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### The power to collaborate : How judicious use of power accelerates the strategic capacity of regions in the Netherlands

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## **INTRODUCTION: THE RISE OF THE COMPETING REGION AND THE IMPERATIVE TO COLLABORATE**

In October 2008, the Dutch Council for Housing, Spatial Planning and the Environment recommended acknowledging the inadequacy of legislative and administrative amendments for planning coherent regional spatial policies (VROM-raad 2008). Despite continuous amendments aiming to improve how Dutch regions were governed and spatial and economic policies planned, negative perceptions persisted. Now, the council offered an alternative to top-down administrative frameworks. It pleaded for more flexible forms of regional collaboration that were not officially or procedurally prescribed, and it recommended launching another kind of search. A search for successful collaborative practices. The main objective of this study is to better understand how regional collaboration can be made successful. As the unique potential of urban regions becomes increasingly important, how to make the most of it remains a moot point. Growing competition between regions (Porter 2001) and the persistent impression that regional resources are poorly exploited has accelerated the debate and the search for suitable modes of governance to encourage efficient spatial economic development in regional areas (Le Galès 1998, Keating 2001).

### **1.1 THE RESURGENCE OF THE COMPETITIVE REGION**

The focus on regions for addressing social objectives is nothing new. Since the beginning of modern planning, regions have been conceived as promising geographical scale over which spatial economic developments can work their magic. Founding fathers of modern planning, including Ebenezer Howard and Patrick Geddes, have considered the spatial economic relations between core cities and their hinterlands as vital for achieving social objectives and improving the living conditions of the urban population (Hall 1988). In the middle of the 20<sup>th</sup> century, a pragmatic approach of planning guided spatial and human activities in regions in order to achieve utopian goals. Suburbanization and the expansion of daily human activity beyond the jurisdictions of core cities raised disparities between core cities and their surrounding residential suburban municipalities. Suburbs that became the home of affluent communities used services provided by the core municipalities. While the central municipalities provided regional services, they were forced to cope with growing poverty within their own jurisdictions and with higher public expenses not

compensated for by the suburbs (Jacobs 1961, Rusk 1995). The interrelations between core cities and their periphery stood at the heart of the renewed attention to the needs of regions and the promotion of cohesion and internal equity through different physical, societal and financial interventions.

The promotion of regional cohesion and equity between various municipalities keeps on occupying regionalists even today (Rusk 1999, Calthorpe and Fulton 2001). However, the contemporary resurgence of the regional approach to spatial economic planning comes from the growing competition between regions. This competition for (foreign) investments, job creating enterprises and highly educated qualified residents has become the leading pretext for attempts to produce coherent and well-coordinated regional policies aimed at improving regional economic performance and competitiveness (Keating 2001, Brenner 2003).

The globalization of production, consumption and capital flows expose regions to global economic competition (Scott 2001, Taylor 2004). At the same time, the geographical expansion of human daily activities exceeds the administrative borders of localities and increases interdependencies between municipalities and their awareness that they alone cannot provide all the services residents require (Wannop 1995). The combination of spatial expansion of individual activities on the one hand and globalization processes on the other, has brought scholars and practitioners to consider regions as a unique scale in which synergetic potentials are present and for which spatial economic policies should be tailored. The detection and exploitation of regional potential has won a central position in contemporary research among economic geographers and public administrators alike. Scholars of both disciplines contend that well-coordinated efforts by regional stakeholders help to promote both region-wide objectives as well as the ability to attract external investments. Economic geographers consider regions as "*Organic units of economic reality*" (Scott and Storper 2003 p.589) in which both physical assets and the engagement of a wide variety of actors may contribute to their competitiveness. Regions are motors upon which national economies lean (Storper 1997, Scott 1998, Porter 2001) and therefore, national governments incorporate regional policies in their own portfolios. National governments distribute resources according to the relative indigenous strengths of their regions. In so doing, they increase competition between regions for potential national investments. At the same time there is a growing propensity among some national governments to decentralize spatial economic policies to lower governments in the regions. Regions therefore are expected to react to external pressures resulting from changing market conditions and draw spatial-economic policies that would turn global trends as much as possible to their advantage (Scott 2001 p.817).

The shift towards regional competitiveness has raised new demands on the governance of regional development and the capacity to coordinate spatial economic investments. Through coordinated exploitation of regional advantages and by creating synergetic engagements that would increase the potency of available resources, the competitiveness of regions is likely to increase (OECD 2005). Synergetic combinations of regional forces may create a critical mass that yields greater communal results from

available resources, results which none of the collaborating parties would have been able to achieve on their own. Collective efforts of regional stakeholders can involve combining resources for generating and realizing *shared regional projects* (regional infrastructure or spatial development executed by the collaborative parties). The efforts can also include *shared regional lobbying*. A supplementary form of synergetic engagement refers to the mechanism in which each of the collaborating actors channels its resources to create the spatial economic output that serves its relative advantage. Increasing complementariness between regional stakeholders increases both their interdependence and their collective performance as a whole (Capello and Rietveld 1998, Capineri and Kamann 1998). Collective efforts (such as regional marketing) and the internal division of complementary development (i.e. differentiated economic clustering) are two mechanisms that lead to synergetic effects and to efficient use of regional resources. Failing to collaborate and achieve synergy in the spatial economic competitive environment leads to a wasteful use of resources, a race to the bottom by competing municipalities and a strong propensity among municipalities to imitate each other's success (Cheshire and Gordon 1998).

The creation of an organizational setting that promotes shared goals among regional stakeholders is therefore a crucial challenge for the competing region. This organizational setting is the framework by which tangible (labor, land, infrastructure and capital) and intangible (quality of life) factors are optimally exploited to achieve increased competitiveness (Porter 2001).<sup>1</sup> The degree to which these assets are exploited is broadly conditioned by the way competing territories are governed, and the way in which their assets are utilized (van den Berg et. al. 1997, Deas and Giordano 2001).

## **1.2 THE GOVERNANCE OF THE COMPETITIVE REGION**

The rise of regional competitiveness was accompanied by calls for further decentralization and a shift in the nature of regional governance towards the end of the 20th century. It advocated a shift "*from a vertical, coordinative and redistributive relationship within a national administrative hierarchy into a horizontal competitive and developmentalist relationship between subnational economic territories battling against one another at European and global scales to attract external capital investment*" (Brenner 2003 p.19). Nowadays, urban and regional governance increasingly focuses on ways to foster and encourage development and boost employment. Cities are moving away from their prime responsibilities of providing services, facilities and benefits to their population towards the promotion of entrepreneurialism and territory-based economic growth (Harvey 1989). New claims regarding the governance imperative of competing regions refer to the need to adopt new forms of regional governance in order to compete successfully with other regions and to incorporate economic stakeholders from private and public sectors to increase

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<sup>1</sup> Porter, and others, distinguish between tangible location factors (Hardware), intangible location factors (Software) and the practice in which those two groups of factors are optimally exploited (Orgware) to increase place's competitiveness.

region-wide economic performances (Brenner 2003 p.18). The increasing centrality of regional competitiveness lies in Le Galès's definition of regional governance as the "*capacity to integrate and give form of local interests, organizations and social groups and, on the other hand, the capacity to represent them outside, to develop more or less unified strategies towards the market, the state, other cities and the other levels of government*" (Le Galès 1998 p.496). According to this definition regional governance under conditions of competition is a combination of the ability to engage regional stakeholders and the capacity to collectively develop shared strategies that would be clearly communicated outwards. Engaging regional parties and using their resources for the collective good is only one part of the regional imperative. Shaping a common course that would provide a road map for optimal use of those regional resources is a supplementary task regional stakeholders are expected to tackle in order to increase regional competitiveness (Wallis 1996 p.18).

While adequate regional governance is believed to hold a solemn promise for the competing regions, regional stakeholders struggle to translate this promise into workable institutional and organizational settings. The literature on regional governance makes a distinction between two major governing practices for producing coherent and competitive regional output (Wannop 1995, Hulst 2005, Heinelt and Kübler 2005). The first practice refers to formal interventions like the formation of a regional government equipped with adequate competences and instruments that allow it to define and execute competitive strategies for the region. The mergers of municipalities and the official redistribution of legal/financial competences between actors are other examples for such formal intervention in regional governmental setting. The second practice focuses on the perspectives of collaboration between regional parties to promote coherent regional development. This approach is based on voluntary engagement between autonomous regional stakeholders for promoting regional coherent policies. The distinction between the two governing practices is analytical in nature. The practice of regional governance in different western countries includes different combinations of both practices as they do not exclude one another (Salet et al. 2003).

### **1.2.1 Promoting regional competitiveness through formal intervention**

The establishment of a directly elected government to coordinate and execute spatial economic policies for the regional scale has a certain logic. It offers democratic accountability as decisions are approved by an elected council and it offers the bureaucratic bodies for executing regional strategy and allocating financial resources. In the US and in Western Europe, attempts to introduce regional governments capable of driving regional economic and spatial developments peaked during the 1960s and 70s. The initiatives emerged in order to prevent further socio-economic deterioration of core cities compared to their hinterland and the peripheral municipalities. The conception was that by bringing neighboring municipalities under one governmental tier, economic policies and spatial developments would become more efficient and sustainable (Rusk 1995, Lefèvre 2001, Keating 2001).

The resurgence of the metropolitan reform approach took place in Europe during the 1990s when a wave of attempts to promote regional reforms came in response to the growing competition between European regions for attracting investments from both public and private sectors. The inter-regional competition raised the need for stronger governmental units to control development, reduce wasteful investments and prevent zero sum competition within the regions themselves (Keating 1998 p.58-9). Regional governments could reduce the complication of producing coherent regional output by introducing and promoting vertical hierarchy and limiting horizontal fragmentation (Norris 2001b). Several obstacles however prevented the introduction of regional governments from being the panacea for the challenge. Existing regional governments were relatively weak compared to other governments within the statutory system (Hulst 2005). Referring to the Dutch provinces and the French regions, Hulst argues that *“if elected regional assemblies are not adequately equipped to implement regional strategic planning, on occasion against the will of local governments, they run the same risk as their European counterparts, to become relatively weak actors struggling for their legitimacy...”* (Hulst 2005 p.116).

Establishing *adequately equipped* regional governments proved to be a difficult process which met heavy resistance. Political and administrative elites wished to maintain their power and interest groups wanted to protect their already established channels of influence (Keating 1998 p.60). Furthermore, expanding the power of metropolitan governments seemed to run counter to the cultural preferences both in the US and Europe for keeping government as small as possible with powers exercised closest to the people affected: *“At a time when the public expresses low confidence in government and a desire to see government budget and activities reduced, the idea of introducing anything that hints of a new layer of government is difficult to win approval for, even with convincing arguments of improved competitiveness”* (Wallis 1996 p.16). Indeed, with only few exceptions (e.g. Greater London Authority and Verband Region Stuttgart) almost all attempts to bring in new forms of regional or metropolitan governments failed during the 1990s. Most proposals for regional reforms led to fierce resistance among local and regional grassroots and to the desertion of those reformist ideas in the US, the Netherlands, (Kantor 2006) and in other European countries (Salet et al. 2003).

### **1.2.2 Promoting competitiveness through collaborative associations**

Obstacles to implementing regional reform plus the shortcomings emerging from the attempts to match rigid governmental bodies with the dynamic and complex networked society gave rise to another type of practice for regional governance. Now, the collaborative approach for regional governance aimed to harness existing official structures in new ways which did not necessarily reflect rigid hierarchical governmental administrative structures. Alternative practices could include voluntary engagement characterized by a horizontal linkage between organizations and bottom-up cooperative practices (Savitch and Vogel 2000 p.161). Some claimed the

collaborative practice would even improve regional competitiveness more than the formation of new regional government (Putnam 1993 in Wallis 1996).

Different collaborative practices that engage actors from different networks to coordinate regional policies are termed here as Regional Collaborative Associations (RCAs). Contrary to the governmental reform, in the RCAs participants maintain stable relations and they interact regularly while maintaining autonomy and responsibility for their own actions and decisions. The collaborative approach thus offers a softer alternative to the formation of an elected regional government and advocates development based upon regional coalitions of interests (Roberts 1993 p.765). The collaborative approach values negotiation, partnership, voluntary participation and flexibility in the constitution of new governance structures (Lefèvre 1998 p.18).

Voluntary collaborative practice, however, appears to carry its own shortcomings. It appears to flourish by the provision of public services as it often has to overcome limitations of scale. But with regional planning and with the distribution of scarce goods and undesirable burdens, this advantage of the voluntary collaboration of the RCAs is less common. As none of the participants has any formal authority to impose decisions on other actors in voluntary RCAs, some serious drawbacks have been observed from the perspectives of effectiveness and democratic accountability (Tewdwr-Jones and Allmendinger 1998, Norris 2001a, Phelps and Tewdwr-Jones 2004, Hulst 2005). The collaborative practice within voluntary associations is often seen as incapable to deal with the high fragmentation of the region and the multiplicity of actors and inter-related issues. Responsibilities on related policy fields such as transport, economy and spatial planning are often divided between different governmental agencies and several governmental levels. That makes the structural provisions for the integrated regional governance difficult. Another alleged obstacle regional collaborative practice faces is its poor democratic accountability. While government bodies may be held accountable for the stances they take in the bargaining games, there is no clear actor who holds responsibility for the policies or development coming from an RCA (Hulst 2005).

### **1.3 THE REGIONAL IMPERATIVE IN THE NETHERLANDS**

If both the creation of formal overarching institutions like new regional governments and the reliance on voluntary collaborative engagements suffer from severe drawbacks, the governance of the regions may become the prime obstacle for effective and successful conduction of inter-regional competition. A formula for the organization of regional resources in a manner that would exploit synergetic potential is still absent and the regional spatial economic output therefore may remain suboptimal. *'When it rains, the opponent is getting wet as well'* goes an old saying. The governance challenge sketched above may be universal and therefore all regions may suffer from suboptimal use of resources. However, some signs suggest that regions in unitary states like the Netherlands may be even more sensitive to suboptimal regional governance.

Studies show that unitary states have more difficulties to create adequate institutional arrangements for regional governance compared to federal states (Sharpe 1993 cited in Hulst 2005). The main reason is that, historically, central and local governments dominate the administrative systems of governments in the unitary states (ibid.). Regional governance in the Netherlands does not seem to escape the challenging circumstances unitary states create.

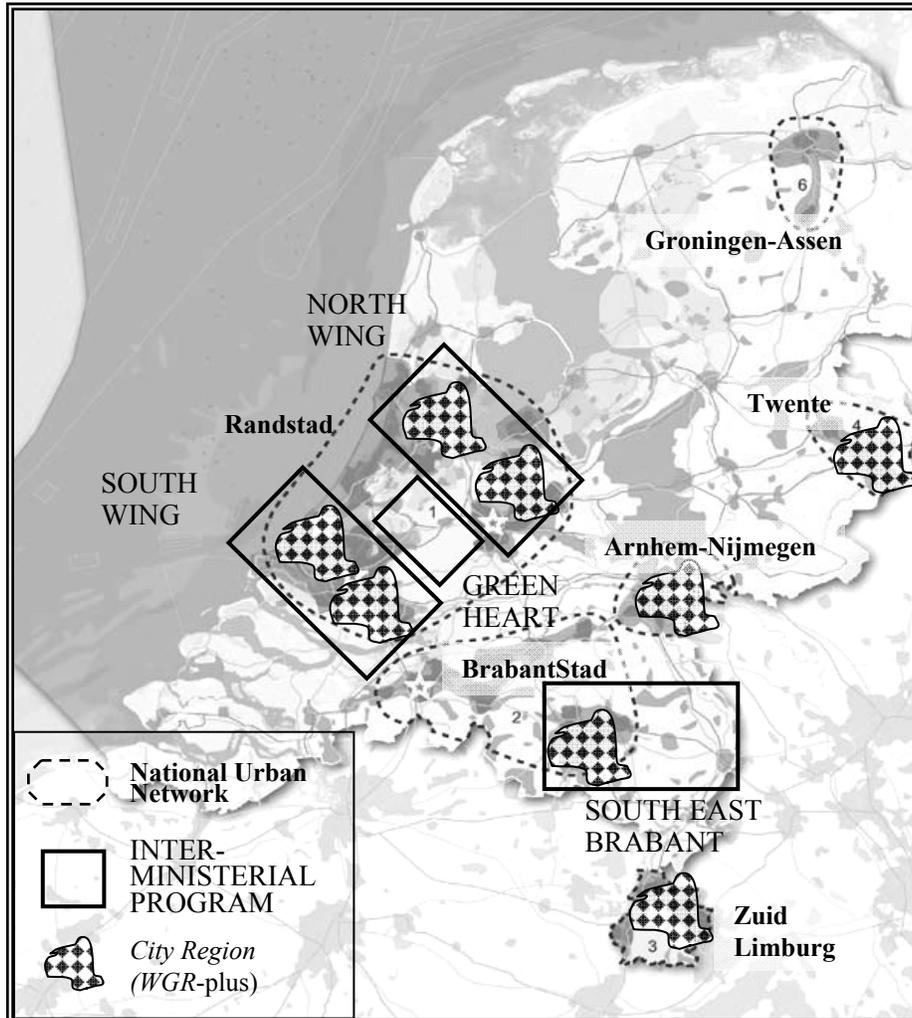
### **1.3.1 Regions and networks in Dutch spatial policies**

The regional imperative in Dutch policy making dates from the second memorandum for spatial planning of 1966 that defined the regional agglomerations around core cities (*stadsgewesten*) as the leading concept for driving and implementing regional policies. These monocentric agglomerations were designated by daily commuting patterns and were separated from each other by buffer zones of green areas. However, changes in commuting patterns brought a conceptual change of spatial policies towards the end of the 1990s that accentuated the network relation between cities (Musterd et al. 2005, VROM-raad 2008). The national fifth memorandum on spatial planning (2001) acknowledged the commuting pattern changes and their spatial consequences by introducing the concept of ‘urban networks’ to lead national spatial economic policies (Ministerie VROM 2001). The Ministry of Spatial Planning (Ministerie VROM) defined in the memorandum six national networks that included the Randstad, BrabantStad, Zuid Limburg, Twente, Arnhem-Nijmegen and Groningen-Assen. This definition, however, carried a paradox, as the ministry, contrary to its own conception of non-delimited networks, struggled to provide a geographical definition of these networks (see figure 1.1). Adopting the concept of urban networks reflected the adjustment of the urban regions to the emerging network economy and to increasing levels of inter-regional competition. In practice, however, the network shift led to little alternation in patterns of spatial economic investments. The relations between nodes in the network remained often undefined and the effect of specific investment in a single node on the other nodes in the network remained often unexplored (VROM-raad 2008 p.26).

With the appearance of the memorandum for new national economic policies by the Ministry of Economic Affairs (Ministerie EZ 2004) and the memorandum ‘Space’ (*Nota ‘Ruimte’*) for inter-ministerial spatial strategies (Ministerie VROM et al. 2006a), the objectives of regional competitiveness and decentralization of national policies got an explicit formal expression. The Ministry of Economic Affairs, in its memorandum, acknowledged the national economic dependency on the competitiveness and the robustness of its regions. It defined regional economic core areas which formed the base for a strong national economy. For these core areas the central government drafted economic agendas to channel its investments. The national economic strategy explicitly aimed to exploit regions’ relative advantages. The dominant rhetoric that combined ‘decentralization’ with regional competitiveness in national economic policies led to the central government remaining responsible only for the “*basic qualities*” and for the “*wider bottlenecks in the national crucial areas for the structure*”

of Holland” (Ministerie EZ 2004 p.69). The ‘Space’ memorandum listed national economic competitiveness as its leading goal (Ministerie VROM et al. 2006a p.22-23). The inter-ministerial policy document declared decentralization policies to lower governments (municipalities and provinces), leaving the responsibilities to core issues of national importance under direct responsibilities of the central government (ibid. p.25).

Figure 1.1: Administrative concepts for regional governance in the Netherlands



As part of process of executing the ‘Space’ memorandum, the central government introduced in 2004 the concept of integrated national programs for several regions and areas of which the level of complexity and the degree of national interest were high. In

these areas where inter-ministerial programs were composed, the central government attempted to promote coherency and synergy within and between the different projects in the region (Ministerie VROM et al. 2006b p.35-36). The central government set up inter-ministerial teams headed by an appointed program minister to help coordinate and compose the national programs for the regions. The national programs were designated for four areas in the country: the North Wing of the Randstad, the South Wing of the Randstad, the Green Heart and South-East Brabant/North Limburg area. The areas appointed for inter-ministerial programs did not always match the urban networks designated by the Ministry of Spatial Planning (see figure 1.1).

The conceptual shift from smaller monocentric regions (*stadsgewesten*) to integral urban networks that characterized the regions was not accompanied with any clear definition of the way these urban networks should be governed. On the one hand, the local municipalities that made up the urban networks were expected to collaborate on a *voluntary* basis to create coherent spatial economic policies (Ministerie VROM 2001) while, at the same time, the ministry determined that agreements between the cities could not remain loose and unobligated (Ministerie VROM 2002 p.26). This may explain why the struggle to govern the regions effectively and the effort to produce coherent and competitive regional strategies has remained a persistent issue for debate in the Netherlands during recent years.

### **1.3.2 Trends and drifts in Dutch regional governance**

The present decentralized unitary administrative structure of the Netherlands characterized by three layers of general areal governments originated in the mid 19<sup>th</sup> century. All three governmental tiers are interlaced in a mix of complemented and competitive competencies regarding the drive of economic policies and the conduction of spatial planning. The fragmentation with regard to regional governance has thus not only a horizontal dimension (multiplicity of municipalities and policy-fields) but also a clear vertical dimension emerging from the multiplicity of governmental levels involved.

The central government (*Rijk*) as a national legislator has complete sovereignty while the provinces and the municipalities have general competences to issue bylaws and deliver public services. The legislative bodies are free to interpret the constitution and there are no specific safeguards for the autonomy of provinces or local governments. The policies of central government are often directly aimed at the communities and a wide range of field agencies have been created to implement national policies or secure the interests of the central government in local and regional areas. Ministries control these agencies and maintain responsibility and supervision on areal development from their specific departmental angle. The provinces, as middle governmental tiers between the municipalities and the central government, have also an official role in guiding spatial development and producing spatial plans. The Spatial Planning Act (1962) instructed provinces to develop long-term spatial plans and to supervise local zoning schemes. Since then, spatial planning has become one of the main provincial activities

with a substantial impact on town and country planning by local government. Even though the position of the province appears to fulfill the institutional requirements of the regional government, the actual domain and competences of the provincial government are limited. Dutch provinces are by no means equipped or legitimized to act as an overall regional planning organization (Peters 2007). The power of the provincial government vis-à-vis the municipalities remains restricted. Provincial plans serve as basis documents for central government to allocate financial resources to local governments and by that, the provinces act as an intermediary agency between central and local governments (Salet and de Jong 2003). The municipalities are the only governmental tier for whom their spatial schemes (*bestemmingsplannen*) have a legal compulsory status (The Spatial Planning Act of 2008 allows provinces and central government under specific conditions to compose binding spatial schemes as well).

### *I. Reducing fragmentation for enhancing regional governance*

The desire to secure coherent and robust regional development has led to different official interventions aiming to ease and accommodate regional coordination. Some of the interventions have been gradual while others have had a more abrupt character. One clear, continuous type of intervention was the reduction of the number of municipalities operating in the regions. While in the 1960s more than 900 municipalities were operating in the Netherlands, by 2007 the number had shrunk to less than 450 (Centraal Bureau voor de Statistiek 2007). The reduction was the result of mergers between existing municipalities and acquisition of the one by the other. In both cases, the aim was to benefit from advantages of scale in provision of services and the reduction of regional administrative fragmentation perceived as obstacle in achieving well coordinated regional development.

Common as it may appear, municipal amalgamation is a top-down initiative the Dutch government is reluctant to execute. Mergers and the acquisitions took place mostly when sufficient bottom-up support was present. Such support was not obvious as smaller municipalities tended to reject amalgamation initiatives. This is why merges and annexation is perceived less expedient for addressing the regional governance challenges in the Netherlands (VROM-raad 2008 p.18). Another formal intervention to promote the governance of coherent regional policies referred to the creation of different administrative bodies responsible for the coordination of regional development. The search for a governmental solution to the regional governance challenge led to several attempts to provide constitutional interventions that would promote coherent and competitive regional policies.

Towards the end of the 1980s the inadequacies of regional planning through existing voluntary cooperation became more evident as the process of European integration called for vital regions to compete with other commercial centers. The central cities in the Netherlands were still quarreling with smaller neighboring municipalities about the development of commercial and residential areas and the investment in infrastructure and public transport (Hulst 2005 p.102). In 1989, the Montijn committee set by the

central government to advise on the strengthening of social economic position of the large cities, called for drastic measures to safeguard the competitive force of the Dutch commercial and industrial centers vis-à-vis their European counterparts. Securing economic competitiveness was the pretext for the attempt to introduce new governmental structures that would coordinate and promote coherent spatial economic policies around the monocentric regions. The central government embarked on a new initiative to establish small-scale regional governments – the city provinces (Hulst 2007 p.145). The city provinces were planned to operate in several urban regions with sound spatial interrelation between central cities and their hinterland (VROM-raad 2008 p.23). However, the attempts to introduce regional governments in the form of the city provinces failed eventually after fierce objections by citizens of the larger cities. Recent trends indicate that the introduction of a new governmental tier or other constitutional amendments that would change the present three-tier government system is less expedient, even when regional competitiveness is at stake (Ministerie BZ 2006 p.4, VROM-raad 2008 p.17).

Several reasons may explain the difficulties of conducting formal interventions aiming to reduce fragmentation and enable coherent and well-coordinated regional development. Some view the absence of acceptable national vision on the matter as a drawback for robust interventions. Without such a vision, political preferences exchange themselves regularly as new political coalitions are formed and as a result, the discussions get to the starting points after every new national election without booking real continuous progress. Additionally, the long duration of administrative reorganization conducted by the state provides plenty of chances for opposing parties to reject these reform initiatives (Lochem 2007 p.173). Some more obstacles are the tendency to offer uniform arrangements for the whole land at the cost of flexibility and custom-made solutions some of the regions actually require (ibid.).

## *II. Regulating and stimulating collaborative governance*

As legislative intervention in the shape of new regional government failed to find roots on Dutch statutory soil, the guidance of the coherent regional development was heavily based on the more flexible collaborative practices between municipalities in the regions. However, here as well, legislative intervention was used through the years to promote collaborative practice within the regions. In 1950, a special law – the Joint Provision Act (*Wet gemeenschappelijk regelingen – WGR*) – was enacted to stimulate and regulate cooperation between core cities and their hinterland in the monocentric agglomerations (*stadsgewesten*). The Act gave no compelling competences to the regional collaborative associations. The legislation assumed the relevant municipalities would collaborate spontaneously and voluntarily based on their shared understandings over collective problems and common perspectives. The results of the voluntary collaborative practice within the *WGR* agglomerations were poor so the search for better organizational concepts continued during the years to come (VROM-raad 2008 p.26). The continued search led in 1985 to the revision of the Joint Provision Act. The updated legislation obliged local governments to form multi-purpose regional

cooperation through the creation of regional councils consisting of members of the elected municipal councils. Because the regional council was unelected, it prevented the creation of an unwanted new governmental layer between the municipalities and provinces. The modification also obliged provinces to divide their municipalities into several collaborative areas (*WGR gebiedsindeling*) in which regional councils composed of municipal representatives would be active.

The results of the regional collaboration under the Joint Provision Act and its modifications were still unsatisfying. As the voluntary character of the collaboration remained in tact even under the creation of the regional councils, the collaborating cities appeared incapable to address spatial economic problems efficiently (ibid. p.27). The voluntary collaboration within the Joint Provision Act seemed to lack the necessary means to effectively coordinate the policies of local municipalities. The municipalities were keen to maintain their autonomy within the collaboration and they were reluctant to grant the RCAs and the regional councils the necessary powers to promote coherent regional policies. The result was that the regional planning and coordination was entirely dependent on consensual decision-making between all municipalities involved in the collaboration (Hulst 2005 p.102).

In order to encourage regional collaboration beyond voluntary engagements, the central government introduced a temporary law in 1994 that aimed to promote inter-municipal collaboration in a more compulsory and structured manner. The law affected seven designated metropolitan areas where the former envisioned city-provinces were supposed to be introduced (Amsterdam, Rijnmond, Haaglanden, Utrecht, Arnhem-Nijmegen, Eindhoven and Twente). Whereas the earlier regional collaboration was voluntary, the new Framework Law Changing Governance (*Kaderwet Bestuur in Verandering*) featured mandatory elements. It granted the regional councils of the agglomerations in the seven designated areas the competences to compose and officially approve regional spatial structure plans, regional mobility plans and budgetary responsibilities for granting subsidies to local spatial projects, infrastructure funds and general regional policies (VROM-raad 2008 p.28). During the 1990s, however, the metropolitan regional councils acting within the temporary law were reluctant to use regional plans as a basis for allocation of financial resources. The councils “*favoured proportional disbursement and maximum spending autonomy for local government... most of the regional plans established by the cooperation just summed up the wishes of local governments and did not in anyway deal with the actual regional issues. And if they did, they could not be carried out due to conflicts of interests between the municipalities*” (Hulst 2005 p.103). The hands of the RCAs operating under the temporarily law remained tied. Like at the times the collaboration was voluntary under the Joint Provision Act, the regional councils remained a composition of indirectly elected members representing the collaborating municipalities (ibid.).

The temporary character of the Framework Law Changing Governance remained intact until 2006, when further legislative amendments gave the seven metropolitan areas and another regional collaboration in Limburg a permanent status. The eight RCAs now

operating under the permanent collaboration law adopted the term ‘city regions’ (*stadsregios*) to their collaborating organization (figure 1.1). Granting permanent status for the designated metropolitan regions further strengthened the official status and the compulsory character of the regional collaboration. The legislative amendments granted the regional council a minimum package of policy fields in which the municipalities are legally bound to collaborate: spatial planning and transport, housing, land use, economic development and general coordination between the core cities and their hinterland. The regional councils offer municipal council members a platform for consultation and official decision-making. Municipalities operating under the permanent law cannot resign from the regional council or withdraw from the collaboration without facing legal procedures. The permanent law also granted the regional council of the eight city regions extended financial measures for various spatial economic projects. However, the position of the young city regions operating since 2006 under the new permanent law has remained disputed. Doubts have remained present concerning the actual difference the permanent collaborative arrangements may bring as well as criticism over their effectiveness (Ministerie BZ 2008).

Attempts to stimulate regional collaboration have not been limited to inter-municipal cooperation. Since the end of the previous century, growing attention has been given to the multiplicity of stakeholders actually present in the regions besides the local, regional and national governments. There have been growing calls to involve private and civic organizations in spatial economic development as well (WRR 1998). Steadily, the involvement of stakeholders outside government in the emergence and realization of regional spatial economic projects has become the dominant doctrine in national policy over the last decade (VROM-raad 2008 p.75). Improving regional competitiveness therefore has increasingly been seen as a collective interest which extends the responsibility and the policy domain of governments. The potentials and the resources within non-governmental stakeholders have been seen as important input for collective regional actions that would gain wide support along their realization. The shift towards enhanced public-private collaboration found official expression in the central governmental policies as a proactive planning doctrine which stimulated development and multi-actor involvement (*Ontwikkelingsplanologie*) was officially adopted (Ministerie VROM et al. 2006a p.36).

### *III. Persistent poor collaborative practice in times of growing competition*

Governmental reports (Commissie versterking Randstad 2007, VROM-raad 2008) expert reviews and scientific analyses (Teisman et al. 2004, Hulst 2005, Kantor 2006, Lochem 2007) point out persistent shortcomings in the collaborative practice in the Dutch regions. Those shortcomings impede regional capacity to coordinate investments and guide development in a coherent and synergetic manner. At the same time, there is concern over the potential of the regional economies to compete internationally. The collaborative shortcomings are characterized both by existing unabridged gaps between governments as well as shortcomings in practicing fruitful regional collaboration with private regional actors (Teisman et al. 2004). Over inter-governmental collaboration in the regions it is hard to remain optimistic: “*Despite the time, the money and the energy*

*which invested in them, the results of inter-municipal collaboration are disappointing. In many cases, the region does not come further than purpose-declaration, general vision, and blurred intentions which are too abstract to cause any real objection. Mostly, they do not come to any concrete sustainable results and over the creation of synergy it is better to remain silent...many of the attempts to bring regional collaboration to success deliver in fact quite little”* (Lochem 2007 p.177). This sober observation is shared by many. Cooperation between municipalities, whether through loosely collaborative networks or through officially-integrated joined authorities appears too often to be an ineffective means to coordinate between local policies. Both voluntary and regulated forms of collaborative associations seem to lack integrated political management to address regional tasks effectively (Hulst 2000). Furthermore, it seems that the collaborative practice in the Dutch regions is conceived too cumbersome and demanding of time and effort, which are not repaid in the modest collective results the associations deliver (Ministerie BZ 2006 p.4). The main reasons for the shortcomings are often attributed to the strong position of the central government and the local municipalities in the Dutch unitary system which create a regional vacuum. The municipalities in the region have a strong opportunist attitude fed by the fact that aldermen are elected by local residents and are judged by the voters on their local deeds. Even within regulated collaborative practice in which regional councils are indirectly elected, the existing conflicts of interests between the municipalities are transferred to the regional councils and prevent the development of genuine regional perspective (Hulst 2005 p.117).

Another reason for suboptimal regional governance is attributed to the centralized system in the Netherlands in which “*National urban policy is king*” (Kantor 2006 p.818). The vertically-integrated policy networks established by local officials and their national counterparts make regional cooperation difficult. Informal lines of communication between the (large) cities and the national government allows intimate knowledge transfer and direct access to central governmental bureaucrats and ministries. However, this fact discourages local leadership with access to central government to invest in building regional coalitions. Vertical relations between governments reinforce this bias for maintaining extant vertical power corridors that discourage the creation of new horizontal collaboration in the region (ibid.). Collaboration between governmental and non-governmental stakeholders on regional scale is not encouraging either. Engaging stakeholders from the corporate world, civic groups, NGOs and residents in the regional collaborative practice in the Netherlands remains limited and challenging (Teisman 2006 p.44-45). These shortcomings in engaging non-governmental stakeholder in regional collaborative practice are often attributed to the introverted attitude of the various regional governments (Salet et al. 2003, Teisman 2004). The alleged introverted attitude may be fed by a lack of genuine motivation or knowhow regarding the attraction of non-governmental stakeholders in the collaborative effort. With a limited capacity to engage potential contributors to the regional collaborative effort, the objective of enhancing regional competitiveness is not being well served.

## **1.4 STRUCTURE OF THE RESEARCH AND THE BOOK**

### **1.4.1 The research**

The review in the former section (1.3.2) reveals that the governance of the regions in the Netherlands is deadlocked. Repeated attempts to achieve consolidated metropolitan governments have ended in total failure. Regional stakeholders have not managed to display meaningful regional cooperation to promote consolidated and coherent development (Kantor 2006 p.818). This pessimistic tenor calls for further research into improved collaborative practice that may assist in reversing the deadlock. Competition between regions on investments is becoming more explicit in present times as economic uncertainty characterizes the end of the first decade of the 21<sup>st</sup> century. Being able to exploit potential and guide regional investments in a synergized, coherent way seems increasingly urgent. Hence, this research aims to analyze and improve the present suboptimal practice. This research into the practice of regional collaboration earns its relevance also from the time it is conducted. Much of the criticism regarding regional collaborative practice is based on observations that were made prior to recent shifts in the official position of the Dutch central government towards its regions. This research takes place in a period in which regional competitiveness and alleged decentralization of policy making gain explicit articulation in official national policies (see 1.3.1). These developments in central governmental policies may influence regional collaborative practice and create new dynamics in the regions that were not observed or did not exist in past practices.

Researching regional governance in the Netherlands in the context of growing inter-regional competitiveness holds some additional innovative aspects. This study on regional governance and collaborative practice refers to *strategic capacity* of collaborative associations to mobilize regional stakeholders and their resources in a *competitive* manner (this nuance will be comprehensively elaborated on in the next chapter). By focusing on competitive strategic capacity, the study deliberately ignores the actual effectiveness of collective regional output (policies, strategies, plans) in increasing observed competitiveness. Instead, the research focuses on the dynamics of the collective action in the context of competition. It observes the characteristics of the collaborative practice and its output (rather than its effect) in terms of a competing entity that acts strategically. This is why the undeniably important issues of effectiveness, efficiency and legitimacy of the regional strategic output (Teisman 2007, Salet et al. 2003, Hulst 2007, VROM-raad 2008) in this research is only secondary to the main focus on its strategic competitive characteristics.

Another innovative potential of this research refers to the recommendations presented at the beginning of the chapter by the Dutch Council for Housing, Spatial Planning and the Environment (VROM-raad 2008). In harmony with the spirit of those recommendations, it is not within the aim of the research to design an ideal administrative setting or search for new formal structures according to which regional stakeholders can interact and decisions regarding regional developments can be better made. Instead, it is the aim of the research to focus on the conditions and expose the

determining aspects which influence and mould the collaboration of stakeholders in the context of given set of rules or administrative structure. It is a focus on the *collaboration* and the formations of coalitions rather than the *official structure* or the formal regulations in which actors operate.

Last but not least, this research strives for improvement. The criticism and the pessimistic tenor reviewed in the previous section do not exclude (incidental) success. It is therefore the aim of this research to remain alert and cautious while detecting evidence of relative success from which constructive principles for coherent regional collaboration will be induced. If successfully revealed, these evidence-based principles might eventually contribute to an improved collaborative practice within regions in the Netherlands and enhance their competitiveness.

### **1.4.2 The book**

This introduction is followed by five additional chapters that form the core of the research. Chapter 2 provides the theoretical framework on which the study into strategic capacity of competing regions is based. It highlights the core characteristics of strategic planning in general and those of the competing regions in particular. It defines the terminology that will be used along the research and provides the conceptual model within which regional strategic capacity will be understood and assessed. In this chapter, the consequent challenges for regional governance will be further theoretically elaborated with ample reference to the scientific literature concerning the influence of power and power relations between actors on regional collective action. Based on the reviewed literature, the research aim, research questions and related hypotheses will be formulated along this chapter. The chapter will end with an account of the research design and the methods used to provide the answers to the formulated questions. The following three chapters (3-5) present three different cases of RCAs aiming to improve their competitiveness through cooperation. Each chapter describes and analyses a complete case. It observes regional strategic output, assesses demonstrated strategic capacity and analyses the dynamics within the produced collective action. At the end of each case the findings are summed up, and the formulated hypotheses are reexamined. The last chapter (6) integrates the findings of all three cases and detects both repetitive patterns as well as differentiating aspects that explain the observed variation in the strategic capacity of the three regions. The comparison between the three cases provides the conclusions to the overall research questions and hypotheses. This chapter ends with general conclusions regarding supportive conditions and promising principles that would improve strategic capacity of regional collaboration.

Figure 1.2: The book structure

