
The Routledge Handbook of Differentiation in the European Union

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Differentiation at the local level

An overview of subnational authority networks in the EU¹

Pier Domenico Tortola and Stefan Couperus

Introduction

In the context of European governance, differentiation – the creation of flexible and non-homogeneous forms of cooperation among territorial authorities – is a topic most commonly conceived and studied in state-centric terms, namely by seeing European Union (EU) member states as the primary instigators, subjects and implementers of differentiated integration (DI) arrangements (e.g. Andersen and Sitter 2006; Leruth et al. 2022; Schimmelfennig and Winzen 2020; Stubb 1996). This makes sense intuitively, for state-led DI is the foremost embodiment of differentiation within the continent. Yet, one cannot but see the irony of such state-centrism within the context of a polity – the EU – whose main purpose has been, historically, to challenge the nation-state as the dominant institutional form in Europe. More importantly, focusing mostly on the state in studying differentiation carries the risk of obscuring other arenas in which differentiation plays an important role, and which can contribute to our understanding of this concept and its implications for the politics and governance of Europe. Such is the case for transnational networks of subnational authorities.

Subnational authority networks are an established and growing phenomenon in Europe, some with historical precedents dating back to the early 20th century (Couperus 2011; Payre 2007). They span a wide number of policy areas and provide their members (primarily cities and regions²) with a range of benefits and tools of (soft) governance. Networks can be seen as both a consequence and a manifestation of a number of epochal transformations in Europe and elsewhere, such as globalization, transnationalism and the rescaling of governance functions (Brenner 2004; Leitner 2004; Sassen 2001; Taylor 2005). More concretely, they are part and parcel of Europe's system of multilevel governance, insofar as they participate in the EU's policy-making cycle at various stages and in various ways (Hooghe 1995; Perkmann 2007; Tortola 2013, 2017).

Subnational authority networks are *loci* of institutional flexibility and differentiation *par excellence*, due to their very nature and characteristics, above all the fact that they gather specific subsets of local and regional governments in a noncompulsory fashion. Differentiation is also engendered by the ways networks interlock with one another and with other levels of government in the continent, primarily the supranational one. Studying networks, therefore, can enrich

our overall understanding of differentiation in Europe by expanding this notion beyond its predominant state-centric focus. At the same time, examining subnational authority networks can potentially offer new perspectives and lessons for more traditional forms of differentiation, either indirectly by analogical reasoning or directly insofar as network governance connects to state-led (differentiated) integration.

This chapter presents an analysis of subnational authority networks in Europe through the analytical lenses of differentiation, supported by an original dataset of 96 networks and 6 elite interviews with network practitioners within the energy policy subset, conducted between July and September 2020. Our analysis contributes to the literature on subnational networks, which so far has dealt with the topic of differentiation only sporadically and unsystematically. Above all, this study aims to encourage differentiation scholars to look beyond state-based DI, as they further develop this research programme.

We proceed as follows: the next section introduces subnational authority networks by briefly discussing their history, functions and main empirical traits. We then examine, in the following three sections, three distinct dimensions of differentiation generated by subnational authority networks: “insider-outsider”, “compound” and “multilevel” differentiation. The last type is particularly important for it is the one that links subnational differentiation and traditional (differentiated) integration most directly, hence providing the most obvious analytical bridge between these two arenas. The final section concludes by recapping our findings, and sketching some avenues for future research connecting the national and subnational dimensions of differentiation.

Subnational authority networks in the European Union

For the purposes of this chapter, we define subnational authority networks as *horizontal, voluntary and independent organizations connecting local and/or regional authorities across state boundaries in a stable manner, with the aim of achieving some common goal and/or producing mutually beneficial services*. This broad definition includes a wide range of networks in terms of type of members, size, geographic span, organizational density and thematic focus. It leaves out, however, all-inclusive organizations of subnational authorities formally embedded in a wider institutional structure – such as the EU’s Committee of the Regions, or the Council of Europe’s Congress of Local and Regional Authorities – and collaborations that are episodic or mere emanations of specific projects (for instance in the context of the EU’s regional policy).

The activity of transnational networking among subnational authorities can be traced back to the late-19th and early-20th centuries, during which municipalities, taking up ever more public tasks and responsibilities, shared experiences, best practices and (administrative) technologies across borders in the realm of public utilities, public transport, municipal bureaucracy and social services (Saunier and Ewen 2008; Hietala 1987). After the Second World War, the institutional make-up of transnational local and regional networks gradually thickened, for instance with the creation of a number of experiments involving cities as well as regions, such as town twinning (Couperus and Vrhoci 2019), Euroregions (e.g., the Dutch-German one, established in 1958) and larger organizations like the Council of European Municipalities, founded in 1951. However, it is really in the past three decades or so that networking has gathered pace, stimulated by a number of converging factors such as improvements in cross-border communications, power and competence gains on the part of local and regional authorities, encouragement (and in some cases initiation) by inter- and supranational institutions (like the United Nations, the Council of Europe and above all the European Community/Union) and, finally, the emergence of a number of new and inherently transnational challenges, in the first place environmental ones (Ewen and Hebbert 2007;

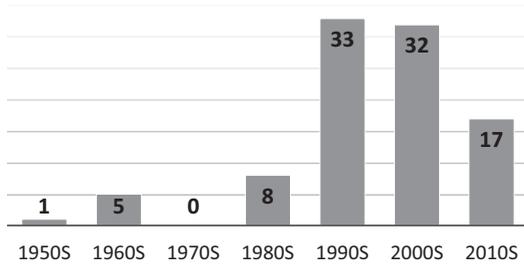


Figure 35.1 European subnational authority networks by decade of establishment

Kuznetsov 2015; Le Galès 2002; Murphy 1993; Tavares 2016). Taken together, these trends have contributed to the establishment of dozens of networks of various kinds, in particular in Europe, which stands today as one of the most densely networked areas in the world (Acuto 2013; Acuto and Leffel 2020).

Comprehensive and reliable data on subnational authority networks in Europe (and elsewhere) is hard to come by.³ For our study we therefore collected and coded an original dataset of 96 networks operating, fully or partially, in the EU's territory, comprising 30 city networks, 30 regional networks and 36 mixed membership networks (see Appendix for more details on our data collection procedures).⁴ While this dataset is likely to underestimate the total number of subnational authority organizations in the continent, we believe that it provides us with a reliable and broadly representative sample of Europe's current network landscape. Figure 35.1 shows the distribution of networks in our sample by decade of establishment.

The picture emerging from the graph is consistent with the above account: over two-thirds of the networks in our sample were established in the 1990s and 2000s. Environmental and climate change activism on the part of many subnational governments, in conjunction with the United Nations, played an important role in accelerating networking in this period, by spurring the creation of a number of important networks – such as the International Council for Local Environmental Initiatives, the Climate Alliance, Energy Cities and later the C40 network – and more generally promoting the notion of subnational participation and leadership in actions against global warming, above all through the UN's Agenda 21 (Acuto and Leffel 2020; Bansard et al. 2017; Bulkeley et al. 2003; Keiner and Kim 2007).

The prominence of environmental themes among subnational authority networks is confirmed by Figure 35.2, which shows the static breakdown of our network dataset by policy area. Slightly over a quarter of the organizations surveyed work exclusively or predominantly on environmental policy or in the adjacent area of energy. At the same time, taken together, subnational authority networks cover a wide array of policy sectors, oftentimes combining more than one, as shown by the considerable portion of generalist networks, which work in two or more fields without any stated hierarchy among them. In this latter category one finds a number of broad organizations – such as Eurocities, the Assembly of European Regions or the Association of European Border Regions – as well as regionally specific ones, which tackle a range of topics within a well-delimited geographic area, like the Alps-Adriatic Alliance, the Alpine network Arge-Alp or the French-German PAMINA Eurodistrict. These findings are in line with previous surveys of the field (e.g., Davidson et al. 2019; Keating 1999; Niederhafner 2013; Rapoport et al. 2019).

Regardless of the field(s) in which they operate, the functions of subnational authority networks tend to be similar. As voluntary, non-coercive and often not particularly wealthy

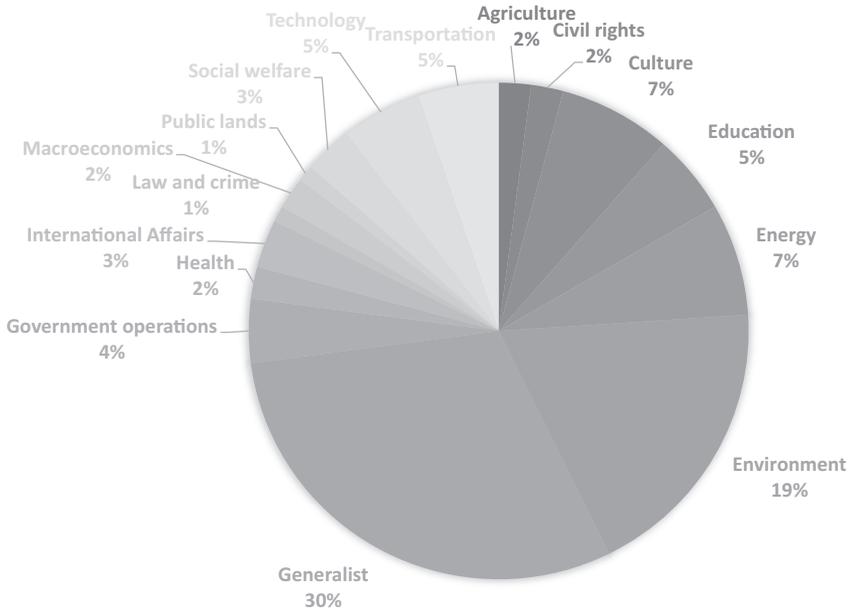


Figure 35.2 Thematic breakdown of subnational authority networks

organizations, the main resources on which networks base their activities (and authority) are knowledge and information, in their various forms. Among the activities to which networks devote most of their time one finds policy learning and innovation, exchanges of know-how and best practices, technical support to local and regional governments, interest representation and lobbying, project formulation, development and implementation and further networking and matchmaking among members (e.g., for project consortia) (Keating 1999; Kern and Bulkeley 2009; Leitner 2004; Niederhafner 2013).

With the growing importance of subnational authority networks in Europe’s political and institutional landscape has come increasing scholarly interest in these organizations. Over the past couple of decades, research across several disciplines – notably political geography, urban studies, regional studies, international relations and more recently European studies – has produced important findings on aspects such as the drivers of networks (e.g., Huggins 2018a; Keating 1999; De Sousa 2013), their main types (e.g. Callanan and Tatham 2014; Murphy 1993), their organizational dynamics (e.g., Bulkeley et al. 2003; Mocca 2018) and their relationships with other governance levels, above all the EU (e.g., Heinelt and Niederhafner 2008; Hooghe 1995).

What still remains largely unexplored in this literature is the angle of differentiation. The latter is an inherent feature of networks, above all because they gather together specific sets of subnational governments in a voluntary and flexible way. This, in turn, can have significant implications for the nature, effectiveness and even legitimacy of their actions. Analysing differentiation in the subnational arena can, therefore, not only fill an important gap in the network literature, but also, and more importantly for this handbook, contribute to pushing the study of differentiation beyond its traditional state-centric perimeter. The remainder of the chapter presents a first stab at such an analysis, by describing and reflecting on three main dimensions of institutional differentiation engendered by subnational authority networks: “insider-outsider”, “compound” and “multilevel” differentiation.

Insider-outsider differentiation

The first type of differentiation created by subnational authority networking is, very simply, separating members of each network from non-members. This “insider-outsider” differentiation is the most straightforward kind and the most similar to traditional state-based differentiation. Unlike the latter, however, insider-outsider differentiation accompanies networks almost by definition: given these institutions’ voluntary nature and often specialized focus, it would be hard to imagine a network comprising each and every potentially eligible member. Our data reveals tremendous variability in territorial membership size: ranges for city, region and mixed networks are two – 9,741; four – 151; and two – 1,709, respectively.⁵ But even the largest city and regional organizations – the Covenant of Mayors and the Conference of Peripheral Maritime Regions – do not come close to being all-inclusive.

Sheer numbers do not tell the whole story, however. Broadly speaking, insider-outsider differentiation in networks can be broken down into two dimensions: the first concerns limits established by the network’s mission to who can participate, based on certain attributes, which can be geographic, demographic, institutional or of other kinds. Cross-border cooperation networks – such as the Arge-Alp or PAMINA – are a typical case of this “statutory differentiation”. Other examples in our dataset include the metropolitan areas network METREX, the Association of European Border Regions, the *Association Internationale des Maires Francophones*, the *Unión de Ciudades Capitales Iberoamericanas* and the European Straits Initiative, just to mention a few. The second dimension concerns actual participation in the network compared to the latter’s potential coverage as statutorily defined. (To mention a concrete example from our dataset, the Union of the Baltic Cities is differentiated by statute, as it focuses exclusively on a specific region, but also by actual coverage, for not all Baltic cities participate in the network). All the networks in our dataset entail at least one of these two dimensions of insider-outsider differentiation.

Differentiation has several advantages for subnational authority networks. The most obvious is that, in principle, it allows subsets of cities and/or regions sharing similar features, needs and problems to get together in a flexible fashion and define the perimeter of the organization to best fit their common goals. This, in turn, should increase the network’s internal coherence in terms of the framing and definition of problems, governance outlook and policy agendas, ultimately improving the effectiveness of joint activities (interviews 3 and 4). Consider, for instance, these remarks made by one of our interviewees:

I know that [...] other regions would like to participate [in our network], but at this point, the political level [...] decided not to go too quick too broad, but rather to deepen work within the network. [...] And we stick to our definition, [whereby a member must be] a region with constitutional responsibilities (and not just an autonomous region within a nation-state [...] with some legislative competencies), and economically strong – strong enough to [be able to] share in with the other [member] regions.

Interview 4

For organizations that are more open-ended in terms of (potential) membership, differentiation also means greater flexibility for groups of pioneers to begin joint endeavours to which more subnational governments will adhere later on. From an organizational standpoint, and especially for more exclusive organizations, having smaller groups of insiders may also facilitate the management of the network and its internal flow of information and communication, and increase the density and depth of cooperation among members (Leitner 2004; interview 4). Finally, insider-outsider differentiation may also be regarded as advantageous to the outsiders of an

organization, insofar as it involves the freedom of subnational authorities that are not willing or ready to join a network to remain unencumbered by it, organizationally and financially.

On the other hand, insider-outsider differentiation presents four major drawbacks. The first is that differentiation may lead to free-riding on the part of outsiders, whenever they are able to benefit from public goods produced by the network, not only in the area of “external governance”, such as lobbying and interest representation, but also in “internal governance” – that is, the generation of know-how, best practices, standards etc. (Hooghe 1995; Kern and Bulkeley 2009). While this is, admittedly, not the biggest problem for networks – some of which have, in fact, the ambition to provide leadership beyond their confines – free-riding may nonetheless lead to the suboptimal production of some of the network’s services.

A second, and even bigger, drawback of differentiation concerns those services that take the form of club goods, and from which outsiders can therefore be excluded, such as technical support, training or the access to privileged information (Capello 2000). Clearly, the disadvantage here is particularly marked for those outsiders which are not so by virtue of a deliberate choice, but rather because they are unable to join, e.g., for financial or administrative reasons. For smaller subnational governments, exclusion might even end up feeding a vicious circle whenever the capacities that would facilitate participation in a network – which can be as simple as having an officer in charge of international and EU relations – are exactly those that would be boosted by joining the network in the first place (Kern and Löffelsend 2008; Tortola 2012, 2016; interview 1).

The third drawback is the mirror image of the coherence argument presented above. Reducing diversity within a network might become a disadvantage in all those areas in which variety – of various kinds: institutional, cultural, political etc. – is a plus, for instance in the areas of policy learning and innovation. To the extent that these are seen as priorities, a network might be better served by an inclusive strategy, which tries to increase the number, or at least the types, of participants.

Finally, and connected to the foregoing, insider-outsider differentiation may diminish the representativeness of networks in their interactions with other actors (most notably EU institutions, but also other inter- and transnational organizations), and possibly impinge on the legitimacy of their actions in these contexts (Hooghe 1995; Pirozzi et al. 2017). This problem might be particularly pronounced for networks characterized by a geographically skewed membership. Kern and Bulkeley (2009) list a few examples of such unequal representation in the crowded environmental field, noting how most cities participating in the prominent Climate Alliance network are located in Germany, Austria and the Netherlands, while Cities for Climate Protection and *Energie-Cités* have their strongholds in, respectively, Finland and the United Kingdom, and France. To the extent that interactions with the EU are concerned, the unequal distribution of network participants might also produce a more specific mismatch between the countries represented in the network and EU member states, which will be discussed in greater detail in the section on multilevel differentiation.

Compound differentiation

The differentiation picture becomes more complicated as we move from considering networks individually to looking at them collectively within EU boundaries. Unlike what happens at the state level, where we usually find one main cooperation or integration arrangement per policy area, at the subnational level several – and in some cases many – networks usually coexist within each policy area, often with (partly) overlapping missions and memberships.⁶ This multiplies the points of differentiation created by networks, generating what we call here “compound differentiation”: a situation in which subnational governments can have various degrees and types of

“insiderness” and “outsiderness”, depending on how many (if any) and which networks they take part in. Needless to say, compound differentiation is especially important in network-dense fields, such as environmental policy.

The presence of different networks in the same field may be taken as a mitigating factor for some of the drawbacks of insider–outsider differentiation. Coexisting networks may, for instance, multiply opportunities for cooperation among subnational governments, while preserving a certain degree of coherence within each organization (interviews 1, 2 and 3). Consider the case of C40, a network working on climate change with a specific focus on large cities, whose interests and preferences might be overly diluted in the context of a more generalist organization. Multiple networks can also be a stimulus to healthy competition among organizations, especially when it comes to policy innovation and the elaboration of projects (Keiner and Kim 2007; Mocca 2018; interview 2). Finally, the existence of different organizations within the same policy areas may incentivize a virtuous division of labour in the network’s *modus operandi* and specific mix of services, which can in turn facilitate *ad hoc* cooperative arrangements that take advantage of the synergies among different organizations (Keiner and Kim 2007; Kern and Bulkeley 2009; interviews 2 and 3). One of our interviewees expresses this idea rather clearly:

[W]e are even thinking to [...] start working with [organization names omitted] based on their membership, because we are becoming ... specialised in infrastructure, [...] in finance, in [...] delivering those projects. [...] [W]e feel more and more that other actors are getting better than us at working with the regions on capacity building, [and being] the voice of the sub-national [level]. [...] I think what we’ll see more and more is that all these networks of cities and regions – because actually there are many of them – will start to get more and more specialised.

Interview 2

At the same time, the coexistence of multiple networks may increase the risk of duplicating efforts and even wasting resources, both on the side of networks themselves and on that of financing institutions – especially, but not only, the EU – which might be tempted to spread their support broadly across organizations rather than picking winners and losers (interviews 1 and 2). Additionally, excessive fragmentation among networks can lead (some) subnational authorities to lose some of the advantages and economies of scale that come with unity and size, such as political weight or the ability to establish an effective administrative and policy infrastructure at the centre of the network (Barber 1997; Capello 2000). This is exacerbated by the fact that a subnational government’s adherence to one network rather than another is sometimes driven not so much by functional reasoning with respect to the size, shape and mission of the organization, but by more contingent factors such as personal connections, pre-existing links among subnational authorities or even effective public relations on the part of the network (Barber 1997; Tavares 2016; interviews 3, 4 and 6).

As noted above, membership overlaps among networks further increase the range of differentiation among subnational governments, creating what one could dub “super-insiders”, namely local or regional governments that participate in several networks per policy area. Previous research has found, unsurprisingly, that the greatest number of transnational connections tend to be found among the biggest and most resourceful subnational governments: for instance, major cities such as Paris, Barcelona, Brussels, Berlin or Rome (Acuto and Leffél 2020; Rapoport et al. 2019). The number and size of networks in our dataset does not allow us to draw a comprehensive and granular picture of network membership overlap. As a rough proxy, however, one can look at network membership by EU member state, shown in Figure 35.3.

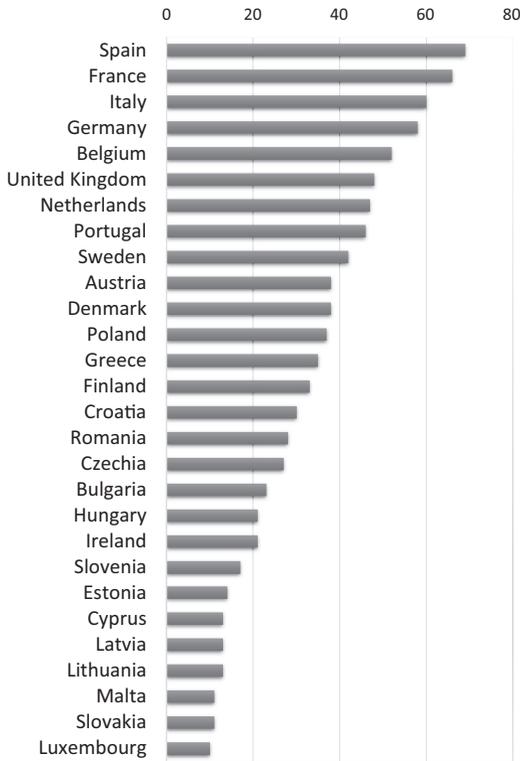


Figure 35.3 Subnational authority network participation by country

As one could expect, the figure suggests a general relation between country size and membership coverage: cities and regions in bigger countries tend to participate in a greater number of networks. Interestingly, however, there seems to be also a broad connection between length of EU membership and number of networks, whereby older member states are generally those whose subnational governments are more connected across borders. This is consistent with what we have noted above about the central role of the EU in encouraging, supporting and sometimes even creating transnational networks of subnational governments in its territory.

Membership overlaps between networks may help redress some of the problems generated by the existence of multiple networks in the same policy area, as cities and regions participating in several organizations can play an important role in inter-network communication, mediation and collaboration (Keiner and Kim 2007; Kern and Bulkeley 2009; interview 5). On the other hand, membership overlaps could also produce some undesirable effects for the super-insiders, who might at times find themselves having to juggle conflicting demands from different networks.

The greatest potential drawback of membership overlaps, however, is that it may further magnify the hierarchies among subnational governments (or clusters thereof) that already exist within, and are reinforced by, each individual network (Acuto 2013; Kern and Bulkeley 2009; Mocca 2018). Being in the middle of different networks allows super-insiders to benefit from the club goods produced by each of them, provides them with different arenas to which they can turn according to their needs and affords them with better connections and access to other levels of government, above all the EU (Keiner and Kim 2007).

Multilevel differentiation

With multilevel differentiation we indicate the sort of differentiation originating in the intersection of subnational authority networks and state-based (differentiated) integration in the EU. To a significant degree, networks work on policy areas in which the EU is also involved, in a more or less extended fashion. It is, therefore, very common for networks to be in contact with the EU and its work, either directly (for instance by taking part in EU-supported projects, or by playing a consultative role in EU decision-making), or indirectly by operating in areas that are exposed to processes of Europeanization (interviews 2 and 4). This raises the issue of possible mismatches between the membership of the Union (or some of its DI arrangements) on the one hand and the countries represented in the various subnational authority organizations on the other. More precisely, we identify here two kinds of multilevel differentiation, which we term “internal” and “external”, building on familiar terminology in DI studies (Leuffen et al. 2013). The former occurs whenever subnational authorities from one or more member states are excluded from a network interacting with the EU, while the latter takes place when local authority networks operating on EU territory include members from non-EU countries.

Internal multilevel differentiation is prevalent in our dataset, in which the Covenant of Mayors – a network initiated by the European Commission – is the only organization including subnational governments from each and every EU member state. More generally, networks in the dataset occupy the whole gamut between 1 and 28 member states, with an overall average a bit lower than 10. In several cases, partial national participation is a direct result of the exclusive design of the network, which we have discussed above: we would not expect, for instance, a cross-border cooperation organization to involve countries far from the border in question, or landlocked countries to be represented in a network of coastal regions.

In other cases, however, the skewed representation of countries in the network is less obviously justifiable and potentially more problematic. In the first place, it may add a distinctly national dimension to the issues of representativeness and legitimacy mentioned above, whenever networks participate, more or less directly, in the EU’s decision-making process. This would be an example of what Lavenex and Križić (2019) refer to as “organizational differentiation” – the differential participation of subnational entities in European processes of governance – which is especially tricky because the involvement of subnational organizations in supranational policy-making is often regarded as an important channel to alleviate the democratic deficit of EU institutions (Davidson et al. 2019; Heinelt and Niederhaffner 2008; Hooghe 1995). The absence of certain countries in the representation of networks might also pose a problem of policy effectiveness insofar as it may skew the policy input provided by these organizations by removing nation-specific needs, considerations, administrative experience and so on.

Partial national representation in networks may also create a number of top-down issues in the relationship between supra- and subnational governments. First and most tangibly, it could limit the ability of subnational authorities from certain countries to take advantage of EU projects and funds. More importantly, it could truncate the intra-network flow of information, know-how, best practices etc. along national lines. This is more so if we consider that members of a transnational network may, in some cases, also act as nodes that relay domestically (e.g., through national networks) what they have learnt from the EU as well as their peers abroad. To the extent that intra-network learning processes are connected to EU policies, not being represented in one or more networks may also affect a country’s capacities and opportunities in terms of subnational level Europeanization (Huggins 2018b; Kern and Bulkeley 2009; Tortola 2016).

External multilevel differentiation is also frequent among subnational networks. Figure 35.4 shows the incidence of this type of differentiation in our dataset, by ordering networks according

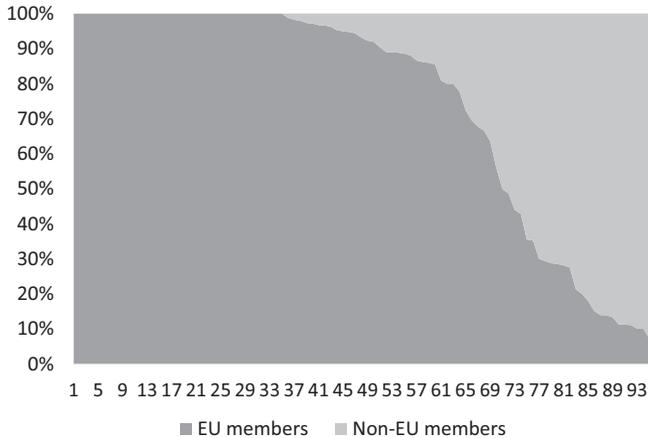


Figure 35.4 EU vs. non-EU membership of subnational authority networks

to the percentage of EU-based vs. non-EU-based members. As the figure shows, of the 96 networks in our sample, only 35 have an all-EU-based membership. The remaining 61 include 1 or more members based outside the EU, and 25 of these have a majority of non-EU-based members.

The questions raised by this second type of multilevel differentiation are, in part, a mirror image of those just described. Insofar as networks function as interfaces between their members and EU institutions (in representing local and regional interests, participating in policy-making, evaluating policies etc.) one could see here not only issues of representativeness, but also a problematic mismatch of accountability, given that a portion of the constituency of the networks in question lies outside the borders of the EU. At the same time, the presence of non-EU-based members in networks can also be a source of fresh ideas and out-of-the-box policy thinking, both for EU-based network members and for EU institutions, notably the European Commission.

Networks that reach beyond the EU can, finally, be channels for the diffusion of certain ideas and practices promoted by the Union beyond its borders, either directly, via interactions between EU institutions and non-EU subnational governments, or indirectly to the extent that networks are carriers of subnational Europeanization. This function is all the more valuable when it provides a backdoor through which to counter the limits or deterioration of traditional diplomatic relations between the EU and outside actors (Duchacek 1984, Tavares 2016).

We argue that there are three instances in which transnational networking beyond EU borders can be especially helpful. First, networks can (indirectly) help prospective EU members prepare for accession. This was, for instance, the role played by some Euroregions bridging the EU and post-communist Europe in the 1990s (Pasi 2007). Kern and Löffelsend (2008), for example, have shown how a number of transnational structures of governance, among which the Union of the Baltic Cities, played a role in promoting the environmental Europeanization of their post-communist members, and strengthening their links with Brussels, well before the 2004 enlargement.

Second, networks can help establish and maintain productive transnational relations with those countries – above all in the EU’s neighbourhood – in which the practice of liberal democracy is currently wanting. Obydenkova (2005), for instance, has documented how transnational cooperation between European and Russian regions has solidified processes of subnational

democratization in the latter. Pintsch (2020) has explored the increasing connections between the EU and newly decentralized Ukraine via community twinings and transnational municipal networks as vehicles for the societal Europeanization of Ukraine and, more generally, the increasing legitimacy of the country's European agenda. In this respect, subnational authority organizations can reproduce, on a larger scale, one of the historical functions of town twinning: to promote linkages and engagement beyond international rivalries.

Finally, networks have a role to play in post-Brexit Europe, as a tool to foster transnational communications between the EU and the United Kingdom – whose subnational governments participate in 48 of the networks surveyed here – and perhaps help mitigate some of the political and policy rifts that have already begun to emerge between the two sides.

Conclusion

This chapter has presented a systematic analysis of subnational authority networks in the EU from the hitherto unexplored angle of institutional differentiation. Building on an original dataset and interviews with network practitioners, we have identified and discussed three main dimensions of differentiation generated by networks: insider-outsider, compound and multilevel differentiation. For each, we have highlighted some of the main advantages and drawbacks, primarily in terms of the effectiveness, efficiency and legitimacy of networks' actions.

A key objective of this exploratory study is to encourage scholars of differentiation to look beyond the state as the primary unit of analysis as they examine this important topic. In this respect, this chapter is aligned with recent theoretical analyses of differentiation, which have argued for an expansion of this concept beyond its traditional "comfort zone" (e.g. Fossum 2019; Lavenex and Križić 2019). Despite the fact that some recent developments in European integration – such as the introduction of the Next Generation EU package as a response to the Covid-19 pandemic – have marked a return to a more traditional and uniform mode of integration, there is little doubt that differentiation will remain an important feature of European integration for the foreseeable future (Leruth and Lord 2015; Pirozzi and Tortola 2016, Schimmelfennig 2018). As theoretical and empirical work on differentiation advances, looking at the subnational level will contribute significantly to the full comprehension of the nature and implications of this phenomenon.

The foregoing analysis has highlighted a number of aspects of subnational differentiation on which future research could build. In concluding the chapter, we want to highlight three such areas, which connect the study of subnational networks more directly to European integration, and therefore might resonate more immediately to DI scholars. The first is empirical in nature: as noted above, one of the shortcomings of the existing scholarship on subnational networks is the lack of comprehensive and easily accessible data on these organizations. Future research should concentrate first and foremost on filling this gap, by collecting and classifying reliable information on networks, in Europe and beyond. To be sure, this is a tall order: the characteristics of this institutional form make the collection of truly exhaustive data rather elusive. The world of networks is, among other things, constantly evolving and has very fuzzy borders due to its great diversity. Even so, the room for improving on the status quo is significant, and the potential payoffs of such work enormous. Above all, better data on networks would help clarify the map of institutional asymmetries at different levels, thus contributing to the still too tenuous links between differentiation research and the multilevel governance research programme (Hooghe and Marks 2003; Tortola 2017).

Second, and connected to the foregoing, future research should look at the role(s) of subnational networks within the policy-making cycles of the EU. As mentioned on the previous pages, subnational organizations can and do play a number of functions on both the input and output side of EU policy-making, such as lobbying on behalf of their members, promoting policy

ideas, channelling local level Europeanization and, more tangibly, complementing the Union's infrastructural capacity (for instance in their role as implementers of EU-financed projects). Needless to say, in this context, the focus should be particularly on the asymmetries generated by the network landscape and their effects on policy-making dynamics and outcomes. Research themes should include, for example, the impact of network characteristics (e.g. size and country coverage) on their ability to upload policy ideas at the EU level; the effects of internal and external multilevel differentiation on patterns of Europeanization; finally, the role and advantages of "super-insider" local governments as nodes in the multilevel policy networks.

Third, networks research should be conducted in connection to the main normative issues engendered by differentiation and DI. Among these are the key questions of: (a) policy effectiveness, which emerges especially when connected policy areas are tackled by institutions with different territorial coverage; (b) the democratic consequences of differentiated institutional layers in the EU (some of which are purely intergovernmental); finally, (c) accountability issues arising from the mismatch between the direct or indirect electoral constituencies of EU institutions (in the first place the European Parliament) and the territorial applicability of their decisions (Pirozzi et al. 2017). For each of these issues, research should investigate the conditions in which networks, and their institutional asymmetries, mitigate normative problems – for instance by providing alternative, albeit imperfect, channels for the representation of societal interests or for smoothening policy discrepancies between insiders and outsiders of differentiated institutional arrangements – or, on the contrary, exacerbate them, such as in the case of the accountability issues created by external multilevel differentiation. In either case, research on networks has the potential not only to further unpack the key normative aspects of differentiation, but also attach a more fine-grained empirical content to them.

Notes

- 1 This chapter draws on work carried out within the Horizon 2020 project EU IDEA – *Integration and Differentiation for Effectiveness and Accountability* (grant no. 822622). A previous version of the chapter was published as "Differentiated Cooperation through Local Authority Networks: Challenges and Opportunities", *The International Spectator*, 2022 (doi: 10.1080/03932729.2022.2011140). We would like to thank Jelmer Herms and Niklas Abel for research assistance, and Tiziana Caponio, Benjamin Leruth, and Oreste Nardi for helpful suggestions.
- 2 Throughout this chapter we will use the term "region" generically, to indicate any sub-national unit of government larger than a town or a city – hence not only regions properly named, but also provinces, *Länder*, etc.
- 3 To the authors' knowledge, the only existing comprehensive and publicly accessible database of sub-national authority networks is included in the Yearbook of International Organization maintained by the Union of International Associations (<https://uia.org/ybio>), which collects information on over 70,000 inter- and transnational organizations. However, the absence of a specific classifier on sub-national authority networks in the database hinders the extraction of data for our purposes.
- 4 For the purposes of our dataset, which was collected before the official Brexit date, the United Kingdom is considered part of the EU.
- 5 These figures exclude non-territorial members of networks, such as non-governmental organizations, foundations, universities and the like. For networks with different layers of participation, only full members are counted. Finally, in line with Keiner and Kim (2007), we exclude members that are themselves subnational authority organizations, so as to emphasize the direct and voluntary character of network participation.
- 6 This is not to deny the presence of some overlaps among state-based institutions, especially as we expand the focus beyond the EU: take, for instance, the overlaps between the Union and NATO or the Council of Europe in the areas of defence, and democracy and human rights, respectively. But while for states the presence of multiple cooperative arrangements in the same field is an exception, for sub-national governments it seems to be the rule.

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List of interviews

- Interview 1: Subnational authority network officer (online interview), 6 July 2020
- Interview 2: Subnational authority network officer (online interview), 6 July 2020
- Interview 3: Subnational authority network officer (online interview), 8 July 2020
- Interview 4: Three subnational authority network officers (joint online interview), 14 July 2020
- Interview 5: Subnational authority network president (online interview), 31 August 2020
- Interview 6: Subnational authority network officer (online interview), 11 September 2020

Appendix: data collection procedures

Our dataset of subnational authority networks was constructed in two phases. In the initial phase, we established the perimeter of our sample by combining data from two sources. The first is the *EU Transparency Registry* (<https://ec.europa.eu/transparencyregister>), in which many subnational authority networks operating in Europe are registered under categories III (non-governmental organizations) or VI (subnational organizations). We downloaded the entire lists of organizations under these two categories as of the end of September 2019, and subsequently proceeded to manually select, with the help of a research assistant, independent and transnational organizations of subnational authorities with at least one EU-based local or regional government among their members. We then combined the resulting set of organizations with those listed in Tavares (2016). This is, to our knowledge, the only recent and publicly available systematic list of existing subnational authority networks. After purging Tavares’s list of duplicates, and organizations not involving EU-based subnational governments, we ended up with a combined set of 99 organizations.

In the second phase we manually coded the networks in our dataset for a number of basic variables, using the organization’s websites and official documents as sources (with the only exception of the variable “Year founded”, for which the UIA yearbook was occasionally

consulted: <https://uia.org/ybio>). At the coding stage we dropped three organizations from our dataset for lack of reliable data, which brought our final sample number to 96. The table below presents a summary version of our codebook.

Table 35.1 Subnational authority network dataset – summary codebook

| <i>Variable name</i> | <i>Description</i> | <i>Variable type and value range</i> |
|---|---|---|
| <i>Year founded</i> | Year in which the organization was founded. | Numerical; unbounded. |
| <i>Policy area</i> | Main policy areas (up to three, ranked by importance) in which the organization works. | Categorical. Its value range corresponds to the 21 categories of the Comparative Agendas project's codebook (www.comparativeagendas.net), plus an additional category for generalist organizations. |
| <i>Total members</i> | Total number of members of the organization, of any kind. | Numerical; unbounded. (Members that are themselves subnational authority networks are counted as one.) |
| <i>Non-territorial members</i> | Indicates whether the organization includes members that are not territorial units of government. | Dichotomous. Values: yes/no. |
| <i>Territorial unit type</i> | Type(s) of territorial units in the organization. | Categorical. Its values are: City: the organization is composed exclusively of urban actors (regardless of size); Region: the organization is composed of larger subnational units, such as regions, provinces and the like. Mixed: the organization includes both cities and regions. |
| <i>Total territorial members</i> | Total number of territorial members in the organization. | Numerical; unbounded. |
| <i>No. of EU members</i> | Total number of territorial units located in EU member states. | Numerical; unbounded. |
| <i>No. of non-EU members</i> | Total number of territorial units located in non-EU member states. | Numerical; unbounded. |
| <i>Total countries</i> | Total number of countries in which the territorial members of the organization are based. | Numerical; unbounded. |
| <i>No. of EU countries involved</i> | Total number of EU member states in which the territorial members of the organization are based. | Numerical; range 1–28 (includes the United Kingdom). |
| <i>EU countries names</i> | Names of EU member states in which the territorial members of the organization are based. | Categorical; the range corresponds to the list of EU28 member states (includes the United Kingdom). |
| <i>No. of non-EU countries involved</i> | Total number of non-EU countries in which the territorial members of the organization are based. | Numerical; unbounded. |