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L'Etat de la France.

La « fin d'une exception » mise en perspective comparée ?

The French State and its territorial challenges

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A renewed interest in studying the State is one consequence of research into governance which has been in vogue for the past 20 years. Contemporary governance is typically analysed as a loosening of older forms of vertical command, as the weakening of traditional models of state authority and as the creation of a porous institutional and ideological environment that is more welcoming to endogenous innovation and externally driven changes (Le Galès, 2002, Kooiman, 2003, Loughlin, 2009). The decline of the state lies at the heart of the otherwise distinct literatures on rescaling, multi-level governance and international political economy (Cole and Palmer, 2008; Faure and Muller, 2005). Rather than a weakening of the state, *per se*, some argue that the type of state activity has changed (Levy, 2006). Arguably, states can be more effective as regulators than they ever were as distributors of services. The French case, traditionally viewed as the exemplar of a powerful state, is a particularly interesting one to confront arguments about convergence and isomorphism with the resistance of national administrative and institutional structures and state traditions (Di Maggio and Powell, 1991; Schmidt, 2002). This article focuses upon one core dimension of these broader debates about State decline: the territorial challenges to the State and its strategic responses to these.

Reflecting upon the French state and its territories is facilitated by a set of preliminary hypotheses, or, in our preferred terminology, frames that set out to elucidate one or more dimensions of state reconfiguration. Our first policy frame is that of convergence. In some accounts, European countries are converging under the impact of the common pressures of globalisation, Europeanisation, post-materialism and pan-global technical expertise (Loughlin, 2005, Held and McGrew, 2000, Dolowitz and Marsh, 2000, Bennett, 1991). If in most accounts convergence is economically driven, converging pressures can spill over into mimetic political and institutional behaviour. There is a tendency for similar countries to imitate each other's institutional arrangements and behaviour (Di Maggio and Powell, 1991). Political systems are not hermetically sealed entities. As systems influence each other, we can never be sure what is systemic and what results from trans-national diffusion (Dogan and Pelassy, 1990). The ideational version of convergence takes the form of benchmarking, of imposing 'best practice' on a trans-national basis. In the European Union, the Open Method of Co-ordination gives an institutional basis to informal pressures being brought to bear upon member-states to conform to 'best practice' in areas such as employment policy (Dehousse, 2004, Surel, 2000). The convergence perspective

emphasises institutional isomorphism, ideational/epistemic transfer and the relatively weak role of domestic interests as veto players. These accounts fit with theoretical approaches based on policy transfer, epistemic communities, political economy and new public management. From a convergence perspective we would expect the adaptation of traditional methods of public administration to international norms of new public management, whether by creating new institutional forms such as agencies, or, with a weaker definition, the adaptation of older forms to fit new purposes.

Our second policy frame is that of state traditions. The concept of the state tradition is suggestive of the parameters which determine the conditions within which democracy, at both national and subnational levels, is understood and practiced (Loughlin and Peters, 1997, Dyson, 1980). France has often been seen to represent a statist pole amongst European states, whether in terms of citizenship (Schnapper, 1994), state-group relations (Grossman, 2007), elitism (Suleiman, 1974, Crozier and Tillette, 2000) or territorial administration (Page, 1991). In this second frame, institutions are deeply embedded and path dependent, especially in relation to the French model of territorial administration considered below. The ideational belief in the State as representing the general will is given a legal form insofar as the superior interest of the state is recognized in French public law (Gaffney, 2010, Chevallier, 2003). Though centred on institutions, this model accommodates ideas and interests, in that it emphasizes the *grands corps* as structures of power within the French state and refers to public service as an overarching framework of appropriate behaviour for middle-ranking officials and state employees (Kessler, 1986, Clark, 2000, Jones, 2003). What Jobert and Muller (1987) described as the model of republican corporatism contains clear understandings of hierarchies within the technical state, and of tensions between *grands corps*, representing technical expertise and the territorial state. These accounts fit with theoretical approaches based on historic institutionalism, path dependency, and institutional boundedness. From a state tradition perspective, we would expect minimal change and responses to be filtered primarily in terms of shared understandings of the state.

The third policy frame might be labeled as ‘acclimatization’. Converging pressures do not, in fact, produce converging responses. Fine grained comparative studies demonstrate convincingly that, though a managerial discourse is now widely diffused across OECD states, new public management is accommodated in distinctive ways in different countries (Gervais, 2008, Dreyfus and Eymeri, 2006, Eymeri, 2005, 2008). There are dangers with attributing mechanical effects to movements such as Europeanisation, globalization, or even new public management; these constructions are interpreted and mediated in different ways in specific contexts, whether that context be organisational, sectoral or the form of the state. Convergent pressures are filtered in ways consistent with prevailing understandings. In this approach, change is assumed, but domesticated: policy-making takes place within a realm of discourse, a system of ideas and representations that is comprehensible to the actors involved (Muller, 2000, 2005, Schmidt, 2002). These accounts fit with theoretical approaches based on the policy style literature, certain versions of historic institutionalism and social constructivism and discourse analysis. From the perspective of ‘acclimatisation’, we would expect broad trends in international public management and decentralization to be filtered by institutional pathways, interest configurations and endogenous political discourses that allow for domestic legitimization of change.

Unlike the state tradition heuristic, however, ‘acclimisation’ theses readily acknowledge the exogenous source of much policy change.

These three broad approaches are used to understand the territorial reform of the state. There is a very abundant academic literature on decentralisation in France, along with a rather less prolific one on state reform at the level of the core executive (Le Galès, 2008, Bézès, 2008, Le Lidec, 2007, Pasquier, 2004). Rarer are accounts which frame the State in terms of its overall territorial challenges, encompassing the reform of its own structures as well as the complex relationship with local and regional authorities. The narrative of local and regional democracy and experimentation, though still vibrant, has ebbed in the course of the past decade, challenged by a rival narrative of state productivity (Epstein, 2006, Cole, 2008). In the state productivity narrative, strong states are needed to control public expenditure, rein-in local authority spending and create targets for performance (Levy, 2006, Pierre and Rothstein, 2008). Extending our discussion to public administration, new policy instruments, management reforms or delegation to lower echelons of public administration are designed to enhance the productivity of the state and restore capacity to it. On the other hand, close observation of intergovernmental relations suggests that strategic intent does not equate in an unproblematic fashion with practical implementation. Studying state reconfiguration presupposes the existence of a coherent territorial model that has had to adapt to the intended and unintended consequences of a process of administrative and political decentralisation (section one). The main body of the article focuses upon efforts at territorial state capacity building as part of a broader enterprise of state reform (section two) and inter-governmental relations (section three). It concludes (section four) by arguing in favour of a richly contextual understanding of state transformation.

The French state and decentralisation

The state-centred intellectual tradition is rooted in French history, especially the Jacobin version of it that equates the existence of a powerful central state with the process of nation-building. In central-local relations, Page (1991) distinguishes countries with Napoleonic traditions like France, Spain and Italy, with their strong states and weak local government from the functionally stronger local governments in states like Sweden and the UK. The revolutionary-Napoleonic legacy produced a specific model of territorial administration, based on administrative uniformity throughout France (the division of the country into departments, cantons and communes each with the same legal responsibilities), central control over local government and the deep penetration of the state into local society. The traditional French system of ‘territorial administration’ formed part of a hierarchical mode of organisation, whereby public policies originated within government departments or administrative corps; were implemented in localities by state field agencies and local authorities, and were co-ordinated by the prefect, the representative of the French State in the departments (Sadran 1992, Mabileau, 1991).

The French case is characterized historically by the normative universalism of the Republican state. In the Jacobin tradition, the role of the locality was, in Hayward’s term, to integrate the periphery into a highly centralized system (Hayward, 1983). The growth of liberal and democratic ideas from the early nineteenth century onwards,

however, brought in its wake a demand for more flexible central-local arrangements. Local democracy was consolidated with the 1871 (departmental) and 1884 (municipal) Acts. By the late nineteenth century, the Jacobin-Napoleonic model had become transformed into a more diffuse Republican model, in which Paris was the centre of decision-making, but where provincial interests were accommodated by the brokering skills of deputies who often held local office in the practice known as cumul des mandats. The ‘cross-regulation’ approach developed by Crozier and Thoenig (1975) attempted to theorise relations between local political and administrative actors in this state-centric and bureaucratic system. There was a long-term dialogue between state officials (notably the prefect) and leading local politicians (notables) to allow for adjustments to nationally defined rules to reflect local circumstances. Whether these images of the Napoleonic state, modified by cross-regulation, were ever accurate is open to some dispute. Early resistance came from a writer such as Padioleau (1982), who referred to the co-production of public policies, involving not just the state, but also local actors, well before decentralisation. The ‘cross-regulation’ thesis was state-centric. It insisted upon local arrangements, but its core object of analysis was that of a centralised and hierarchical state organisation, rather than local authorities themselves. Certain types of municipal government never corresponded to this model, especially in the large cities where party politics were important. But the essential lesson from the ‘prefect and his notables’ (Worms, 1966) is that intergovernmental relations were understood as a field of strategic negotiation and game playing between the territorial state and local government and that norms tolerate exceptions.

The French Socialist government’s decentralization reforms of 1982-3 were a key tipping point in the recent history of French intergovernmental relations. These highly complex reforms established 22 elected regional councils, and greatly enhanced the decision-making powers of the 96 metropolitan departmental councils and of the larger communes (see Loughlin, 2007, for a very full discussion). The 1982 reforms were guided by two contradictory principles. First, that decision-making responsibility should be attributed to specific ‘levels’ of sub-national authority. Second, that local (but not regional) authorities should enjoy the freedom of initiative to make policies in areas they deemed to be important for their constituents. The first of these principles enshrined the so-called ‘blocs de compétences’, particular responsibilities carried out by the different levels. As a general rule, matters of immediate proximity (low-level social assistance, administrative port of first call, planning permission, waste) are the preserve of the communes and the various inter-communal bodies (see below) to which they delegate authority. Matters of intermediate proximity are the policy province of the departments which have large budgets and deliver major services (social assistance, some secondary education, social services, roads, minimum income). Matters deemed to be strategic are, in theory, the preserve of the regions: economic development, vocational training, infrastructure, some secondary education, some transport (and regional rail services since 2002), with additional responsibilities in culture and the environment. The second principle – the ‘free administration of local authorities’ – cuts across the apparent clarity of the first. In practice, the various sub-national authorities have overlapping territorial jurisdictions and loosely defined spheres of competence. Moreover, there is no formal hierarchy among them. Unlike in federal systems, the French regions do not exercise leadership over other local authorities; if anything, the

French regions are dependent upon the co-operation of lower-level authorities – the departments in particular – for the successful implementation of their own policies.

These details of competencies are of obvious interest to the ‘productive state’, which condemns duplication in public service provision and the inflationary expansion of local government staff costs. Whether led by governments under Gaullist, Socialist or UMP control, the central state has been closely involved in local government re-organisation in the name of broader principles of territorial equity and economic efficiency. However deeply embedded in French political culture, for example, the commune (of which there are over 36500) is ineffective in terms of delivering complex services. Since 1971, central governments have attempted (and usually failed) to merge communes, or at least to create more binding forms of inter-communal cooperation. Mainly driven from the centre, the 1990s witnessed a major legislative drive (the Joxe law of 1992, the Voynet and Chevènement laws of 1999) to strengthen inter-communal structures, particularly through developing inter-communal public corporations (Établissements publics de Co-opération intercommunale – EPCI) throughout urban and much of rural France. These reforms were justified in the name of discouraging local tax competition, ensuring a more equitable distribution of resources and promoting appropriate structures for tackling the organizational weakness of the communal structure. The Chevènement law of 1999 allowed prefects to insist that communes join in these inter-communal bodies that pool resources and most local taxes. In 2009, EPCI cover 90% of the French population, but they have presented new challenges to the state, not least in terms of controlling public expenditure and enhancing democratic transparency.

In 2003-04, there was an attempt to breathe new life into the decentralization reforms. The constitutional reform of 2003 embedded the regions in the Constitution and referred to the decentralized organization of the Republic. The French constitution gives constitutional recognition to the three local governments including the regions. It also recognizes authorities with a ‘special statute’ which covers the different inter-communal bodies (EPCIs) and also refers to the eventual merging of existing sub-national authorities into larger units, potentially a radical break with the past. Contemporary France has a rich tapestry of sub-national government, which incorporates directly elected local and regional authorities, inter-communal councils, departmental and regional prefectures, the field services of the key government ministries and agencies with responsibility for various aspects of territorial management. The strength of this system is that it has, by and large, proved the test of time. The principal weakness relates to institutional layering, public confusion about where responsibility lies for delivering services and cost. However consequential they were, the 1982-83 and 2003-04 decentralization reforms did not alter the basic, highly fragmented structure of French local government. No French government has genuinely confronted the problem of the division of responsibilities between the 96 departmental and 22 regional councils in metropolitan France, let alone the various inter-communal and ad hoc structures that exist. The growth in the various inter-communal structures (EPCI) has been the principal development of the past decade. The EPCI have been criticized from the basic democratic standpoint that these non directly-elected bodies are responsible for the fastest growing part of local expenditure, yet they are subject to no democratic scrutiny.

Table One
Sub-national authorities in mainland France

Type	Number	Functions
Communes	36,500	Varying services, including local plans, building permits, building and maintenance of primary schools, waste disposal, some welfare services
Voluntary Intercommunal syndicates*	not available	Groups of communes with a single function (SIVU), or delivering multiple services (SIVOM). Becoming much rarer, the Balladur Commission report (2009) recommended their abolition
Tax-raising intercommunal public corporations (EPCI) Includes: urban communities; city-wide communities and communities of communes	c.2700	Permanent organisations in charge of inter-communal services such as fire-fighting, waste disposal, transport, economic development, housing.
Departmental Councils	96	Social affairs, some secondary education (<u>collèges</u>), road building and maintenance, minimum income (RSA)
Regional Councils	22	Economic development, some transport, infrastructure, state-Region plans, some secondary education (<u>lycées</u>), training, some health

A series of official reports have addressed these core challenges faced by local authorities and the state.¹ The most complete set of recommendations were those contained in the Balladur Commission's report of March 2009 (Comité pour la Réforme des collectivités territoriales, 2009). Its main recommendations related to levels, competencies, duplication, legal principles and public finances – the core preoccupations of the productive state. To enhance transparency and efficiency, the report advocated a reduction in the number of regions from 22 to 15, encouraged the merging of departments into larger entities and argued that the directly elected inter-communal bodies (EPCI) should cover the whole French territory by 2014. In terms of legal principles, the report recommended an important change in the principle of the 'free administration of local authorities'; henceforth this clause of general administrative competency would be limited to communes and the EPCI. A new law would set out the areas in which the regions and departments would have either the lead, or exclusive responsibilities. To minimize 'duplication', the report pledged that where state responsibilities had been transferred to local and regional authorities, the state field services would be suppressed, a cost cutting and potentially far-reaching measure. One of the main recommendations of the 2009 Balladur Committee report was to impose a ceiling for local government expenditure to be introduced in the annual budgetary exercise. Finally, the Balladur report advocated the emergence of new forms of public administration to represent metropolitan France and also recommended the creation of a Grand Paris, to supplant the four existing departments of Paris and its immediate suburbs.²

Even before the Balladur report had been published a number of its key proposals were being challenged by interested stakeholders and potential losers. The ambition to create 15 regions of a 'European dimension' raised the objections of those – in Picardy and Poitou-Charentes notably – likely to be abolished under the new proposals. The report adopted the majority recommendation that the canton be suppressed as an administrative unit, and that elections for the departmental and regional councils be held on the basis of party lists from 2014. While the head of the list would sit on both the regional and the departmental council, lower placed members would be elected only for the department (creating an implicit hierarchy between the two levels of local authority). These proposals provoked opposition from within the Commission itself. The proposed Grand Paris was discretely buried by President Sarkozy on the same day he received the report. Ultimately, and whatever its outcome, the Balladur Commission was more remarkable for its absences than its precise proposals. Early rumours that the departments might be abolished were

¹ The Richard report (2006) forcibly stated the view that local government finance must be controlled, that recruitment be halted and certain key functions transferred to executive agencies. The Lambert report (2007) called for a clarification of competencies between levels of local authority, a suppression of the 'general administration' clause, the identification of lead authorities in all areas of public policy, new financial instruments to control local expenditure and a closer involvement of local and regional authorities with EU policies. The Attali report (2008) recommended suppressing the departments altogether as being inimical to France's competitiveness.

² Specifically, the report called for the creation of 11 new metropolitan councils in cities with over 400,000 inhabitants. These 'special statute' authorities, allowed for under the 2003 constitutional reform, would deliver most services on a city wide scale, notably the social and welfare services at present delivered by the *départements*.

denied; the bicentennial structure would remain. Attempts to forcibly merge regions were abandoned. And even the proposed abolition of the cantons would only become operational in 2014 – when Sarkozy might no longer be President.

The above survey provides evidence that is consistent with each of our three frames. One interpretation of French decentralisation might be that of a convergence to the norm of local self-government that is diffused by international organizations such as the Council of Europe. Another, more plausible and consistent with the territorial model of administration, is that the weight of the *millefeuille institutionnel* is such that endogenous institutional structures are likely to overwhelm any efforts at synoptic state reform. On the other hand, the cumulative effect of more than two decades of reforms has been to embed local and regional authorities as part of the politico-administrative landscape. Decentralisation in France can be explained in terms of new forms of local and regional capacity building, whereby capacity is understood in terms of viable local institutions, embedded inter-institutional relationships, local political leadership and policy entrepreneurship, the development of local and regional public arenas and the gradual transfer of functions to sub-national authorities. I have developed each of these themes elsewhere (Cole, 2006). However we understand decentralization in France, it has created new issues for the territorial state and intergovernmental relations. The narrative of the productive state involves defining new instruments of inter-governmental relations, such as the creation of central government targets to enhance performance (see section three). It also emphasizes the need for rationalizing, restructuring and clarifying the distribution of competencies between different institutional layers, a theme we now address.

The French territorial state under pressure

The state's efforts to reform its administration have an important territorial dimension, especially in terms of the operation of its own field services. A brief presentation of the traditional model of the state's territorial organisation facilitates our understanding of the extent of and obstacles to institutional change.

The first pillar of this traditional organisational structure is that of the central Ministries in Paris and their field services situated in the 22 regions and now 101 departments. The (departmental) prefect was, in theory, the pivot of the system of territorial administration. He represented the central state in French localities and was charged with controlling local communes, implementing central government policies and maintaining public order (Machin, 1976). Even in the pre-decentralisation period, however, the authority of the prefect was challenged by powerful rival interests and actors within the state. The traditional mode of operation was for the central Ministries to prescribe the policy objectives and the means by which these were to be achieved whilst the field services were expected to apply these centrally devised directives to their respective local environments (de Montricher, 2006, Jones, 2003). The prefect never had his authority fully recognized over Education, Finance or the Justice Ministry and had great difficulties in imposing his authority on Infrastructure or Agriculture as well. The greatest threat to prefectural oversight lay in the fact that Paris-based ministries would insist on transmitting orders directly to their field services, effectively bypassing the prefect's coordinating role. The resources at the disposal of the prefect to prevent this were limited. Field officials interviewed in 1995 resented the coordinating pretensions of the prefectures. For his part, one

(regional) prefect interviewed in 1995 complained of being ignored by the lead field officials from the Infrastructure ministry on account of their belonging to a separate corps (highways and bridges, rather than the prefectural corps).

Second, and more powerful even than these hierarchical logics of integration, was the system of technical and administrative corps, which dictated understanding of corporate identities and hierarchies within the state (Kessler, 1986, Suleiman, 1974). The corps are very distinctive groups within the French civil service, at their strongest comprising a set of self-regulating elites that jostle for ascendancy and influence within (and beyond) the state. As members of civil service corps are recruited by competitive examination, they are usually imbued with a spirit of loyalty to their grade which prevails over and above their attachment to different ministries. And they are anxious to preserve their influence against rival (especially lesser ranked) corps. In the orthodox model, territorial planning activities were above all the policy province of the highways and bridges (*ponts-et-chaussées*) corps that controlled the engineers working in the Infrastructure ministry (Thoenig 1973). Members of the leading corps of the 'technical state' - highways and bridges especially- were very reluctant to accept the authority of the prefectural corps, or, indeed, of any other public or private actors (Thoenig, 1973, Crozier and Friedberg, 1977). In the early years after 1982, decentralisation was experienced as a loss of prestige by the highways and bridges corps, but the corps subsequently demonstrated a capacity for strategic re-adaptation and survival (Gervais, 2008). The main corps are today in the process of being merged, including those at the heart of the French technical state; there have been recent mergers between highways and bridges and the corps of civil engineers, geographers and meteorological services (2002) and between the mining corps and the telecommunications engineers (Gervais, 2010).

The third dimension of the territorial state concerns the long tradition of competition between the regional and departmental levels. Strengthening the regional state has been one of the constant themes of French post-war territorial administration, a movement justified by the imperatives of post-war modernization, the popularity of ideas of territorial planning and, since 1986, by the capacity building enterprise of regional councils themselves. Regional structures were first created in the 1950s as outposts of the French state, to assist in strategic functions of economic development, transport and territorial planning. The regional administrative constituencies (*conférences administratives régionales* - CAR) set up in 1955 were the precursors of the first regional councils (*établissements publics régionaux* - EPR) created in 1972 (Ohnet, 1996; Dumont, 2005). In time, these nominated bodies became directly elected levels of sub-national government from 1986 onwards. Administrative decentralisation ('deconcentration') preceded political decentralisation by two decades, however. The creation of the regional prefectures in 1964 marked an important staging post in the regionalisation of state structures. Rather like the regional councils later, the regional prefectures were light, strategic bodies that attempted to coordinate the activities of the much weightier departmental prefectures. The 1964 decree formally established that the regional prefect would also be the prefect of the lead department within the region (Kada, 2008). The combination of the roles of regional and departmental prefect in the same individual produced resentment (amongst the other prefects), yet confused the relationship between the two levels. Relations between regional and department prefects have often been tense, though

their corps loyalty (they are all members of the prefectural corps) can also produce a closing of ranks against external threats.

In practice, the regional prefects had little real authority over the territorial field services until the second round of decentralization reforms in 2004. Indeed, reforms in the machinery of the territorial state during the early 1990s looked to the departmental prefect, who, in the key 1992 reform, was vested with the role of coordinator of governmental services at the local level. The 2003-2004 decentralisation reforms strengthened the regional prefect in more substantive ways. The regional level was identified as being the one of strategic reflection and deliberation of the state. The 13/08/2004 law proclaimed that the regional prefect 'inspires and coordinates the actions of the departmental prefects'. The law also conferred upon the regional prefect strengthened powers in planning, socio-economic development, employment, the environment, housing and urban renovation. In terms of more binding instruments, the regional prefect was now charged with drawing up the State's strategic plan, setting out state priorities for a three year period. Above all, the regional prefect acquired more budgetary authority over the regional and department field services. In the spirit of the LOLF (see below) a 2004 decree established a new budgetary process bringing all ministerial field credits under the regional prefecture.

From the perspective of efficiency minded governments, the point about affirming the primacy of the regional over the local state is to avoid institutional duplication, make efficiency savings and reduce costs. Hence, alongside a process of legal clarification, the regional state has undergone a process of restructuring and rationalisation. In 2004, a first restructuring took place, whereby a number of services (the regional directorates for external trade, small business and tourism) were either suppressed or merged with other services. In 2004 further mergers were announced, specifically between those services in charge of economic development and those concerned with employment, as well as between the Regional Hospital Agencies and the regional directorates for health and social affairs. The remaining state services were regrouped into eight poles (from around 30) that corresponded more to the logic of the new budgetary law, the LOLF, than the traditional mix of corps-based interest and ministerial directives. As the LOLF is concerned with identifying joined up 'missions' of public service, the regional prefectures were able to argue they should have more control over state budgets in the regions. The LOLF produced the precise budgetary instrument – the Programme Operating Budget (BOP) - to allow them to do this, the BOP creating a single budget at the level of the regional state. Henceforth, this budget is managed according to the principle of 'fungibility', according to which credits can be transferred across budgetary lines, in theory giving the regional prefect a real means of influence over field services.

One important consequence of this budgetary devolution has been to encourage the development of regional staff development and recruitment policies, a major threat to the operation of the administrative corps. The General Policy Review (RGPP) of the Fillon government set out to reform the system of corps, and to create a clearer career structure within the civil service, the territorial state and local government (Migeon, 2008). A White Paper on the future of the civil service was published in April 2008 (the Silicani report). It made a number of recommendations: including greater use of contract staff; a clearer definition of the main careers that exist within the public service (identifying seven key career pathways); the introduction of more systematic

career evaluation, and the introduction of a measure of performance related pay (accounting for 50% of the efficiency gains obtained through not replacing one retiring civil servant in two) (Salon, 2008). If they are successfully implemented, these measures will have consequences for local government and the territorial state, as well as throughout the wider civil service. The territorial civil service that exists since 1984³ has had to acknowledge the power of the corps principle of administrative organization. The corps principle represents a hierarchical form of recruitment, whereby local and regional authorities and state field services have traditionally been under pressure to accept public servants recruited on the basis of national professional examinations. Faced with the rigidities of the formal bureaucracy, local and regional authorities have addressed their personnel needs by appointing short-term contract workers, and relying on sources of external expertise (Cadiou, 2007). From the perspective of the Budget and Public Accounts Ministry, such staff expansion has contributed to an uncontrolled increase in public expenditure by irresponsible local authorities. Fewer larger corps and better identified careers might allow for a more decentralised management of human resources in France's localities and regions, as well as within the territorial state itself.

These various dimensions of the reform of the territorial state are central to the General Policy Review (RGPP) of the Sarkozy presidency. The RGPP claims to engage in 'rethinking the state', which includes rethinking the 'local state', both in terms of the state's operation in the localities, departments and regions, and the efficiency of local and regional authorities. Consistent with the trends observed above, there is an explicit recognition of the regional level as the normal level at which strategic decisions are taken. In its first report of December 2007, the Steering Committee (CPMM) of the General Policy Review declared that the State organizes itself first and foremost on a regional basis and that the regional prefect is the hierarchical superior of the departmental one. (Notes bleues de Bercy, 2008).⁴ The RGPP calls for a strengthening of the capacity of the regional prefectures, and confers several new functions upon them: notably the definition and implementation of management targets, greater control and influence over devolved ministerial budgets at the regional level, and oversight over back-office and IT tasks.⁵ The RGPP repeats its concern with efficiency gains, through reorganizing the missions of the regional state around the core strategic areas of sustainable development, agriculture, infrastructure, housing, economic development and training and youth and sports (see tables 2 and 3). The state claims henceforth to adopt a more 'strategic' view. The strategic plans to be coordinated by the regional prefectures must henceforth include provision for the staff working for public corporations (établissements publics) and

³ The creation of the territorial public service as a third branch of the civil service in 1984 has certainly allowed local and regional authorities to develop their staff and sources of expertise. By 2004, 1.700,000 people worked in the territorial public service, 95% in the communes and EPCI

⁴ The RGPP is steered from the highest level of the state. The *Conseil de la modernisation des politiques publiques* (CMPP) is chaired by the President of the Republic. The Prime Minister and all ministers are members. The Budget and Public Accounts Ministry is *rapporteur*. The CMPP is the site where decisions are ratified and disputes settled. It met in December 2007, April 2008, May 2009. The *comité de suivi* is co-chaired by the SGE and the *directeur du cabinet du premier ministre*, with Budget playing an important role. This is the key body that prepares decisions to be presented to the CMPP. It meets every week.

⁵ The RGPP promises a single pricing and purchasing unit, and the introduction of the common software - CHORUS – for state field services.

chambers of commerce, hence bringing these semi-autonomous bodies into the purview of the state administration.

Reforming the territorial state can also be interpreted in ways that are consistent with the three frames we identified in the introduction. Convergence is clearly articulated at the level of managerial discourse, the *novlangue* of new public management that underpins the LOLF and the RGPP. The language of agencies, performance indicators and state productivity has been embraced in a more forthright manner than ever before by the ministers and officials of the Sarkozy regime. In the case of France, the core question is not really whether the country has 'fallen into line' with the doctrines and practices of new public management, but, rather, how new management ideas empower certain actors (especially budgetary actors), provoke resistance from others (especially middle ranking civil servants and public sector trade unions) and are used by central governors (at least rhetorically) to attempt to steer the governmental machine in line with the core criteria of state productivity. Consistent with the model of territorial administration, on the other hand, the stated ambition to build state capacity at a regional level has run up against the basic architecture of the French state, built upon vertically based ministries, a corps-based model of public service and a mode of inter-governmental relations that has traditionally favoured the departmental level over the regional one. Strengthening the regional state has had as a primary motivation the need to adapt the state machinery to the partly unintended consequences of decentralization, a theme we now consider.

Table 2
The Regional State in 2009

Nomenclature	Functions and Services
Regional Prefectures and General Secretariats for Regional Affairs (SGAR)	The 22 regional prefectures were created in 1964, headed by a regional prefect who is traditionally <i>primus inter pares</i> with departmentally based prefects. Much of the policy work is undertaken by the General Secretariats for Regional Affairs (SGAR). The SGAR are strengthened in the General Policy review, with new budgetary, management and IT responsibilities. The SGAR will henceforth be able to recruit their own staff (at the <u>chargés de mission</u> grade), rather than these being providing for free by the lead-department.
Regional directorates for food, agriculture and forests (DRAAF)	Merged regional directorates of former Agriculture and Forestry and Infrastructure ministries. Direct link to the DDT in the departments.
Regional directorates for environment, planning and housing (DREAL)	Under the broad tutelage of the mega-Ministry for the Environment, Energy, Sustainable Development and Planning (<i>ministère de l'Ecologie, de l'Energie, du Développement durable et de l'Aménagement du territoire</i> - MEEDDAT) the DREAL bring together the previous three regional directorates for the Environment, Planning and Housing. The regional field services of the Infrastructure ministry (DRE) disappear, as do the departmental services (DDE).
Regional directorates for firms, competition, consumers, work, employment and training (DRECCTE)	The DRECCTE bring together, in one regional division, seven previously separate field services of two ministries (Work and Economy, Industry and Employment) including training and lifelong learning, industry and research, competition and several other responsibilities.
Regional directorates for youth, sports and social cohesion (DRJSCS)	The DRJSCS will regroup all activities dealing with social policy, youth and associative life in one division – to be placed under the authority of the regional prefect. Direct link to DDJSCS in the departments
Rectorates	26 Rectorates, depending on the Education ministry.
Regional Health agencies (ARS)	ARS, to be headed by a director, to lead on issues of hospitalization, healthcare and medico-sociaux services.
Source	Adapted from ‘L’avancement de la réforme de l’administration territoriale de l’État’, Révision Générale des Politiques Publiques, 12 mai 2009 (www.rgpp.modernisation.gouv.fr accessed 18th May 2009)

Table 3
The departmental state (metropolitan France)

Nomenclature	Functions and Services
Prefectures	Security, elections, legal control and other competencies that are not assumed by the other departmental divisions
Departmental territorial directorates (DDT)	The DDT bring together in one directorate the former DDE (infrastructure), the DDAF (agriculture and forests) and the departmental offices of the environmental agencies (Diren).
Departmental directorates for social cohesion and the protection of populations (DDCSPP).	The DDCSPP bring together the competition, consumer protection, anti-fraud protection and veterinary services in one directorate
96 Academic inspectorates (<i>Inspections académiques</i>)	The corps of Academic Inspectors retain control over primary and some secondary education
Departmental directorates of Public Finances(DDFP)	The departmental office of the finance ministry. Note that many smaller bureaux of the finance ministry have been merged or suppressed. The DDFP bring together in one division at the level of the departments the previously separate services for tax assessment (DGI) and tax collection (DGCP)
Security (<i>Pole Sécurité</i>)	The <i>Pole Sécurité</i> brings together the Police and Gendarmerie under the authority of the prefect (hence Interior ministry)
Employment (<i>Pole Emploi</i>)	<i>Pole Emploi</i> was formed in 2009 from a merger of the former ANPE (State agency) and ASSEDIC (social security)
Source:	Adapted from ‘L’avancement de la réforme de l’administration territoriale de l’État’, Révision Générale des Politiques Publiques, 12 mai 2009 (www.rgpp.modernisation.gouv.fr accessed 18th May 2009)

Reframing inter-governmental relations

The third dimension of the debate about the French State and its territories relates to inter-governmental relations, a concept that sits uneasily with classic models of French territorial administration. In the traditional model of territorial administration, inter-governmental relations were either ignored, or conceptualized by organisational sociologists in terms of cross-regulation, signifying the adjustment of laws and regulations to accommodate territorial interests on the ground. The modernizing State of the 1950 and 1960s was more concerned with relations within the state (levels and corps, as discussed above) than about the formalities of relationships between central and local governments. The idea of local government itself was traditionally contested in the French public law tradition; government, signifying sovereignty, was the affair of the centre, not the periphery (Payre, 2007). For a country with so much government, inter-governmental relations were relatively under-theorised. Decentralisation forced debates about methods of inter-governmental coordination onto the political agenda. How to deal with the newly empowered local and regional authorities created controversy and division within the state. While the 'technical state' was initially hostile and frustrated, the interests of the 'territorial state' were defended in central government by the General Division for Local Authorities (DGCL -Interior ministry), and to some extent by the prefectural corps and by leading Socialist politicians with roots in local government.

Though any effort at periodisation over-simplifies the complex dynamics at play, two broad phases might be identified in the post-decentralisation period; the contractual state (1982-2002), the productivist state (2002-2009). From the perspective of (all fragments of) the central state, the 1982 reforms created serious new challenges of inter-governmental coordination, not least because they strengthened distinct levels of sub-national authority in a rather indistinct way. Controlling central-local interactions was bound to be far more complex when there were multiple interlocutors within local government and no single level able to speak on behalf of all territorial interests. The initial reaction was one of uncertainty, succeeded by a process of 'contractualisation' that was influenced not just by the hard interest of the state, but also by ideas of democratic planning that had been influential within the left since the 1960s. Contractualisation provided a means for the Socialist government to combine the logics of decentralisation, democratic planning and central steering.

Bringing the State back in the governance of French localities and regions was achieved first by the State-Region plans introduced in the 1982 decentralisation law (Pontier, 1998, Gaudin, 1999, 2002, Pasquier, 2004). The 1982 law presented the process of 'democratic planning' as an interaction between regional and national priorities. Under the terms of the 1982 law, the regional council first draws up a regional plan and then negotiates with the State-in-Region, represented by the regional prefecture. The sums of money involved in the State-Region plans are considerable. Henceforth, a proportion of the regional budget ranging from 15-25% is devoted to ongoing items, co-financed by the regions, the state and the EU. For a number of interlocutors in the French regions, the State-region plans were a means for central government to mobilize the financial resources of local and regional government in the pursuit of its own objectives. Through the State-Region plans (now renamed projects), the central state was able to impose some of its own priorities on

the regions, in the fields of higher education⁶ and transport⁷ notably. State-Region plans could never, however, be reduced to crude central steering. The State-Region plans involved negotiation. Regions could refuse to agree to the State's demands, or put pressure on the State to contractualise in areas it had not envisaged. In the 1994-1999 round, for example, the Brittany regional council refused to agree to the State's demand that it co-finance old-age people's homes, a field that did not fall within its competencies. On the other hand, it was able to insist that the road building programme should be the main priority of the plan, though roads did not form part of the regional council's statutory responsibilities either. All actors involved are under pressure to agree the State-Region plans because agreement opens up the prospect of match funding from EU structural funds.

Since 2003, there has been a movement away from contractualisation, accompanied by a more systematic reference to productivity in the new discourse of inter-governmental relations. The State-Region plans have been relabeled as State-Region projects, with much stricter national criteria governing their operation and less room for adaptation to local and regional circumstances⁸. The most recent State-Region projects, covering the period from 2007-2013, were negotiated in the context of the new budgetary law (the LOLF) and the Act 2 of decentralization. While the LOLF emphasizes targets and clear programmes, the 2003-04 decentralisation laws strengthened the regional level. In the negotiations for the 2007-2013 projects, the regional prefects negotiated with the regions only, rather than contractualising with departments or inter-communal bodies (Pontier, 2007). In this way, the regional state and the elected regions each supported each other's claims for territorial ascendancy. Consistent with its productivist turn (and cognizant of the political dynamics opposing a right-wing government and 20 Socialist regional Presidents since 2004) the French state was far more prescriptive in terms of the types of field that could enter into agreements, defining the broad priorities themselves based on France's EU priorities (competitiveness, sustainable development and social and territorial cohesion) (Lerousseau, 2008, Pontier, 2007). Rather than praise the merits of partnership, the DGCL emphasized the importance of targets that addressed the three main priorities defined by central government.

Beyond the State-Region planning process, state territorial policy has been framed in terms reminiscent of the new public management discourse prevalent in a country such as the UK, a language of agencies, targets, performance indicators and selective incentives. The 2002-2007 government openly voiced the belief that competition improves efficiency and that targeted investment in either high performing, or underprivileged territories would contribute to national efficiency far more effectively than blanket grants. In 2005 the DATAR was replaced by the DIACT (Interministerial

6 The University 2000 programme during the 1990s was a particular case in point. Across France, local and regional authorities built new universities in partnership with the central state. Ambitious regions, such as those in Nord/Pas-de-Calais and Brittany, enthusiastically participated, viewing the process in terms of institutional legitimisation.

7 In Nord/Pas-de-Calais, a number of interviewees complained that the 1994-1999 State-Region plan was used to force the regional council to invest in road-building programmes, though they have no legal responsibility for roads. In Brittany, on the other hand, the regional council itself insisted that the roadbuilding programme should be the main priority of the plan.

⁸ Interview, DIACT, May 2007.

delegation for the planning and competitiveness of territories), replacing the old reference to regional action in its title with that of competitiveness. Another indicator of the concern for state productivity has been the increasing use of agencies to manage public services. Perhaps most important of all was the creation in 2004 of a new agency, the National Agency for Urban Regeneration (ANRU) as a one stop shop that brought together a number of government programmes for poor inner-city suburbs that were previously dispersed across separate ministries (Agence nationale de la rénovation urbaine, 2004). The evidence from the first two years of the Sarkozy regime suggested an acceleration of the managerial and budgetary trend apparent since 2000. Arguably the core territorial reforms of the RGPP are in fields that only indirectly involve local and regional authorities. The creation of the Regional Health Agencies (Agences régionales de santé – ARS) is a key reform that strengthens the ‘state’ in relation to the social partners running the social security system. The ARS are intended to provide leadership on issues of hospitalization, healthcare and medico-social services, policy fields where these health agencies will be able to direct resources not only from the state ministries (and field services), but also from the vast social security budget. In sum, the regional health agencies combine features of new public management with an attempt to strengthen state oversight in a complex and expensive domain that has been largely ‘producer’ (social partners and professionals) dominated.

In the above examples, new forms of central steering have been designed in part to address the cost of public service delivery. Controlling local government finance is central to the state’s closer involvement in localities. State financial transfers form an important part of the budgets of communal, departmental and regional councils (Loughlin, 2007).⁹ The problem of local and regional debt emerged as one of the principal challenges during the first decade after the 1982-3 laws. The financial situation of local and regional authorities has improved markedly since the mid-1990s, as large capital investment projects have been implemented (especially in education). In 2007, local and regional authorities carried out over 70 per cent of all public investment, a proportion (comparable with other countries) that is likely to increase further as the transfers of competencies decided in the 2003-04 decentralization reforms are fully implemented. From the perspective of the Budget and Public Accounts ministry, institutional duplication and local government capacity building has had an unacceptable financial cost. The increase of staff numbers in the EPCI in particular has raised fiscal sustainability concerns. As the European constraint weighs more heavily, the fight against public sector debt and deficits empowers the Budget and Public Accounts Ministry in its attempts to rein in local government expenditure.

On the other hand, the 2003 constitutional reform and the May 2004 law embed the principle of the financial autonomy of local authorities (Hertzog, 2004). The constitution now affirms that the principle of ‘free administration’ requires local and regional authorities to be responsible for raising the ‘preponderant part’ of their ‘local resources’ in local taxation. The first two years of implementation of the new

⁹ In addition to a general central government block grant (dotation globale de fonctionnement), regional and local authorities receive financial support from the decentralization grant (dotation générale de la décentralisation - DGD), a fund specifically designed to compensate for new policy responsibilities under decentralization. The regions and the departments also benefit from specific grants-in-aid in order to fulfill their responsibilities in education and to cover investment items.

financial provisions witnessed rises of 30 per cent in the regional element of local taxation in 2004 and 2005, in addition to the regional councils levying the maximum fuel duty they are legally entitled to (1.75 centimes a litre).¹⁰ The Presidents of the 20 regional councils run by the left claimed they had no option given the state's failure fully to compensate sub-national authorities for the transfer of their new competencies. The regional councils' professional association, the Association des régions de France (ARF) complained that regions have had to spend 50% more to run the regional rail services than the sum transferred (Le Lidec, 2007). The financial challenge for the State to reduce public expenditure is bound to remain a constant of inter-governmental relations, as is its limited capacity to control the fiscal pressures of decentralization.

Since the 1980s, the effects of Europeanisation and closer European integration have led to the European Union (EU) emerging as a key reference point in policy making, including as an intervening variable of French inter-governmental relations. France has traditionally had one of the tightest, most state-centric forms of interaction with Brussels (Eymeri, 2003). At an official inter-governmental level, all interactions are supposed to be cleared by the SGAE [Secretariat général des Affaires européennes], a bureaucratic unit attached to the Prime Minister's office. Another central state agency dependent upon the Prime Minister, the DIACTE [Délégation Interministérielle à l'Action et à la Compétitivité du Territoire], co-ordinates local and regional bids for funding, in close liaison with the regional prefectures. In practice, French regions are not absent from this process. EU rules for the attribution of regional development and structural funds insist upon the involvement of local and regional authorities and voluntary associations. Since the passage of the 2004 decentralization law, French regions have been allowed to bid to exercise complete control over the management of structural funds on an experimental basis (the first contender being Alsace). French administrative and political elites continue to resist this development, however, as they resist in many other areas of decentralization. In comparative terms, the formal institutional influence exercised by the local and regional authorities on European Union issues is restricted. The French State remains a powerful gatekeeper, though it is unable to control all interactions.

There are complex interdependencies between the state and its territories in the area of European integration. In their day to day work, local and regional authorities often face a harsh edge of European integration, especially as structural and cohesion funds have dried up or been diverted to eastern and central European countries. Local authorities have had great difficulties in complying with public services legislation and the prevailing belief in the Commission (in DG Competition, if less in DG Regio) of the importance of competition as the basic principle of public service delivery. Local authorities have had to devise expensive means for tendering out public service delivery and complying with the rules of public procurement. The European Court of Justice has consistently sided with the Commission, insisting that the rules of public procurement and tendering must apply, even for small communes. In particular, the specific rules for the provision of inter-communal services, whereby cross subsidies are considered as state aids, has created great practical difficulties for the smallest

¹⁰ Reported in the Journal du Dimanche, 18 December 2006.

communes in providing basic public services. In this specific case, the French state and local authorities combine to defend a threatened model of public service delivery.

The above example demonstrates that central-local relations in France are not in essence a zero-sum game. IGR involves relationships, hence interaction. It lies beyond the limits of this article to consider the important role of the professional associations of local government, networks that ensure a dialogue between central government and sub-national authorities (Le Lidec, 2007). Over the period observed, however, there has been a shift towards new managerial-style responses, whether considered in terms of the French state and decentralization, the State's own territorial organization or inter-governmental relationships. If the frame of convergence is misleading to describe this movement, it nonetheless represents a departure from a static state tradition, a theme we now develop further in the conclusion

The French State and its territorial challenges

More than ever, the central state remains deeply involved in territorial relations. Not only do local authorities deliver most public services, but they are responsible for a high proportion of overall public expenditure and over 70% of all public investment. No State can adopt a stance of benign neglect for long. The state's efforts to reform its own administration have an important territorial dimension, especially in terms of the operation of its field services. Even when state reform programmes (such as the RGPP and the LOLF) are not specifically designed to deal with local government, the latter is inevitably affected by drives to control public expenditure.

Three frames were presented as heuristics to guide us through this article. Evidence can be mobilised to support each of these interpretations, which concentrate on rather different aspects of the broad object of the French State and its territories.

Our first frame was that of convergence. The State must manage a complex set of new interdependencies, both those extending beyond its boundaries (in terms of financial markets and European integration) and those emerging within (as far as local authorities, agencies or social security bodies are concerned). In a manner akin to its international comparators, the French State has attempted to strengthen its indirect capacities to govern at a distance, by inventing new instruments to facilitate central regulation, including in the broad area of territorial relations (Lascoumbes and Le Galès, 2004). Agencies, performance indicators, monitoring and budgetary autonomy all have rings of a new public management ethos about them, whereby the productivity of the state is the core concern of those in the centre (Pollitt, 2004). The new policy instruments adopted by governments since 2002 have been designed in part with cost cutting in mind. This expenditure driven approach can be a blunt one; as in the area of territorial justice, where the closure of many small rural tribunals and the merger of others since 2007 has followed a naked logic of restructuring and economy. In a rather more sophisticated manner, the LOLF (the new budgetary procedure) and RGPP (the policy review) are designed to enhance productivity through target setting, monitoring and performance indicators. Strengthening the state also involves boosting its capacity to steer at a distance through an agency mode of governance, of which a number of examples were given in the main body of the article. The theme of state productivity has progressed even in areas such as welfare that have traditionally resisted central steering. New organizations such as the

Regional Health Agencies exercise core steering functions in health care and strengthen the argument that (new public) management reform strengthens the state. In sum, there is considerable evidence that French governments have resorted to a policy toolkit that is fundamentally similar in core respects to those of its natural comparators. That the RGPP was strongly influenced by the policy and spending reviews of the Canadian and British governments reinforces the point (Bézès, 2008).

Our second frame was that of the French State tradition and the model of territorial administration. The State tradition typology allows a broad brush organization of states into groupings. France is often presented as the paradigm of the unitary state and occasionally as the inheritor of a Napoleonic state tradition (Page, 1991, Sharpe, 1993, Loughlin, 2001). Even during the period before 1940, however, centre-periphery relations were much more flexible than the Napoleonic model implied, as uncovered in the empirical studies undertaken by researchers in the Centre for the Sociology of Organisations (CSO) in the 1960s and 1970s (Worms, 1966; Crozier and Thoenig, 1975; Grémion, 1976). In practice, the territorial model of public administration was one of imperfect implementation and of parallel state networks. The key legacy of the model of territorial administration ought to be evaluated not so much in the development of local and regional governance capacity, but in the persistence of parallel state structures and actors since decentralisation.

Administrative decentralization (or ‘deconcentration’ in the French terminology), which preceded political decentralization by two decades, has created more powerful state actors at the departmental and regional levels. There are two, rather contrasting ways of interpreting this development of territorial state capacity. One interpretation is that a more interdependent form of policy making has developed in a regional public sphere. Stronger state partners and regional authorities have vested each other with credibility in areas such as transport, education, training and economic development. One key dimension of the State-Region plans is that they have strengthened the organisational capacity of the regional state. The chief negotiator of the first three plans in the Brittany regional prefecture expressed it thus: ‘The first two plans (1984-88, 1989-93) were exploratory, and we depended upon Paris for most things. The third plan (1994-1998) was entirely different. The regional prefect was now the representative of the State in Region. The prefect had considerable autonomy in defining the State’s orientations’.¹¹ The regional prefectures are also the main sites for co-ordinating bids for EU structural funds (which escape from direct control by the regions). Insofar as both the State-Region planning process and the EU structural fund cycle involve formal negotiations between the French state and the regional councils, moreover, they have the capacity to confer leadership on the regional council, over and above the other sub-national authorities (communes, cities, departments). Crucially, the State-Region plans and the EU funding cycle help to legitimise the idea of a regional public sphere within which numerous organisations interact in a relationship of competitive interdependency (Breuillard and Cole, 2003). On the other hand, institutional and corporate path dependencies remain extremely powerful, and, once created, institutions refuse to disappear. The core dimension of institutional layering has consistently proved to be a force favoring at best incremental reform. With echoes of a garbage can model, new policy problems and agendas have produced new layers of public administration, but rarely dispensed with the old. The

¹¹ Interview, 2002.

weight of the *millefeuille institutionnel* is such that endogenous institutional structures are likely to overwhelm any efforts at synoptic state reform. For example, attempts to reform the territorial public service (in education, or more generally) have provoked stiff resistance from the public sector trade unions. And yet, ultimately, though a state tradition approach can elucidate the pathways of institutional evolution, its utility is limited if it is unable to account for the accompanying of change.

Our third frame we labeled as ‘acclimatisation’. Unlike the state tradition heuristic, ‘acclimatisation’ theses readily acknowledge the exogenous source of much policy change. The basic argument is that changes are filtered by institutional pathways, interest configurations and endogenous political discourses. The core drivers of change in this article have been identified as broad trends in international public management and political and administrative decentralization. Both are mediated by the basic architecture and understandings of the French state, while gradually reconfiguring the state through their iterative character.

Three examples illustrate this well. First, though the regional state has developed its capacity, the departmental prefectures retain a key role in administering core services of security, social welfare, and infrastructure. Only in the past five years has the regional state given itself the means to survive and prosper, bolstered in part by the developing political capacity of the elected regions and the emergence of a regional public sphere based on interactions between territorial state and elected regions. In this case, the iterative dimension of State-Region (and EU) interactions has shifted institutional equilibrium both in relation to the territorial state (in favour of the regional element) and amongst local authorities (though the relationship is much less clear cut). There remains a question over how far the territorial state can be reformed against the will of powerful veto players operating within the state itself (amongst departmental prefectures, departmental councils, or departmental based public services) as well as amongst interested social partners. Second, though a number of new agencies have been created, the tendency under the Sarkozy regime has been to strengthen the oversight of the principal (the State) over their daily operation, to the extent of placing representatives of state authorities on the boards of agencies. Third, core agents of the state themselves engage in acclimatisation strategies in order to preserve their positions of power. The case of the technical corps, which is highly relevant for the territorial state, illustrates this. As Gervais (2009) argues persuasively, the merging of corps is not simply an example of new public management; it can also arise from anticipatory behaviour by agents seeking to distance themselves from a failing ministry (in the case of the Highways and Bridges corps and the former Infrastructure ministry), or to change public perceptions of their role (the case of the planners seeking to ‘green’ their image and respond to environmental concerns).

France has borrowed fairly heavily in recent years from the new public management policy toolkit, including in intergovernmental relations, a move strengthened under Sarkozy. But the broader picture of the relationship between the State and its territories is one where complex interactions defy any simple efforts at categorization, or hierarchy of explanatory variables and hypotheses. Arguments based on convergence and isomorphism are seductive in terms of the strategic intent of core central governors and in understanding why new policy instruments are used. But they have to take their place in a broad context of institutional layering, specifically as

a result of 25 years of decentralisation reforms. Arguments based on state traditions are suggestive of underlying continuities, but too literal a reading would make analysis of changing inter-governmental relations impossible. Arguments based on acclimatized change are probably the best placed to take account of the interplay between strategic intent, institutional and interest-based configurations and the weight of the contradictory coalitions at play. Hybrid explanations of acclimatized change or bounded governance are more promising than descriptions in terms of policy instruments, interests, institutions, or ideas.

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