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The French State and its territorial challenges

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Abstract

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. This article focuses upon the territorial challenges to the French State and its strategic responses to these. Though there is a very abundant academic literature on decentralisation in France, 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. While acknowledging the pertinence of arguments based on trans-national convergence and isomorphism, the article argues that the linked processes of 'endogenous governance' and acclimatized change best account for the interplay between strategic intent, institutional and interest-based configurations and the weight of the contradictory coalitions at play in French territorial politics and inter-governmental relations.

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 (Kooiman, 2003, Le Galès, 2002, 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). 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 (John and Cole, 2000). 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, 2009, Hassenteufal, 2004, 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, as countries imitate each other's institutional arrangements and behaviour (Di Maggio and Powell, 1991). The ideational version of convergence takes the form of benchmarking, of imposing 'best practice' on a trans-national basis, of the Open Method of Coordination in the European Union (Dehousse, 2004, Surel, 2000). The convergence perspective emphasises institutional isomorphism, epistemic transfer and the relatively weak role of domestic interests as veto players. 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 (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) 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 belief in the State as representing a powerful constitutive force above society is given a legal form insofar as the superior interest of the state is recognized in French public law (Dyson, 2010, Chevallier, 2003). Though centered 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 and path dependency. 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 'endogenous governance'. Governing as governance in France (as elsewhere) is predicated upon the loosening of older forms of vertical command, on the weakening of traditional models of stato-corporatist regulation and on the creation of a more porous institutional and ideological environment. Complex legal orders and interdependent relationships lay bare traditional beliefs about the supremacy of the state. Multi-level dynamics and the requirements of multi-actor coordination create new challenges for actors vested with public authority. The state itself now emphasises its own productivity as the key to future prosperity. As I have argued elsewhere, however, governance in France is mediated by domestic institutional structures and path dependencies, by collective action repertoires and domestic interest structures, by the contingent dynamics of policy sectors, above all by the prevailing ideational and discursive contexts (Cole, 2008).

Converging pressures do not always 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). From the perspective of 'endogenous governance', we would expect broad trends in international public management and decentralization to be filtered by institutional pathways, interest configurations and domestic political discourses that allow for legitimization of change. Unlike the state tradition heuristic, however, 'endogenous governance' 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, Bezes, 2008, Bezes, 2009, 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). 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 reconfiguration.

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 in theory 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. In the Napoleonic 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 parliamentarians 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. 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 Around Here ---

A series of official reports have addressed these core challenges faced by local authorities and the state. 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 (planned for 2010) 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. 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. Even before the Balladur report had been published a number of its key proposals were being challenged by interested stakeholders and potential losers. 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 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 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 and empower local and regional authorities.

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 (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

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), and 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 is 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 education and transport

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 circumstances (Interview, DIACT, 2007) 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 renamed the DIACT (Interministerial 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). 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. 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. There are complex interdependencies between the French State and its territories in the area of European integration. On the one hand, France has traditionally had one of the tightest, most state-centric forms of interaction with Brussels (Eymeri, 2003). Bids for local and regional funding under EU structural and cohesion funds are coordinated by the DIACT, a central state agency, in close liaison with the regional prefectures. On the other hand,

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, moreover, 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). Away from narrow funding issues, 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 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, a theme we now develop further in the conclusion.

The French State and its territorial challenges

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 (and more broadly engage with distinct literatures on convergence, state traditions and discursive institutionalism).

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 similar 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 (Lascoumes and Le Galès, 2004). Agencies, performance indicators, monitoring and budgetary autonomy all have rings of a new public management ethos about them (Pollitt, 2004). 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. 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 (Bezes, 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. Institutional and corporate path dependencies remain extremely powerful. 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 weight of the millefeuille institutionnel is such that endogenous institutional structures are likely to overwhelm any efforts at synoptic state reform. 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 'endogenous governance'. The basic argument (consistent with, but distinct from that of Schmidt's [2008] discursive institutionalism) 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. 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 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 (2008) 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, made even more complex 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 endogenous governance and 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.

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