected accordingly.

Obviously, the interaction between various types of boundaries also made for various types of peripheries. [17] Military-administrative centres, with their chancelleries, ministries, courts, legislative bodies, etc, did not necessarily coincide with economic centres, with the headquarters of major trading, industrial companies, stock exchanges, banking insurance etc, and with cultural centres, with their religious and/or linguistic distinctiveness, universities, theatres, publishing houses, etc. Territories that were culturally peripheral with respect to the dominant state centre need not be economic peripheries, as much as economic peripheralised territories need not be culturally distinctive with respect to the dominant cultural centre. Actually cultural peripheralisation was almost exclusively the result of the reinforcement of military-administrative boundaries that cut across pre-existing areas of cultural homogeneity as defined mainly in ethno-linguistic and religious terms. On the contrary, economic peripheralisation was the result of the switch in the dominant trade routes. The east-west southern axis through the Mediterranean Sea civilisations was dominant until the downfall of the Roman Empire and the conquests of Islam. The dominant trade route was progressively switched northwards, along the Rhine valley and the Alps from central Italy to the Hanseatic League in the North Sea and the Baltic and lasted as a dominant route until the 16th century. Later, the trans-oceanic trade route, along Western Europe and across world oceans, produced the relative decline of the transalpine route.

The interaction between these various processes of centre building and peripheralisation resulted in territorial structures that were more or less monocephalic or

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[17] Hintze was the first to emphasise the distinction between the core around the Frankish Empire and the peripheral areas of British islands, Scandinavia, Castile, Naple-Sicily and territories east of German territories. See O. Hintze, *Soziologie und Geschichte Staat und Verfassung*, ed. G. Oestreich, Goettimgen, Vandenhoeck and Ruprecht, 1962.

policephalic. The maximum of policephalism remained concentrated in the central European city belt of the ex-Holy Roman Empire. On the contrary, during the 16-18th centuries there was a continuous strengthening of dominant administrative centres within territories to the west and east of the medieval trade-route belt: London, Paris, Madrid on the Atlantic side; Vienna, Munich, Berlin, Stockholm, Copenhagen on the landward side. Such centres controlled vast peripheries and accumulated large military and administrative, as well as cultural and economic, resources.

The complexity of the interaction between military-administrative, cultural and economic boundary building do not allow a clear cut definition of which process was the dominant one in defining the internal differentiation of territories. Immanuel Wallestein [18] has developed a model of centre-periphery relationships that assigns primacy to development in the economy sphere and, therefore, in economic centres, positing a hierarchy of economic centres and defining peripheries as territories depending on these rich urban centres. The administrative and cultural hierarchies and the processes of the rise of the bureaucratic nation-state, the reformation, etc., can, in its view, be analysed as reactions to decisive changes brought about by the world economy with the opening up of the ocean trade routes in the 16th century.

Wallestein makes a distinction between four zones generated by the emergence of the early European world economy: *the dominant core* (moving northward from Spain to the Netherlands and later England), regions with the highest concentration of secondary-tertiary activities whose population's welfare depended primarily on trading products brought in from distant peripheries; *long-distance peripheries* depending on the core (Latin America, Eastern Europe, etc.); *semi-peripheries* (dominated by cities in decline (Italy, the French Midi, increasingly Spain); *external areas* (beyond the reach of the network of long distance trade (notably Japan and China until well into the 19th century).

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[18] I. Wallestein, *The Modern World System*, vol. I and II, New York, Academic Press, 1974/ 1980.

Against this view and interpretative paradigm of the centre-periphery, other scholars [19] have asserted the primacy of the state and its military-administrative apparatus and argued that long-distance trade was only of limited importance in this period, and what really mattered was the consolidation of the control system in the conquered immediate hinterland of each centre. All this points to the importance of different centres for theories of centre-periphery relations.

Rokkan underlines the importance of the interaction between horizontal (territorial) and vertical (membership) peripheralisation in the three domains of cultural, economic and politico-administrative systems for the resulting monocephalic or policephalic territorial structures. How the interaction between military-administrative, cultural and economic centres actually operated is well illustrated by an example that shows as the border control and the administrative boundaries determined the peripheralisation of areas across the borders and their reorientation to the centres. For centuries an important gap in the system of heavy-freight canals connecting Europe has been the absence of a canals connection between the Rhone and the Rhine, and between both and the Seine. Such a Rhone-Rhine canal would have constituted an important and attractive alternative - also during the railways period - to the routes over the Alps. Yet, notwithstanding obvious economic advantages for the region and overall European trade, the administrative authorities in Paris were always reluctant to invest in a transportation system which would have made eastern France closer to the Rhineland axis, and allow also the north-south traffic to bypass Paris. To a large extent, geopolitical issues concerned military and administrative authorities in Paris. [20]

In conclusion, although large-scale switches in the main trade-routes might have determined the *systemic* peripheralisation of certain areas within the world economy, internal economic, cultural and politico-administrative peripheries were mainly the result of the structuring of the modern nation-state and of its capacity to limit the exit options of territories as well as of individuals and resources. These conflicts over the demarcation of boundaries

[19] See P. Anderson, *Lineages of the Absolutist State*, London, New Left Books, 1974; and also S. Finer, 'State-building, state boundaries and border control', *cit*., pp. 79-126.

[20] Cf. S. Rokkan, D. Urwin, F. H. Aerebrot, P. Malaba, T. Sande, *cit*., p. 40.

and their rigidity or looseness clearly reflected oppositions and difference of interest among social groups controlling different resources within each territory in different domains: in the economy, the commercial, industrial, financial bourgeoisie controlling capital, commodities, and services; in culture, the educated elite in the churches, universities and schools, media and TLC networks controlling message-codes; in the politico-administrative domain, the political and military- administrative elite controlling rule-making and personnel.

2.5.   *Territorial expansion and new peripherality*

The democratisation process of the 19th century and the development of internal political oppositions were processes of internal differentiation of externally consolidated territorial units. The internal structuring of voice options was mainly a function of such external territorial consolidation and boundary stability. Voice institutionalisation was a consequence of the declining opportunity for exit determined by the consolidation of the modern bureaucratic nation state. The latter claimed control over the economic, cultural and politico-administrative borders. The centralisation of its political administrative, economic and cultural processes meant that conflict could be voiced and solved only following the same logic; i.e., by centralisation of claims and political divisions. However, in the democratisation process, territorial and peripheral claims were less legitimate and less acceptable than functional interest representation, as a result of their inherent challenge to the boundary control of the political elite and centre resource controllers. This is why, with few exceptions, 19th and 20th century politics was largely about individual rights and collective cross-local social movements and tended to regard the peripheral mobilisation of resources as threatening.

The transformation of states from warfare to welfare entities since the middle of the 20th century has progressively made more evident that borders are not only military-territorial lines, but systemic boundaries between regulatory systems. This aspect of border significance was obscured by its military and 'high politics' nature in more stormy political periods up to recent decades. If borders come to be perceived increasingly as regulatory systemic borders, nothing implies that they should remain the same across different functional regimes. Only cultural identifications and loyalties remain to justify and legitimise the coincidence of

different spheres' regulatory borders. A prevailing view of borders as regulatory systems' boundaries may generate claims to re-define such borders within or across national lines.

The coincidence of cultural, economic and politico-administrative boundaries, which was the fundamental innovation, the distinctive trait and the source of legitimacy of the nation state, is progressively affected by both international and European integration processes. In the last decades exit options from the once integrated cultural-economic-administrative coinciding boundaries of the state have increased rapidly. This is more obvious in the economic sphere, where the main consequence of such options is that they deprive political authorities of the possibility to transfer to consumers of a given territory the cost of the political regulation of the market within that territory. Individual citizens, firms and possibly territories can increasingly enter different jurisdiction without moving or seceding, entering cross-border functional regimes or appealing against national law to supra-national regulative authorities. The progressive (within-state) territorial differentiation of regulatory orders does not witness the deprivation of the state along classic territorial sovereignty lines, but its deprivation through functional sovereignty transfers. At the cultural level, exit options are less evident. Cultural bonds, i.e. the sentiment of loyalty one feels toward the group he/she belongs to, are normally regarded as an element increasing the costs of exit options. Yet cultural solidarities are often stronger at the sub-national level than at the national one, and they may exist or have existed across national boundaries. Under the aforementioned conditions of declining exit costs in the economic and administrative spheres, such traditions of sub-national or cross-border cultural identifications may be revived, reinforced and re-mobilised.

What consequences may derive from the current trend toward territorial enlargement and politico-administrative integration at a higher than state level? If the peripheralisation of territories within bounded territories was linked to the latter reducing exit options, what is going to happen to them when exit opportunities spread for individuals and firms to territories? If the historical definition of centre and peripheries resulted from boundary building in the economic, cultural and administrative field at the state level, one may expect that boundary reshaping will have a strong influence on old and new peripheries.

New boundaries, new types of boundaries, and competition among different boundaries modify the opportunities for weak exit [21] of sub-state territories. As a result they also affect the conditions for and the modalities of voice of the latter. In particular the differential distribution of economic, administrative and cultural exit opportunities among territories (groups, individuals and organisations) is likely to become a major source of interests redefinition and political alignments change. It is also likely that the loosening grip of state territorial boundaries lead to the re-emergence of territorial oppositions as a result of within state progressive territorial cultural, institutional and economic differentiation. European policy impact on sub-national territories may foster a territorial definition and redefinition of interests and even of cultural loyalties. Policies directed to territories within the boundaries of the nation state or policies directed to territories across such boundaries may increase claims to politico-administrative decentralisation and strengthen local forms of external representation.

The next sections of this paper try to elaborate on this new opportunity structure.

3. Within-state territorial differentiation: changes affecting the role of sub-national territorial units.

With respect to the historical distribution of resources over the national territory and among sub-national territories, a number of changes should be considered which affect the within-state territorial differentiation process. I will list them as 'points-questions-hypotheses'.

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[21] For a re-elaboration of the concept of exit to apply it to territories, see S. Bartolini, *cit*.

3.1.   A changing scale of operation of 'infrastructural power'?

Once the state develops and expands its ability to provide centrally- and territorially-organised services (the welfare state, the educational system, credential control, etc.) its basis of legitimacy changes and becomes increasingly dependent on this capacity (a 'performance legitimacy' as opposed to the 'procedural legitimacy'). In this way the state and its bureaucracy develop some element of autonomy from the dominant elite and it is no longer a pure or simple expression of their 'despotic' power (the authoritative allocation of value [the power of decision] of dominant social or political groups). This autonomy and legitimacy depends however on the capacity to continue to deliver those goods that cannot be provided in other ways. Infrastructural power, as opposed to 'despotic power', can therefore be defined as the capacity to provide efficiently and to deliver public goods as services and rules that other organisations can not provide (or cannot provide with equal efficiency). [22]

At this stage, however, the state is subject to the challenge and competition of other organisations that prove or are thought to be most able to deliver the same goods (services, protection, and rules). In other words, the changing basis of legitimacy of the state from pure domination to performance of functional duties has eventually exposed the state itself to functional decline with respect to other forms of creation of these goods by other types of organisations. It is more precisely in the realm of specific functional regimes that defined the administrative-political boundary of the state that this challenge has proved more intense: defence of property rights connected to an increasingly mobile property, environmental protection, etc. The application of infrastructural power can be more efficiently allocated to sub-state or regional communities as well as above-state new communities or international organisations.

In an increasingly integrated European (or global) economy, space no longer matters as a result of technological development in the communication and transport system. The traditional location scheme according to which investments will tend to be located as nearby

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[22] M. Mann, 'The Autonomous Power of the state: its origins, mechanisms and results', *European Journal of Sociology*, 25, 1984, pp. 185-213.

as possible to one of the three sources of the 'capital'; the 'market' or the 'raw materials' no longer apply. In this sense the process of reproduction of economic peripherality is broken as there emerge greater opportunities to locate resources without the constraints of pre-existing resource concentration.

Moreover, technological change and international division of production labour brings about in advanced industrial countries a declining importance of asset specificity (asset specificity means that the value of an asset is strongly connected to a specific use). A specific asset has no easy substitute. Its exchange requires high transaction costs, high economies of scale. Non-specific assets (financial products, e.g.) are the contrary. The specific asset economy requires more than a non-specific asset economy -a political hierarchy guaranteeing those complex conditions of price efficiency and markets availability.

Does this affect the scale of operation for infrastructural power? Is the region-state small enough to share economic homogeneity and is it big enough to afford large capital infrastructural investments?

In a purely instrumental perspective one can imagine that specific political structures (like the state) are more or less efficient in regulating, fostering, controlling certain economic activities. Economic processes, according to technological features, have different efficient or ideal political scales.

If and when, with technological change and goods differentiation, the scale of the political structure becomes sub-optimal (because the existing political arrangements for the regulation of production, exchange and consumption, are inadequate for the asset type and the public goods required), then a new structural political scale must be found that reflects the altered requirement for political production.

Nation states have problems in providing the traditional 'regulatory', 'distributive' and 'redistributive' public goods. [23] For the regulatory framework for the market (establishment and protection of property, currency, abolition of internal barriers of production and exchange, standardisation, legal enforcement and adjudication) and more generally for any regulatory framework to co-ordinate and stabilise economic activities the state can not alone regulate important areas where international or cross-national regulations are only effective. Distributive activities (through state controlled and state sponsored production and distribution, nationalised industries, public services, public finance and subsidies) and redistributive policies (health and welfare services, employment policies, environmental policy) are affected by the more and more difficult definition of which sector is strategic, by international and regional agreements, by international competitiveness and favourable climate for international capital.

Does this create a divergence between the scope of action of the financial and, to a much less extent, industrial markets, and the scope of action of the state? The europeanisation and globalisation of finance has increasingly produced a divorce between finance capital and the state? [24] What is more important for the context of these notes is the following question: this shifting ideal and efficient political scale concerns only the rising up of functions and duties to the transnational and above-state level or does it also imply the empowerment in certain areas of sub-state level territorial organisations?

3.2. *Territorial competition?*

When the concept of the 'demise of the nation-state' is used what is normally meant is the 'demise of the nation-state Keynesian policy capacity'. When economic boundaries are lowered or removed, mobile production factors can easily move from one jurisdiction to

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[23] T. Lowi, 'American Business, Public Policy, Case Studies and Political Theory', *World Politics*, 16 1964, pp. 677-715.

[24] See P. G. Cerny, 'Globalization and the changing logic of collective action', *International Organization*, 1995, 49, pp. 595-625.

others according to the social costs and regulatory burdens imposed on them. The absence of European wide market regulations forces governments to do their economic and social policies following the requirements of European and international competitiveness (i.e. attracting mobile factors). National competitiveness becomes the dominant political imperative and programme as national regimes are exposed to competition that can no longer be contained either at the national level or at the EU level. The pressure for competitive deregulation which may result have already visible consequence: (1) shift taxation from mobile to immobile factors; (2) shift the financing of the welfare state from employers contributions to general tax revenues; (3) the ruling out of state aids and subsidies to domestic industries for employment protection; (4) pushes toward privatisation of previously nationalised industries that protected sectors of the labour force; (5) constraints on public borrowing (3% of the GDP) and the overall public deficit; (6) rising autonomy of central banks which are no longer allowed to extend credit to government.

The process of opening of markets at the European and global level has made governments less able and willing to put resources into backward regions for programmes of territorial redistribution and has made them more ready and inclined to give more attention to the most dynamic and active sectors and territories in order to foster national competitiveness. In other words, there has been a certain change in priority in territorial politics, from redressing within-state territorial imbalances, to foster territorial endogenous resources and to promote national competitiveness; from territorial to sector intervention. [25] In the new context there will be a tendency to divert resources from other programmes to those activities which tend to promote growth. This will tend to change the terms of the political debate, putting development and system competitiveness at the core of the political argument.

However, even if territorial politics will be increasingly dominated by the competitive pursuit of economic development and growth, this does not entail the reduction of the territory to a pure set of exchange relationships based on instrumental calculations.

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[25] M. Keating, *The Political Economy of Regionalism*, in M. Keating and J. Loughlin (eds.), *The Political Economy of Regionalism*, London, Frank Cass, 1997, pp. 17-40, p. 27.

Territorial collective identities, institutional strength, co-operation traditions, etc. can all provide the basis for forms of co-operation in the production of public goods and investments in the future and not only help to overcome external diseconomies of competition, but also to create local conditions which, relying on historical traditions and endogenous resources of a cultural, institutional or social nature may favour the adaptation and the response of specific local territories. Local territorial identities may also find a new push thanks to this development in the internationalisation of forces as a reaction of local defensiveness.

More precisely territorial competition depends on:

(1) the mobility of factors (goods, firms, individuals, taxpayers, etc.) which create a potential demand. If there are no mobile factors, then there is no competition, in the sense that there are no customers to compete for. The essential element of territorial competition is therefore territorial mobility. However, also immobile factors do play a role, to the extent that they are asked to bear the costs (or advantages) of mobile factors' choices. Note that here lies a fundamental difference between economic competition and territorial public good competition. While a loyal customer may continue to buy the same good, eventually enjoying its improved quality determined by the exit options of other more volatile buyers (and even if the factory which produces the good s/he likes were to fail and disappear he could always have a substitute), in public goods territorial competition, the loyal customer (that customer who does not want or who cannot be 'territorially mobile') is likely to be affected considerably by the deterioration of the territorial performance.

(2) the territorial differentiation of the offer that creates a supply. If the territorial offer is not differentiated, there is no incentive to change territorially located goods. Territorial competition is competition through the offer of different kinds, levels or quality of public goods (transports, loans, etc.). There might be big differences in the capacities of different sub-national territories to differentiate the offer according to the institutional structure and policy competence and means of the local government. The stronger the external hierarchical control of the offer (from the centre), the less possible a differentiation. The higher the resources and the lower the central control the higher the possibility of offer differentiation.

Now, to a certain extent, the standardising element in EU policies would tend to reduce the differentiation of territorial offer (for instance imposing common standards to product) Everything in the direction of 'positive integration' sets boundaries to the differentiation of the offer, compelling firms, territories, etc. to make a standardised European offer. On the other side, everything in the direction of negative integration, reducing territorial (national, but also regional) barriers to competition seems to foster that territorial mobility of factors which is a necessary condition for competition. Negative integration facilitates territorial mobility.

Historically, the European demonical obsession with exit options actually lead to measures to limit internal territorial competition as potentially explosive for both the internal cohesion and the international equilibrium. Within the EU, actively engaged in removing internal boundaries and which is open to always new adhesion, territorial competition is likely to be unbounded as it historically was in the United States, as a result of continuous addition of new states, historical legacies, technological change, the tax system and the fragmentation of the sub-national governmental structure.[26]

It can be argued that eliminating explicit obstacles to trade, harmonising regulations that would otherwise segment the market, and increasing the mobility of labour and capital may lead to divergence in both economic structure and growth rates of different regions, rather than to convergence in factor prices, economic structure and growth rates. Krugman[27] has concluded that with integration EU regions will become more specialised (as in the USA) and that they will therefore become more vulnerable to region specific shock. At the same time they will be unable to respond with counter-cyclical monetary or exchange rate policy and will also tend to have immobile fiscal policy because in the environment of high factor mobility the shocks will tend to have permanent effects on output (therefore immobilising

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[26] A. Sbragia, *Debt Wish. Entrepreneurial Cities, U.S. Federalism, and Economic Development*, Pittsburgh, University of Pittsburgh Press, 1996, p. 218.

[27] P. Krugman, *Lessons of Massachusetts for EMU*, in F. Torres and F. Giavazzi (eds.), *Adjustment and Growth in the European Monetary Union*, Cambridge, Cambridge University Press, 1993, pp. 241-261.

fiscal policy). According to him, in the USA, the heavily federalised fiscal system offers a partial solution to regional stabilisation, and unless there is a considerable change in this direction in EU institutions, this leverage is absent and problems of regional economic imbalance may become worse.

However, territorial competition is not only a process of opening. It is at the same time a process of boundary building. If territories want to compete they have to control certain factors, otherwise they are not different offer-units. Creating regions does not only mean to create a 'space of action', but also to set boundaries with other territories of an economic, administrative, cultural nature. In other words, the space of action follows from the boundary building process. An internal territorial space of action (which I would like to call 'structuration') can not be successfully built unless some form of boundary consolidation has taken place. Functional, cultural and administrative territories are characterised by different boundary building processes.

Territorial differentiation can be based on the traditional resources of the territory such as economic resources, cultural distinctiveness (ethnic, linguistic, cultural, religious distinctiveness) or institutional resources (local government tradition and capabilities). However, the most interesting and innovative processes of territorial differentiation are likely to affect the politico-administrative boundaries taking the form of regulative differentiation of previously nationalised functional regimes.

We can hypothesise the tendency to the creation of new forms of social protection, of labour market regulation, of educational systems territorially differentiated at the sub-national level. This will involve the potential risk of the retrenchment of social solidarity towards more restricted territorial entities and the weakening of national integration may also reduce the possibilities of nation-wide solidarity and redistribution. The underlying logic of this aspect of territorial differentiation is that the higher the systemic interdependence (the boundaries of the social division of labour), the higher the need of localised forms of social integration (the community solidarity bonds). Ferrera has mentioned three factors that push

toward sub-national particularism in the specific field of the welfare state, [28] but its reasoning can be extended to other functional spheres as labour market regulation, educational requirements, etc.

The first factor that favours functional territorial differentiation is the new logic of competition of the internal market which tends to create new aggregation of territorial and sector interests and help the re-emergence of old cleavages between centres and peripheries of production and trade (e.g. economic axes such as the Rhineland, or Catalonia, the French Midi, Padania, Carinzia). The various social groups that operate within these types of territorial areas will tend to see the convergence of their interests and policy needs. In need of more efficient forms of competition with respect to other territorial areas, these groups will develop common interests toward institutional arrangements (welfare, fiscal, labour market, education, etc.) which are similar, or in any case such as not to penalise them in the competitive game. These social groups could manifest a growing interest for localised functional regimes in the above mentioned fields which are efficient, flexible and territorially circumscribed to themselves, that is, deprived of extensive redistributive dispersions.

The new logic of competition of the internal market sketched above might have a further implication. It will help the surfacing of old and new peripheries, regions and territories traditionally backward or incapable of keeping up with economic modernisation. The imbalances in national budgets and the growing fiscal opposition of strong social groups endowed with a high capacity for exit might challenge the traditional national redistributive circuits and mechanisms, contributing to a new dynamic of infra-European differentiation between development and under-development. This may contribute to new territorial tensions along the axis of national standardisation of functional regimes versus their territorial differentiation.

The second factor that may contribute to territorial differentiation is the regional policy at the EU level and more generally the process of the union's regionalisation. One of

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[28] See M. Ferrera, *Modelli di solidarietà. Politica e riforme sociali nelle democrazie*, Bologna, Il Mulino, 1993, pp. 297-303.

the indirect effects of the socio-economic cohesion policies is to strengthen sub-national identities and to set incentives for the formation, even at the cultural level, of territorially narrower risk-community and solidarity areas.

The third factor contributing to territorial differentiation is the changing logic of national political competition. The dealignment of traditional cleavages and forms of political control and the disappearance of anti-system oppositions in Europe can determine an opening of the politico-electoral markets which offer new spaces to political competition impinging upon the defence of interests of local type and nature, either through the mobilisation of new single-issues or through the re-activation of old territorial and also social-economic cleavages (urban-rural, for instance). We should add to this the potential interest and convenience for political entrepreneurs of exploiting the theme of particularistic solidarities (Belgium, Italy, Catalonia, etc.).

In conclusion:

- processes of integration and interdependence have made state borders more permeable;

- states have to a large extent changed their nature from territorial entities to regulatory systems;

- there is a disengagement between state and territory, leading to more emphasis on the non-territorial aspects of statehood;

- therefore, divisions within the state are highlighted and the possibility for internal differentiation increase.

3.3.   Politico-institutional differentiation?

While sub-national spaces have divided and re-arranged state territory to the detriment of traditional state borders creating territorial politics regimes, multi-national spaces regroup states together bringing state borders in to borders of a larger entity, creating a European

Union border. [29] At the European Union level since the 1980s, the increasing level of cross-border co-operation, the extension of EU inter-regional policy, and the beginning of extensive territorial planning [30] have started to define new borders which regroup regions in different countries, but at the same time they have helped to redefine them within state borders. There are, in fact, internal territories of the state which are 'in' or 'out', the regional policy programmes or the cross-border co-operation, and this makes to them a great deal of difference. 'The combination of large amounts of community funding and novel forms of territorial governance to administer them is challenging traditional state-centred politics. But this is not exactly the withering away of either state or borders. What are withering away are the one to one matches between states and borders: borders equal states and states equal territorial borders are a thing of the past. [31]

Challenging the traditional role and boundary of the state means also re-politicising within state territory differences and the politics of the EU has introduced a new stimulus for the circuit of territorial bargaining, co-operation, but also competition. The EU has contributed to the development of a set of new legal and financial tools for regions. The EU structural funds have prompted even the most centralised states such as the UK, Greece and Ireland to create entities at the regional level for the implementation of EU regional policy funds. The EU structure and incentives continue to provide the legal framework, and the resources for regions to compete and to form alliances which will be competitive in the economic sphere. The EU policies have impacted on the decentralisation trend in most EU countries going back to the 1970s, but they have increased regional capacities in terms of economic and organisational resources to deal with territorial problems and to manage policies of local economic development. In short, the EU has played an institution building role for sub-national regional strengthening.

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[29] T. Christiansen and K. E. Jorgensen, *Toward the 'Third Category' of Space: Conceptualizing the Changing Nature of Borders in Western Europe*, paper presented at the Second Pan-European ECPR Standing Group on International Relations, Paris, September 1995.

[30] See S. Borras-Alomar, Interregional Co-operation in Europe during the Eighties and Early Nineties, in N. A. Sorensen (ed.), European Identities. Cultural Diversity and Integration in Europe since 1700, Odense, Odense University Press, 1995, pp. 127-146. S. Borras-Alomar, T. Christiansen, A. Rodriguez-Pose, 'Towards a 'Europe of Regions'? Visions and Reality from a Critical Perspective', Regional Politics & Policy, 4, 1994, pp. 1-27.

[31] *Ibidem*, p. 18.

Both the national,[32] and more recently, the European, centres actually aimed at increasing endogenous capacities to achieve regional development, trying to add to the classic redistributive measures the fostering of endogenous oriented measures. As a result, the mobilisation of the endogenous economic and social potentials was actually fostered by supra-regional centres.

The uncertainties produced at the regional level by EU integration in the economic field (SEA) made for relevant social forces and interests to express their concerns about the possible impact of EC measures on regional and local economic structures. These uncertainties generally generated demands from local socio-economic actors for regional action to identify areas affected by these changes and to take the appropriate measures to respond with regional structural adjustments. At the same time, regional governments have become more active in gathering together private and public forces with a view to competing in the wider international context of economic allocation, trying to make themselves attractive locations for investments and signing agreements with other state and inter-state governments to promote co-operation, trade, etc. Regions which are culturally distinctive have recently tried to develop at the ideological and practical level a model of regionalism in which their cultural distinctiveness is considered as giving them a competitive advantage within EU integration and within new economic internationalisation trends. The reference point has changed from the central state to the international (EU and world) arenas.

The growing awareness of the importance of regions for economic development has coincided with the idea that with the creation of world-wide markets and the internationalisation of certain factors of production, a number of 'economic regions' are emerging as the best frame for economic activity promotion and regulation. However, some of these economic regions have boundaries that cut across national administrative regions and sometimes also national boundaries.

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[32] See V. Wright, Relations intergouvernementales et gouvernement régional en Europe: réflexions d'un sceptique, in P. LeGalès, C. Lequesne (eds.), Les paradoxes des régions en Europe, Paris, La Découverte, 1997, pp. 47-55.

Table 1. *Types of Cross Border Regimes*

	Basis for co-operation	Geo-political situation	Approach
Cross border	Common frontier	Peripherality from national centres	Problem-solving endogenous development
Big geographic areas	Big areas with some common characteristic	Peripherality from European centres	Endogenous development
Non-contiguity	Functional: relative affinity of economic growth/structure	centres at national and even European level	Endogenous development

New regional co-operation has evolved from a problem-solving framework (how to provide co-ordinated public services on both sides of a national frontier, infrastructure, cross-border commuting, civilian protection, disaster control, environmental issues) towards a more comprehensive approach which comprises the general economic development of these frontier regions, usually at the periphery of the national economic structure. Moreover, they have evolved from a physical continuity or some geographical principle to functional and structural characteristics a basis for co-operation. On the basis of these considerations, Borras-Alomar provides the interesting typology reported in Table 1. [33]

These structural changes, however significant, should not be regarded as increasing the role or power of *all* regions. They apply to all of them, but obviously the structural definition of regional territorial interests may allow for these fora to express very different interests and opinions, and not necessarily - and maybe very unlikely - a 'regional' view or an increase in regional power. While regional alliances continue to develop along common economic or infrastructural interests and regions try to establish their institutional position vis-à-vis the Community and national governments, the prospects of a harmonious 'Regional

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[33] S. Borras-Alomar, cit., p. 135.

Europe' are non-existent given the potential conflicts of interests among regions and areas, and given the enormous differences in resources among the regions. Moreover, the relevance of territory and territoriality in Europe has not necessarily anything to do with a regionalised Europe and that new forms of territorial politics do not need to be regionalised politics. [34]

Europeanisation challenges the unity of the territorial framework within which the functional policy choices were exercised. Not only has Europe a territorial policy that adds to what existed at the national level, but also, in general, territorial alternatives become more important in the political debate with respect to functional choices. Or, alternatively, functional choices can be neither framed nor legitimated without a strong territorial consideration and component. The multiplication of governmental levels (multi-level governance) increases the number of systemic interactions and modifies their hierarchical nature: local government can appeal to different authorities, get access to different sources of resources. All this makes the relevance of the territorial dimension in the policy choice more salient.

4.   Consequences for political representation: the territorial axis

If the hypotheses discussed in section three are correct, one should expect that this new constellation will redistribute territorial resources in a new way and will tend to reverberate on the forms of territorial politics and representation. However, while there is a general perception that economic regionalisation prompts forms of representation of the local interests which must be relatively unitary, it is difficult to specify how the capacity to represent externally the interests of a local society is formed in the new conditions.

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[34] See T. Christiansen, *Interests, Institutions, Identities. The Territorial Politics of the 'New Europe'*, in N. A. Sorensen (ed.), *European Identities. Cultural Diversity and Integration in Europe since 1700*, Odense, Odense University Press, 1995, pp. 241-255, esp. pp. 241- 245 for a critique of the 'Europe of Regions' myth.

4.1.   Functional and territorial representation

Political representation has traditionally taken both functional and territorial forms. In the first case, the internal social differentiation of a territorial unit becomes the basis of political representation and competition. Cross-local alliances of political entrepreneurs develop political organisations around which central political competition is organised. In the forms of territorial representation existing territorial entities are the natural focus for representation and their internal divisions tend to be either suppressed or politically diffused. Territorial politics in the consolidation of the nation state in early modern Europe had a distinctive stratarchic structure: it was dominated by a triadic relationship which is reappearing in the process of territorial expansion associated with the development of the EU. Rokkan in all his writing and more recently Wayne te Brake [35] have elaborated this triadic view of oppositions and alignments based on the relationship between (1) ordinary people (OP); (2) their local rulers (LR), and (3) national claimants to power (NC). Three types of alliances can be identified:

(1) local consolidation with an alliance between local rulers and ordinary people which tended to produce either city-state or confederated provinces (Italy, the Netherlands, Switzerland);

2) elite consolidation, resulting from alliance and integration between local rulers and national claimants (as in Catalunia and the Empire);

3) central consolidation resulting from alliance between ordinary people and national claimants and cutting out local rulers (as in France or Britain)

In early modern Europe, in a situation of loose and shifting boundaries, ordinary people could take advantage of the conflict between local rulers and national claimants. They could align themselves either with their local rulers against nation builders or with the latter against the former. In my opinion, however, cross-territorial social movements could develop around the most broad-ranging claims only in the context of an alliance of territorial

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[35] Wayne te Brake, *Making History: Ordinary People in European Politics, 1500-1700*, Berkeley, University of California Press, 1997.

consolidation between NC and OP. Until politics remained controlled or dominated by the local rulers, representation and conflicts tended to be of an external representation nature. [36]

This early stratarchic organisation was progressively undermined and complicated by the horizontal divisions cutting across ordinary people, local rules and national claimants. On these new bases (primary versus secondary sector, class, religion, etc.) cross-territorial alliances could develop, eventually forming national social movements sometimes taking advantage of inter-elite competition and pluralism. This was possible only because the nation state was becoming a relatively closed territorial unit,[37] which controlled the cultural, economic, and administrative boundaries. Conflicts over policies tended over time to be primarily shaped by functional alternatives. Distributive and regulatory policies tended to concern sectors, like industry or agriculture, education or defence policy, welfare or economic incentives, even if territorial adjustments were not absent for disadvantaged regions. That is, it tended to be national standardising measures concerning groups or economic sectors which were not, or which were only partially, territorially characterised.

Traditional functional cleavages, therefore, are forms of 'voice' within a given territory characterised by central decision making, toward which new potential political organisations were directing their claims. They are expressions of functional or cultural differentiation within a national territory and power structure. The territorial national system and the inability to exit it bound new political groups' opportunities for support and alliance. They are therefore confined and restricted by the set of alliances between social groups and political organisations already established within such a system. To access mobilisation resources and alliances *outside* the territory is impossible or, when this was attempted (by international political movements or by secessionist interface peripheries), all other national elites saw it as a deadly challenge. This restricted the scope for new cleavage development.

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[36] See S. Tarrow, *Building a Composite Polity: Popular Contentioun in the European Union*, Paper, Stanford University, April 1998.

[37] The reasons for this internal politicisation of 'closure rules' are developed in S. Bartolini, *cit.*

Within closed territories, the possibility of cross-local alliances of a functional nature among different section-groups was essential to overcome territorial representation. Localistic ties were seen as dysfunctional to the structuring of functional groups' voice in an effective way. The effective structuring of voice within the hierarchically regulated territory required cross-local linkages. The external form of territorial representation was insufficient to satisfy the complex internal differentiation of interests.

In the new constellation of circumstances discussed in the previous section, these possibilities for cross-boundary resource mobilisation and alliance building are more likely to be accessible for the structuring of new cleavage lines and political oppositions. Moreover, it is less likely that these attempts will be faced by coherent and cohesive repression and isolation response from established national elite. It is likely that forms of external representation of a cohesive local community may re-emerge in certain policy areas and that a new stratarchic dimension of political interaction re-emerges. The multi-centred and multi-level polity which is associated with the EU offers to both social movements, interest groups and territories new loci and sites for influence, decision-making, information gathering etc, which are different from the national and domestic ones.

One may in principle imagine that the new European polity will reproduce at the expanded territorial level the formation of cross-border alliances among similar social actors based on functional similarity of interests. On the other hand, one can imagine that the predominant mode of representation will be territorial, with, within-border coalition of social groups and their territorial rulers against the state-builders and central claimants at the EU level. As was the case for the development of the nation state, cross-territorial social movements normally develop in response to supra-local rulers' attempt to create higher level states. In this sense, inter-governmentalism represent a form of consolidation which is based on central claimants (the new Brussels centre) and local rulers (state executives and central institutions) accommodation, while supra-nationalism represents an alliance between ordinary people and central claimants at the expense of the local national rulers.

I consider the formation of a new stratarchic territorial representation as more likely than the new formation of European-wide cross territorial alliances. The reasons are many and I will list the more important ones as hypotheses.

(1) The number and fragmentation of the new sites of power and decision-making tend to lower the organisational cohesion of groups and movements. The plurality of loci allows different groups within encompassing national organisations to perceive that their resources might be better used in one locus rather than the other. There might be conflict within organisations about the vertical decisional-centre toward which to act. That is, there will be differentiation among groups, movements and interests according to their capacity to access different layers and sites of the EU, national and local decisional structures.

(2) Internal interest differentiation within and among groups may derive also from their different capacity to escape the impositions and social duties established at any of these levels and sites. In other words, previously united and centralised corporate and political organisations may internally divide on the basis of different perceptions of the costs and gains of the new exit option constellation.

(3) The organisational domain of interest groups will cover narrower territorial capacities than the market. The reach of organisational resources of groups, parties, even states, will be narrower than the reach of the market. 'By undermining associational monopoly and inter-associational hierarchy, the fragmentation of interests and the pluralist proliferation of political opportunities that is entailed by the 'regionalisation of Europe' adds to the decomposition of national-level corporatism as well as to the obstacles to its supranational resurrection.' [38]

(4) Territorial external representation engenders and fosters mechanisms of political collusion. During the negotiations among sub-national actors, or actors at the sub-national level, there is a process of cognitive and evaluative learning. There is a suspension of the majority principle. The modification of the initial actor's goals implicit in the negotiation is inevitably linked to the possibility of local diverging solutions. In these processes at the local sub-national level (and particularly when they become all too frequent) some sort of

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[38] See on this point W. Streek, P. Schmitter, 'From National Corporatism to Transnational Pluralism: Organized Interests in the Single European market', *Polity and Society*,   , pp. 133-164, p. 156.

recognition of a mutual and fundamental similarity of interests must develop. This implies that a relationship of reciprocal recognition requires that the model of interaction be based on relationships which are not only adversarial and, more important, relationships in which each actor is autonomous in its capacity to modify its goal through the negotiation. Which in turns requires its low or declining dependency and linkages with cross-local encompassing national organisations. In other words, the growing recognition of common local interests (e.g. increasing the attractiveness of the territory for investments, increasing local infrastructures, exploiting local assets, etc.) generates negotiation climates which inevitably tend to weaken the vertical and cross-local relationships between local and national actors. It tends to balkanise interest representation at the local level; it tends to increase the requests and needs of local autonomy; it tends to redefine the hierarchical relationships within the national organisation. To define the broad lines of growth opportunities, to establish the priority for common interest infrastructures, to combine investments to strengthen the environment are all processes which could also enable the actors and the combined modalities of action toward the external world emerge.

(5) Keating argues that the emphasis on territorial competition will tend to foster regional 'developmental coalitions' defined as broad and 'place-based inter-class coalitions of political, economic and social actors devoted to the economic development in specific location. It may include locally and non-locally based business interests, regional and local bureaucracies, as well as locally based national bureaucrats, and neighbourhood and social movements.' [39]
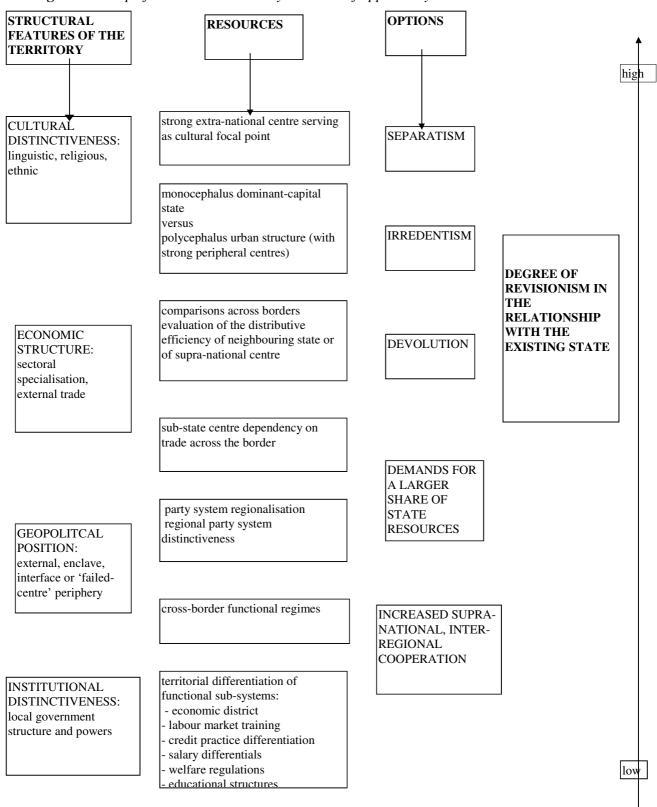
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[39] M. Keating, *cit*., pp. 17-40, pp. 32-34.

4.2.   Variation in territorial resources

Which tensions and which forms of representation will prevail will depend on the resources and options of different regions and regional alliances within and across territories. The larger the number of different political options available to the periphery in its relations to the centre, the higher the resources which can be converted into political pressures brought to bear upon the latter.

It derives from this that, in a context of loosening boundaries, interface peripheries have an advantage over external peripheries as a result of the existence of an alternative and supportive cultural centres. Following the same logic, territorial spaces subject to one national politico-administrative centre but fully integrated in a broader than national space of market transactions have higher resources to convert into political pressures brought to bear upon the politico-administrative centre. They may also have other possibilities rather than bearing upon the centre: to find alternative resources from those offered from the centre (i.e. exit options based on a supportive external economic centre). Finally, territorial spaces where alternative administrative borders compete in different functional areas (cross-border co-operation, functional regimes within the EU, etc.) enjoy higher resources to convert into political pressures (supportive external administrative centre   [EU]). The framework of territorial resources needs to include the cultural distinctiveness resource of the peripheral territory, the economic access to external resources, and the institutional distinctiveness and autonomy of the territory. In Figure 1 I have attempted to systematise the structural feature of the territory, its resources and political options.

Figure 1. *A map of the sub-state territory structure of opportunity*

STRUCTURAL FEATURES OF THE TERRITORY	RESOURCES	OPTIONS	
	strong extra-national centre serving as cultural focal point	SEPARATISM	high
CULTURAL DISTINCTIVENESS: linguistic, religious, ethnic	monocephalus dominant-capital state versus polycephalus urban structure (with strong peripheral centres)	IRREDENTISM	**DEGREE OF REVISIONISM IN THE RELATIONSHIP WITH THE EXISTING STATE**
ECONOMIC STRUCTURE: sectoral specialisation, external trade	comparisons across borders evaluation of the distributive efficiency of neighbouring state or of supra-national centre	DEVOLUTION	
	sub-state centre dependency on trade across the border		
GEOPOLITCAL POSITION: external, enclave, interface or 'failed-centre' periphery	party system regionalisation regional party system distinctiveness	DEMANDS FOR A LARGER SHARE OF STATE RESOURCES	
	cross-border functional regimes	INCREASED SUPRA-NATIONAL, INTER-REGIONAL COOPERATION	
INSTITUTIONAL DISTINCTIVENESS: local government structure and powers	territorial differentiation of functional sub-systems: - economic district - labour market training - credit practice differentiation - salary differentials - welfare regulations - educational structures		low

A map of the variables affecting the variation in sub-state territorial resources should include:

(1) *economic resources* concentrated in the territory;

(2) *financial resources*: autonomous fiscal imposition; access to non-state financial markets; freedom in allocation;

(3) *cultural distinctiveness and resources*: a rich ethno-history can be a significant source of cultural power and a focus of cultural politicisation. 'Communities able to boast such histories have a competitive advantage over others where that history is scanty or doubtful. In the latter case the intellectuals have a double task: they must recover a sufficiently large quantity of communal history to convince their own members that they have an illustrious past, and they must authenticate it sufficiently to convince sceptical outsiders of its merits'; [40]

(4) *institutional resources*: [41] density of regional political and administrative but also social and economic institutions; capacity to formulate policy (extent to which regions are a political system with a decisional capacity and the possibility to politically define a 'regional interest'); competencies (autonomous versus shared with the state);

(5) *political resources*: level of autonomy of the local political class from the national one; political distinctiveness of the local political elite; regionalisation of the party system and de-nationalisation of the party system; territorial mobilisation of support and political action.

The study of these processes of territorial differentiation requires some systematic and objective solid fact finding and data accumulation of the within-state territorial differentiation of interests, institutions, policies, economic and cultural resources. We need data not only on the socio-demographic and economic structure, but also on cross-territory linkages and fluxes (e.g. external regional trade figures; regional foreign trade dependency), and political administrative data and synopses about local government authority and power, fiscal powers,

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[40] Smith, *cit*., p. 164.

[41] M. Keating, *Les Régions constituent-elles un niveau de gouvernement en Europe?*, in P. LeGalès, C. Lequesne (eds), *Les paradoxes des régions en Europe*, Paris, La Découverte, 1997, pp. 19-35, pp. 33-35.

resort to courts of justice, resort to national courts against national governments, institutional territorialisation (welfare state), chances of cross-border co-operation, etc. Finally we need to accumulate political data about party system regional distinctiveness, electoral regional specificity, European versus national election differences, regional parties and centre-peripheral relationships within the structure of nationally based parties.

4.3. Conclusion: political alignments implications

I have discussed the issue of the extent to which structural conditions can be identified which foster the rebirth of territorial forms of political representation within the emerging structure of European loosely bounded territories and multiple centres in the areas of politico-administrative, cultural and economic transactions. The paper has an almost exclusively analytical character and problems of empirical validation are beyond of its scope. It is hard to be very specific about which territories are more likely to be peripheralised within the new large-scale territorial differentiation process. I can only conclude with a tentative speculation concerning the potential dimensions of conflict and opposition of a territorial nature that might emerge out of this structure.

Table 2. **Winning/loosing territories and groups**

		territories within states	
		Losers	Winners
Groups within territories	Losers	Loser group within losing territories	Loser group within winning territories
	Winners	Winner group within losing territories	Winner group within winning territories

It was argued that loosely bounded territories are subject to the mobility options of crucial factors as capital, taxpayers, consumers, skilled professions, etc. and that a potential conflict line will run along the institutional territorial competition for the acquisition of such factors. The emphasis shifts from within territory functional conflict to among territory competition. This will tend to foster a new emphasis on external territorial representation, with a corresponding decline of within territorial functional differences to the advantage of external representation cohesion and efficacy. Actually, within territory functional conflicts may weaken the territorial capacity to compete or to retain mobile resources. This dimension of conflict along the axis of the differential distribution exit options among territories may represent a new dominant line of territorial alignment within and across nation-states.

The processes of boundary removal, of boundary redefinition and of new boundary creation which is linked to the European integration process will redistribute directly and indirectly resources and with respect to this redistribution there will be 'winners' and 'losers', both in terms of social groups and territories (Table 2).

What produces a winning/losing territory and social group? The provisional answer that was given was: the structural conditions determining the capacity for exit. For groups, this means their 'market' capacity combined with the possibility of mobility which enhance their capacity for negotiation with national and /or European authorities, or, alternatively, which ensure that their interests will be taken into account by default, as part of the systemic resources that need to be defended within and by the territory. For territories, this means their capacity to exit the nation state and, consequently, their negotiation and blackmailing potential with respect to the nation state. In this case, the main dividing line is between the possibility to exit national frameworks accessing extra-national resources (and therefore being able to extract better terms even from the nation state) versus lack of this possibility, and therefore continued dependence on national centre resource distribution and interest defence.

In both cases of membership and territorial groups, the main dividing line will be between '*nomadic'* and '*standing'*. [42] For neither individuals, nor groups and territories, the opposition between 'nomadic' and 'standing' impinges exclusively on their physical capacity to move. One should speak of the possibility of using competing functional and regulative boundaries to their advantage.

When there is one national centre (coinciding boundaries), peripheries differ in their fundamental distinctive features (cultural, economic, politico-administrative), in their geo-political nature (external, buffer or interface, failed centre) or in the degree of their dependency. In a system of multi-level multi-centres governance - a multicephalus structure plus a newly added centre (EU) - the picture becomes complicated and the core and periphery at the national level do interact with the core and periphery at the new supra-national centre. There are peripheries of core territories versus peripheries of the peripheral territory. The process of integration and territorial expansion may redefine old peripheries of the nation state as new centres (Table 3). Political demands may accordingly be redefined as indicated in the option column of Figure 1.

Differences between peripheral requests in the past and now (see table of options)

Table 3. *Centre and periphery at the state and supra-state level*

		EU	
		Centre	Periphery
Nation state	Centre		
	Periphery		

The new oppositions and conflict lines in the globalisation era develop within loosely bounded territories and may emanate exactly from the new configuration of individual and

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[42] I owe these two terms to F. Dupuy, *Perspectives politiques et institutionnelles en Europe*, Florence, EUI, unpublished paper 1995, p. 8.

groups opportunities offered by this new 'openness'. At the territorial level, the national revolution was about limiting still available exit options. Actually, where such options prevailed, no state consolidation took place (city belt). The industrial revolution produced functional conflicts among groups linked to the division of labour within a consolidated territory. The rural/urban cleavage had strong territorial implications, but it was mainly expressed in functional conflicts between social groups in the production and distribution domains. What we may call the '*integration*' revolution opposes allegiance to the old nation state versus the internationalisation of chances and opportunities. It has both a territorial and a functional dimension and expresses itself on the basis of a *material base* through an *ideological* base. It has consequences which are manifest mainly in the loosening of the territorial state and national political community and it produces tensions and conflicts among groups and territories based on the differential distribution of the capacities of exit (see Figure 2).

At the *territorial level* the material base refers to: the different capacities to profit from the loosening of state boundaries in the economic, cultural and administrative spheres; to obtain advantages from or to avoid costs of the international territorial competition for mobile factors; to avoid costs of collective social obligation toward other territories within the nation-state.

The ideological base refers to: the themes of new regionalism; ethnic purity and traditions; rediscovery of old cultural traditions; local democracy; government nearer to citizens; fiscal transparency versus fiscal opacity linkages with other non-national or sub-national territories, etc; harmony, peace, anti-bureaucracy and replacement of the nation state by a Europe of regions; decentralisation, federalism, subsidiarity, etc.

At the *individual level* the material base refers to: potential mobility; market positions which allow the costs of national or group social obligations to be avoided; etc., versus lack of material skills and/or resources to be used to profit from escaping national boundary regulations.
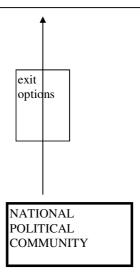
The ideological base of 'nomadic' actors refers to: the criticism and dislike of state boundaries; relying on networks of communications (electronic as well as hertzian, postal or traditionally physical transport (plane, street, train); they deny the limits to communication, trade, cultural exchange, etc. embedded with state boundaries' control even of the mild nature of the late 20th century; the ideology of instantaneous information covering the world;

Figure 2: *Exit opportunities and nation-state political disintegration*

supra-national

- escape national jurisdiction and regulatory systems without physical move (ECJ)
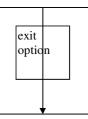- free physical movement of potential mobile factors
-

potential tensions and conflicts:
- among states and corporate groups with low and high mobility about new boundary building

exit options

consequence: free riding on the benefits of national community by being able to avoid national social obligations

material base:
- economic boundary treaties removing internal logic
- actual mobility of individuals, corporations, terirtories

NATIONAL POLITICAL COMMUNITY

ideological base:
- efficiency
- international competitiveness
- economic integration standards

ECONOMIC, POLITICO-ADMINISTRATIVE AND CULTURAL BOUNDARIES:
imposition of social obligations to internal:
individuals;
corporate groups;
territories

ideological base:
invoking local democracy, self determination, cultural specificity

exit option

material base:
 -economic local district
- cultural distinctiveness
- local government strength, tradition

- autonomous access to economic resources
- territorial differentiation of regulatory sub-systems
- direct connection (possible alliance?) with supra-national bureacracies
-
-

consequence:
free riding on the benefits of the national community
by refusing to accept collective obligations

tensions and oppositions:
- centre-local
- -among sub-national territories

sub-national

The ideological base of 'standing' actors refers to: the continued lack of confidence and interest in 'foreign' and 'foreigners'; security ideology insisting on proximity, local community, refusal of the standardising effects of global communication and competition; favouring the setting of barriers of protection to defend identity in cultural economic and administrative matters and manners; request of new boundaries against the 'nomadism' of culture, trade and administrative practices.

The extent to which the vertical state-society dimension (state policies and social interest demands and reactions) and the horizontal territorial intergovernmental dimension (legal, economic competition etc.) are both politically active or one is muted depends on the model of state and nation building and from the model of exit options and boundary building. In studying this impact of EU integration we should link aspects of territorial differentiation to the interaction between 1) the structuring of organisations in the interest representation channel, 2) the formulation of politico-electoral alternatives and 3) the formation of specific political organisation for the mobilisation of support both at the state and sub-state level. This interaction depends on the structure of political opportunity, but also on the strategic choice of mobilising actors during the formation and politicisation of a cleavage line.