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# Good Governance in European Metropolitan Regions

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# 1. Introduction: Good Governance in Metropolitan Regions

## Locomotives for European development

All over Europe Metropolitan Regions are the centres of economic, political and cultural life. They are places for the mobilisation, concentration and canalisation of creativity. This creative energy results in technical and cultural innovations, new businesses and services, as well as in the change of societal values and standards. For that reason Metropolitan Regions gain increasing importance as locomotives for an economically successful development of Europe – for the European Union and its member states as well as for the further states of the Council of Europe. A key factor for the success of a Metropolitan Region is Good Metropolitan Governance. This report describes its main characteristics and gives recommendations on how to foster Good Governance in the Council of Europe's Metropolitan Regions.

## Centres of political and economical management

Metropolitan Regions are centres of political and economical management; they are characterised by a highly developed infrastructure and a high concentration of specialised services. A Metropolitan Region is defined by at least 50,000 inhabitants in its core city and 500,000 inhabitants in the entire region. (BBR 2005, DATAR 2004) According to their internal structure Metropolitan Regions can be characterised as monocentric or polycentric regions. (Blotevogel 2005b) Monocentric Metropolitan Regions are dominated by a single core city, polycentric regions have developed out of a group of urban centres. In the political and administrative sense the term Metropolitan Region is understood as a more or less institutionalised space for cooperation of local and regional – public as well as private – stakeholders.

## Globalised economy as external challenge

In a globalised economy physical distances and territories lose their importance while flows of people, goods, capital, services, ideas and information as well as rela-

tionships of organisation and interaction become more important. Metropolitan regions constitute the “knots in the global net”, where the interlinkages of the network economies meet. Economic and political management concentrate in Metropolitan Regions; cultural as well as most product and process innovations find their starting point here. Metropolitan Governance has to meet these external challenges of the globalised economy. (Castells 2001, Tylor 2001)

## Structural transformations as challenges

Metropolitan Regions face serious structural transformations, both economically, for example, in the transition from the production of goods to a service-based economy, and politically, as Metropolitan Region have to cope with the changes in political structures with the state partly losing its national sovereignty by transferring important tasks to a supranational level and to a regional level. These are additional reasons why large agglomerations respectively Metropolitan Regions have been given special attention in research and politics since the 1990s. (Blotevogel 2005a, OECD 2001, Sassen 1991)

## Internal tasks for Metropolitan Regions

Since the early 20th century city-regions had to face various internal challenges of urbanization, like population growth and land use conflicts, shortage of open space, traffic and environmental problems. The challenges to solve these problems have become a special issue for Metropolitan Regions because they are important preconditions for their metropolitan functions and influence their performance and quality of life. Economic competitiveness and liveability are the two sides of the coin. In fact, the ability to meet the challenge of ensuring quality of life influences the positioning of the Metropolitan Region on an international level. (Rusk 1993, 1999; Downs 1999)



### **Good Metropolitan Governance**

To construct a suitable organization for Metropolitan Regions in order to meet these challenges means to find a Good Metropolitan Governance. It should be characterized by the following main elements: the competencies, the actors, the institutionalization, the funding, the instruments and the Metropolitan Regions radius of action. One of the key questions of Metropolitan Governance is the cooperation of the central city or cities with

their surrounding area. Joint strategic planning and regional policy, as well as an integration of private partners are necessary for modern metropolitan development. – However, the specific organization of each Metropolitan Region also depends on the circumstances and conditions that are characteristic of each state. The report describes which different variables of Good Metropolitan Governance are to be considered.

## **2. Characteristics of Good Metropolitan Governance**

### **Good Metropolitan Governance**

Good Governance envelops all forms of coordination and regulation within Metropolitan Regions that contribute to more efficiency of the political and administrative system and increase the liveability of the region. Good Governance concentrates on the collaboration of institutions, structures of interaction and cooperation processes. Governance can be defined as the entirety of all existing forms of collaborative regulation of regional topics. (Mayntz 2004, Benz 2005, Kooimann 2003) This includes institutionalized self-regulation processes and different forms of cooperation between public and private actors as well as mandatory regulations of public bodies. While government refers to the dominance of state power organized through formal and hierarchical public sector agencies, governance refers to the emergence of overlapping and complex relationships involving new actors outside of the political arena. Metropolitan Governance is characterized by the following elements:

#### **Self-regulation**

Metropolitan Governance means self-regulation in Metropolitan Regions characterized by collaboration forms and processes involving public, economic and civic stakeholders. This includes hierarchical regulation as well as cooperation, networks and market-based relations.

It gives special attention to networks and trust-based communication, which are established within existing institutional frameworks and which provide the basis for Governance. The state provides incentives for private stakeholders for self-regulation while reducing or broadening its own role to the position of emitter and moderator or taking part in the collaboration process as an equal partner. (Fürst, Knieling 2005; Pütz 2004)

#### **Partnership of stakeholders**

With the partnership of public, civic and economic stakeholders in urban and regional development new modes of regulation and actor-constellations be created in response to the problems to be solved. Instead of the traditional vertical structure of hierarchies Metropolitan Governance is characterized by vertical and horizontal partnership, equality of the stakeholders and the voluntary nature of the cooperation. The actors involved have the opportunity to join and to leave the collaboration process and organization. Informal structures of consensus-building to prepare decision-making are preferred instead of a binding institutionalization. Metropolitan Governance contains the mobilization and collaboration of stakeholders who are not integrated by regulation or constraints of formal organizations. (Mayntz 2004, Healey 1997)

## Networks

Metropolitan regions are embedded in inner-regional as well as in external networks, structures and flows of goods, capital and people. Governance structures are mostly based on partnership and cooperation of already existing organizations. Durability and stability of governance can be ensured by institutional structures which regulate – by institutional rules – the form and organization of cooperation as well as its principles. (Fürst, Schubert 1998)

## Variable geometry

The range of a Metropolitan Region depends on the relations between the core city and the surrounding region as well as on its strategic orientation. Because of the close interrelation between core cities and suburbia it may be advisable to restrict its geographical extension to the functional connected area. On the international level, a Metropolitan Region is recognized by its size and number of inhabitants so that a larger area could be valuable even if there may only be loose relations. A compromise is offered by a variable geometry which means that there is an institutionalized organization that is flexible enough to integrate outside partners if it becomes necessary for thematic or strategic reasons. (Herschel, Newman 2002; Nicolls 2005)

## Strategic orientation of governance

Intentionally governance structures are mostly established for a long-term perspective of regional coordination. But this does not exclude the creation of time-restricted arrangements, such as for the implementation of a specific project (waterfront development, festival like Olympic Games etc.). The objective of governance is to coordinate and manage regional development issues by harmonizing short-term acting of individual stakeholders with long-term planning by means of common visions and objectives. Therefore governance can be characterized as the connection of "vision" and "project". (Fürst, Knieling 2005; Schuppert 2005)

## Phases of Governance

Governance structures are characterized by dynamic processes. They are not static. The governance process can be segmented into the following phases: development of a new subject; adoption of the subject and handling within political institutions; implementation of the results and conflict solution. These governance phases do not proceed in a linear process but occur simultaneously.

## Modes of coordination

Metropolitan governance can apply different modes and instruments of coordination. These modes contain regulative, financial, organizational, communicative and market-oriented instruments. (see chapter 4)

## Components of a specific regional governance mode

According the mentioned characteristics the governance mode of a specific Metropolitan Region is an expression of the following components:

- » requirements and tasks of regional coordination: regional development challenges and external framework conditions (international development trends)
- » institutional components of the national and regional political-administrative structure and its planning culture
- » specific regional development paths and endogenous dynamics
- » regional stakeholders, their orientations, interests and actions (values, objectives, procedures, power)
- » modes of coordination (forms of organization and instruments)

These components provide an orientation and structure for analyzing existing forms and variations of governance in European Metropolitan Regions. The following chapters are geared to these components. Therefore the next chapter is focused on requirements of regional coordination, followed by descriptions of institutional components, regional development paths and regional stakeholders. Finally the study concentrates on modes of coordination and principles of Good Metropolitan Governance.

# 3. Requirements for Good Metropolitan Governance

## Requirements referring to Development Trends

### Regional dispersion as challenge

In recent years in Metropolitan Regions the interdependencies between the core city or cities and the suburbs have been increasing. As a result there are new requirements for regional coordination and regulation. Although the development of new information and communication technologies leads to spatial agglomeration of economic activity in the Metropolitan Regions, new forms of dispersion can be found within these urban areas. In conjunction with the regionalization of activities the range of private households and businesses becomes larger and cultural, social, as well as economic interdependencies between communities intensify. A division of work follows and disputes between neighbouring communities occur. Consequently the need for inter-municipal coordination increases. (Soja 1995; Short 1996; Fürst, Knieling 1995)

### Issues for inner-regional coordination

Main issues that need an inner-regional coordination are spatial planning and land use, transportation, housing and urban renewal, commercial development, retail, leisure and recreation, social and cultural infrastructure, education and skills, open space and environment, as well as water supply and waste management. (Knieling, Matern 2005)

### Regional division of labour

Intimately connected with these functional interdependencies is the question how the mismatch between functional necessity and metropolitan administrative structures can be solved. Local and inter-municipal tasks often cannot be accomplished effectively and efficiently on the local level. Shortages of resources require a better inner regional division of labour for the appropriation of infrastructure and services and for the maintenance

of facilities. District reform and incorporation of suburbs describe possible answers but they often face fierce (political) opposition in the affected municipalities. Experimental arrangements, that give local authorities more flexibility to cooperate in selected fields or to delegate tasks to the metropolitan level, could offer additional perspectives. (Soja 1995, Short, Kim 1999)

### Metropolitan foreign policy

Besides these relevant intra-regional issues in the context of globalization new tasks of governance in Metropolitan Regions arise. Of particular importance is the increasing economic competition on a global scale. Within this framework locations compete for inhabitants (especially high potential inhabitants), employment, capital flow and knowledge. On a global scale not the local level but the Metropolitan Region is expected to be the actor. Hence, there is an obligation for Metropolitan Regions to handle effects of globalisation within the scope of their responsibilities. This obligation requests a high level of regional coordination in order to act and speak in a joint manner and has to become one field of Metropolitan Governance. It includes measures to strengthen external perception, marketing, image and identity building as well as integration of international networking. (OECD 2001, Sassen 1991)

## Requirements referring to Governing Objectives

### Suitable institutional setting

On the background of these requirements a main task for public policy in Metropolitan Regions is to develop a corresponding institutional setting. The objectives of a Good Metropolitan Governance are the following:

- » creating forms of integration and coherence to coordinate the fragmented and inconsistent local authorities,



- » establishing effective coordination of interdependent forces within and beyond the state level and
- » creating horizontal and vertical cooperation or coordination between various levels of government as well as between governmental and non-governmental organizations and in the view of warranting a holistic management of responsibilities relative to the regional level of government.

### Criteria for Good Governance

Referring to these objectives the normative concept of good governance aims at values of legitimacy and efficiency, e.g. by reducing inefficient public spending, investing in education and health as well as fostering transparency and accountability in public affairs. Criteria for the evaluation of governance structures and processes are the following principles:

- » Transparency: Institutions and main stakeholder of the governance process should work in an open way and explain how decisions are made. Openness will help to strengthen the trust of other regional stakeholder in the institution and the coordination process.
- » Participation: Regional stakeholder should become involved in the policy making process as equal partners from the conception phase to the implementation (principle of equality). With this involvement the confidence in the results of policy making as well as the trust in the organizations can be strengthened,
- » Accountability: The division of tasks, responsibilities and power in the case of conception, decision making and implementation between and within different institutions has to be clear. Clarification is also needed to define the level of responsibility in Metropolitan Regions (local or regional). The implementation of tasks and the accountability towards stakeholders in the region should be assigned according to the principle of subsidiarity as close as possible to the citizen.
- » Effectiveness and Efficiency: Decisions in urban politics and Metropolitan Governance have to be timely and should be well-founded on clear objectives, estimation of intended and unintended impacts. Effectiveness depends on the relation between objectives and policies as well as on which level the decisions have been made and which organizational form of implementation has been used.
- » Coherence: Policies and actions have to be coherent and easy to comprehend. With regard to the growing number of tasks which have to be solved in Metropolitan Regions the necessity of coherence of different strategies arises. To ensure coherence of sectoral and regional policies a range of essential stakeholders and institutions has to be involved in coordination processes. Nevertheless the principle of democracy demands transparency and accountability even applicable within coherence securing procedures.
- » Sustainability: The central objective of governance activities should be a sustainable metropolitan development. Sustainability refers to the challenge of urban and regional policies to balance social, economic and environmental issues and needs for present and future generations.

## 4. Planning Cultures as Constituents of Metropolitan Governance

### Diversity of European planning cultures

While there is consistency in the recognition of the need of cooperation in metropolitan areas Europe is divided into a diversity of different administrative and political arrangements. Differences within European states include historical and cultural paths, geographical and land use patterns, the constitutional, administrative and legal framework, levels of urban and economic development as well as political and ideological concepts and linkages between these factors. When constructing a suitable Good Governance for a specific Metropolitan Region these differences have to be considered. (CEC 2001)

### Classification:

Planning culture and systems in Europe can be classified in different ways. They should take into account institutional and legal aspects as well as operational approaches. Typical forms of differentiation are for instance the governmental systems (unitarian vs. federal), the typology of the state structure (centralized vs. regionalized or federal), spheres of action (constitutional, institutional and operational levels); legal systems (e.g. Anglo-Saxon, Germanic, Roman and Socialist) or traditions in spatial planning (see fig. 1).

### Impact on Metropolitan Governance

Like the socio-economic situation planning traditions have an impact on the governance structure of different Metropolitan Regions. They provide the framework for key issues planning has to deal with; they also frame the way and intensity of public participation processes or they open opportunities for (new) forms of co-operation.

### Influences of globalisation

However, these spatial planning traditions and cultures underlie a transition caused by processes of globalization and Europeanization as well as technological and societal change. In the old member states of the Euro-

pean Union a convergence towards the integrated planning approach and to a regional economic approach can be recognized. In the Eastern transition states there is a trend to break with the old regimes, structures and the communist past. But because these new planning systems have not matured yet they are difficult to classify. By establishing new spatial planning systems the European influences (e.g. in form of the White Paper for Governance) have become relevant in the transition states. (University of Valencia 2005)

### Neo-liberal shift in planning culture

The framework conditions of globalization lead to a shift in planning culture that affects nearly all countries and favours a neo-liberal approach. Great Britain started the trend of neo-liberalism with reforms like privatization and deregulation or internal markets for public administration in the 1980s. This policy shift has influenced public spending and fundamentally changed public life as well as private-public relations on the regional and the local level. The neo-liberal paradigm reduces the influence of state (planning) traditions, obliterates boundaries between different European countries, their spatial planning and government styles and leads to an operating system on a sub-national level. All over Europe it can be recognized that these approaches influence the regional and local political and administrative systems. (University of Valencia 2005)

### Place-Making

In this transformation process places, their identity and their specific milieu gain increasing importance. Metropolitan Regions increasingly depend on their own competitiveness, social and economic conditions, physical environment and their capability of being successful in restructuring their political and policy-making systems and of communicating these successes ("place making", "metropolitan marketing"). (Healey 2000)

Planning culture/ approach	Characteristics	Examples
Regional economic planning approach	<p>Spatial planning has a very broad meaning related to social and economic objectives, especially economic disparities, employment and regional living standards.</p> <p>Where this planning approach is dominant, central government plays an important role in managing development processes across the country and in undertaking public sector investment.</p>	France, Latvia, Lithuania, Portugal
Comprehensive integrated approach	<p>Spatial planning is conducted through a systematic and formal hierarchy of plans from national to local level, which actively coordinates the public sector. It focuses more on spatial coordination than economic development. This tradition is necessarily associated with mature systems. It requires responsive and sophisticated planning institutions and mechanisms and considerable political commitment to the planning process. Countries following this tradition place considerable reliance on the rational planning approach and public investment.</p> <p>There are two subcategories within this approach. On the one hand local authorities play a dominant role, albeit sharing responsibility with the central government. On the other hand a similar systematic structure can be found in federal systems where the 'regional governments' play an important role.</p>	Austria, Bulgaria, Czech Republic, Germany, Poland, Romania, Scandinavian countries, Slovakia, Switzerland
Land use management	<p>Planning is closely associated with controlling the use of land on the strategic and local level. Regulations are vigorously and effectively pursued with the objective to ensure that development and growth are sustainable. Local authorities are in charge for most of the planning tasks, but the central administration keeps part of the power, either by supervising the system or by setting central policy objectives.</p>	Belgium, Estonia, Great Britain, Ireland, Malta
Urbanism	<p>Spatial planning has a strong architectural concern that implies urban design, townscape and building control. This has been a significant characteristic of the Mediterranean member states. In these cases regulation is done by rigid zoning and codes. There is a multiplicity of laws and regulations but the systems have not been well established yet and have not reached great political priority or general public support.</p>	Cyprus, Greece, Italy, Spain

Fig. 1: Classification of European spatial planning approaches (own illustration)

## 5. Regional Stakeholders and the Liveability of Regions

### Regional milieu

In this context “territory matters” more than before and interest in the quality of places (regional to neighbourhood level) increases. Metropolitan Regions no longer are seen only as places for productive capacity. They have become the central intersection within the process of societal and economic development where economic, social and political networks and communication channels meet. In this conception Metropolitan Regions create intermediary locations of specific historical, cultural, socio-economic and environmental structures, which are integrated in macroeconomic development frameworks. They develop a specific regional milieu which is influenced by traditions, experiences and resources and is characterized by the interrelation of endogenous potentials, perceptions of development challenges, treaties and common values of regional stakeholders. The success of Metropolitan Regions depends largely upon skills, qualification and increasing international experiences of regional stakeholders as well as the learning attitude and the ability of self-reflection of the regional milieu. (Heinelt, Kübler 2005; Healey 2000)

### Impacts on regional development

Regional milieus can foster or prohibit regional development and progress of Metropolitan Regions. On the one hand, milieus foster mutual trust and understanding, adjust problem-perceptions, objectives and strategies for coping with the challenges of development and create regional learning-processes. On the other hand, encrustation of structures and lock-in effects of regional milieus can lead to deficits in problem-perception and in the estimation of development challenges, support inefficient development, and slow down innovation and progress of regional development. Therefore the right mixture of openness and closeness in regional networks and milieu is necessary to meet the needs of flexibility in an uncertain environment, which is characteristic of Metropolitan Regions “in global times”. (Krätke, Heeg, Stein 1997; Rhodes 1997)

### Shaping of regional milieus

Regionalization processes are the background for establishing a regional milieu. They are affected by regional configurations as well as by the stakeholders. On the actors' side, regionalization processes are the result of intended actions of regional stakeholders as well as emergent and unintended processes. Since every stakeholder activity contributes to regionalization processes, not only sectoral experts or spatial planners should be included in the definition of strategies and objectives of metropolitan development. Private actors and institutions that have a “stake” and interest in the region – and often a strategy to address this stake – should indeed be integrated into this process. Stakeholders on the metropolitan level are administrative bodies, political and business elites, public and private bodies, environmental and transportation authorities as well as civic interest groups and non-governmental organisations. (Healey 1997)

### Expert and practitioners knowledge

Accordingly, public policies, public governmental structures and the strategic planning processes should offer a forum to integrate and negotiate competing interests. In the course of these processes expert knowledge and experiences of practical operation can be integrated. This knowledge helps to develop an understanding of regional trends and emergent evolutionary dynamics and helps to generate new ideas, concepts and strategies. Moreover, a common understanding of development challenges, objectives and relevant strategies can be fostered and conflicting interests can be negotiated at an early stage. Consequently, higher acceptance for planning objectives and projects, advanced implementation and – as a result – more efficient planning, coordination and management of regional development issues can be obtained. (Healey 2000)

## Forms of partnership

For integrating additional private actors the governance model offers a wide range of partnerships which complements existing management structures within the Metropolitan Region (see fig. 2):

- » Public-public-partnership: With regard to the public sector partnerships between public actors on different levels have to be established (multi-level-governance). Another form of cooperation between public stakeholders is a horizontal cooperation on the regional level, where representatives of different municipalities collaborate.
- » Public-economic-partnership: In addition to public partnerships forms of cooperation between public bodies and private companies gain growing importance – especially on the background of increasing privatisation of infrastructure and development activities. Therefore key stakeholders of political and business elites get together to articulate and promote strategic metropolitan visions.
- » Public-civic-partnership: Citizens are concerned with the liveability of their place. They offer a huge potential to foster internal metropolitan development. Key stakeholders of the civic society are, for example, interest groups and associations, but also the inhabitants of specific districts or communities. From the metropolitan point of view special emphasis has to be placed on integrating these activities and potentials, which are more or less locally oriented, into a regional strategy. The integration of civic commitment can be achieved by either instruments like public participation that have been tried and tested in urban planning, for example, or by various forms of civic self-involvement which have come up in recent years.
- » Economic-civic-partnership: Nowadays, businesses have explored partnerships with the civic society, which have become known as corporate citizenship. They provide financial and personnel aid and can contribute to the metropolitan development (e.g. joint projects, employees work some hours in non-profit organisations). Areas of interest are particularly social, ecological or cultural issues, which go beyond usual business operations.

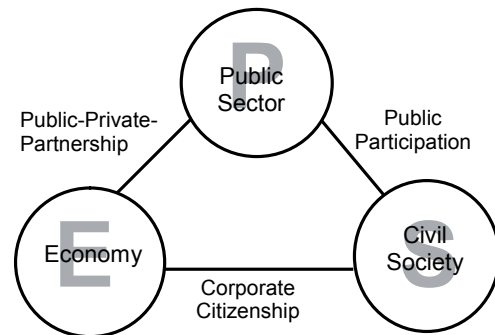


Fig. 2: Triangle of actors and partnerships in Metropolitan Governance (source: Bieker et. al. 2004)

## Need for coordination

Metropolitan strategic planning and management are multi-actor and multi-level tasks. Within the process of coordination new actor constellations, partnerships and coalitions are created, divergent interests have to be negotiated, and networking among the stakeholders becomes increasingly important. The growing fragmentation of networks and forms of cooperation complicates metropolitan coordination and enhances the need for coordination and intelligent process management. (Herschel, Newman 2002; Heinelt, Kübler 2005)



## 6. Modes of Metropolitan Coordination

### Issues of Metropolitan Governance

The organization of a Metropolitan Region depends on the issues it has to manage. In practice the regional tasks can be integrated in one of the following fields:

- » Regional economic and labour market development
- » Childcare, general and professional education, universities and research
- » Metropolitan marketing (internal and external)
- » Spatial planning and unique strategic perspectives in regional planning
- » Sustainable development and protection of natural resources and open space
- » Transportation planning
- » Water supply and waste management
- » Management of social infrastructure
- » Recreation, culture and sport facilities of regional importance
- » Participation in national, European or international affairs with regional dimension (example: EU Structural funds, Agenda 21)

While economic development, science and research and metropolitan marketing mainly contribute to the needs of the globalisation processes, most of the other fields have a more internal orientation. Their task is to harmonise the interests of the core city or cities with those of the surrounding communities in order to reach a high level of liveability.

### Organizational Structures of Governance

#### Forms of metropolitan organisation

With regard to the regional tasks there is a variety of organizational forms of Metropolitan Governance. Existing forms of effective governance range from authorities with comprehensive statutory powers

(regional entities) through regional authorities with selected power to voluntary cooperation (regional conferences or networks). These organizational forms of cooperation can be distinguished with regard to the actors involved, the thematic competencies, the legal form or the instance of decision-making (see fig. 3). Each form implies specific advantages and disadvantages. (Schupert 2005)

#### Hard forms of cooperation

"Hard" forms of regional cooperation describe institutional solutions, which concentrate on public-public-cooperation and provide the integration of jurisdictions in a new institutionalized regional structure. The following forms of cooperation can be distinguished:

- » Public entities on the regional level: With the establishment of regional jurisdictions local and national tasks are released to the metropolitan level. Therefore they do not denote cooperation per se, but they are the most formalised model of organisation on the regional level with elected authorities and comprehensive power. Regional authorities generate high transactions costs and therefore require particular preconditions within the region. They are effective in integrated strategic planning and in the implementation of metropolitan objectives and projects.
- » Regional authorities: Regional authorities may be established where one or more key metropolitan issues need a regional coordination and implementation. They are inserted for a more effective embodiment of local tasks, for example in spatial planning, supply of water and waste management, public transport as well as in social infrastructure. Special authorities focusing on one task represent a typical and common form of regional cooperation.

## Hard forms of cooperation

<b>Organisation:</b>	regional entity	regional authority
<b>Actors involves:</b>	public	public
<b>Legal form:</b>	regulated by public law	regulated by public law
<b>Steering body:</b>	regional parliament	Assembly of the association
<b>Competencies:</b>	legally defined tasks (multi-Thematic)	legally defined tasks (mono- or multi-Thematic)
<b>Examples:</b>	Scottish Regional Council (until 1996); Greater Prague; Region Marseille, Region Nice; Region Hannover; Comunidad de Madrid	Verband Region Stuttgart; Helsinki Metropolitan Area Council; Greater London Authority; Area Metropolitana de Lisboa Area

## Soft forms of cooperation

<b>Organisation:</b>	regional conference	regional network
<b>Actors involves:</b>	public-economic and civic	public-economic and civic
<b>Legal form:</b>	private law or contract (self-commitment)	no formal basis
<b>Steering body:</b>	steering committee	no formal body
<b>Competencies:</b>	issues defined in the cooperation process (mono- or multi-thematic)	defined projects or thematic fields
<b>Examples:</b>	Öresund Committee (Copenhagen/ Malmö), Glasgow and the Clyde Valley Structure, Plan Joint Committee, Metropolregion Hamburg	Metropolitan Region Wien-Bratislava, Greater Zurich Area, Metropolitan Region Milan

Fig. 3: Forms of regional organization (own illustration)

## Soft forms of cooperation

Alternatively there are forms of cooperation that are not regulated by public law and have no legally binding effect. They are based on trust that arises from the commitments of the actors concerned. These forms include a high diversity in the issues and forms of organisation. One can distinguish between monothematic and integrative orientation or between noncommittal and private law cooperation.

» Regional conferences, regional development agencies, round tables etc. are forms of regional negotiation that involve public, economic and civic stakeholders

in a process of problem-definition, strategy-exploration, decision-making and implementation. They can be mono-thematic (one issue) or integrative and can coordinate different interests and networks. They are flexible forms of organization and reach from informal coordination without any legal regulation to contracts and organizational structures of private law (e.g. to ensure financing and operating personal resources).

» Regional networks are flexible and communicative forms of negotiation and cooperation, which are characterized by soft ties and horizontal non-hierarchic structures. Networks are based on trust, partnership and self-commitment, there are no legally binding structures or decisions that stabilize the cooperation.

### **Improvements of informal cooperation**

During the last decades informal, soft forms of organization have undergone considerable improvement. On the one hand, regional development has become an important issue and informal cooperation as a starting point can contribute to involving different stakeholder. On the other hand, casually organised cooperation is easier to be initialized because actors often try to avoid any institutionalized commitment.

### **Coexistence of formal and informal cooperation**

Following a boom of establishing soft and flexible forms of metropolitan cooperation, the relationship between formal and informal instruments is nowadays characterized by coexistence. That means that the new coordination modes of negotiation, interaction and market instruments in Metropolitan Governance are embedded in traditional hierarchical structures and all together create a specific mix of Metropolitan Governance. Each governance mix is influenced by the specific planning culture of a state and region (see chapter 4). According to the principle of proportionality the encroachment into the scope of competencies of the jurisdictions on all levels of government through coordinating structures demands as far as possible soft forms of cooperation. But if and in so far as the objectives of the proposed action cannot be sufficiently achieved by soft forms of cooperation the legal statutes of Metropolitan Regions should offer the possibilities to refer to harder forms of cooperation. (Herrschel, Newman 2002; Salet et. al. 2003)

## **Instruments of Metropolitan Governance**

### **Classification of instruments**

Metropolitan Governance is equipped with a wide range of modes and instruments to coordinate metropolitan development. They can be categorized according to the following classification: (see Bischoff, Selle, Sinning 2005)

### **Regulative instruments**

They describe all the formal objectives, methods, assessments and procedures which can be found in regulations, concepts, programs and plans. They are usually defined by public legislation or contracts. Regulative instruments have recently lost influence for development processes, but still have a high importance as supportive measures in negotiation (as “shadow of the hierarchy”). The regulation modes are mostly embedded in institutional structures and allow decision-making by elected representatives in case of conflicts.

### **Communication**

Interactive and participatory processes play an important role in Metropolitan Governance. Inter-organizational cooperation develops in most cases from personal knowledge which emphasizes the importance of informal instruments. These inclusive forms of coordination replace traditional top-down, rule-driven systems. They foster communication and negotiation between different values, interests and strategies. They encourage consensus building and the adoption of common aims and objectives. In practice there is a great number of different communicative and participatory instruments. Communicative instruments (like regional conferences, city-region conferences, regional and intergovernmental workshops etc.) comprise the range of information, participation and cooperation and simplify the cooperation between all actors involved as well as the development of horizontal processes of self-organization.

### **Financial incentives**

Processes of cooperation and horizontal self-organization can be supported by financial or other incentives. Competitions that offer material or immaterial incentives, as well as financial funding of joint procedures supports, or the expectation of financial funding motivate the actors to work together. This motivational stimulation can be created by public authorities, foundations, enterprises or other private actors.

### **Market participation**

Public authorities actively participate in market processes, e.g. as investor in real estate. Through

market participation public authorities win possibilities to influence private actions. The growing number of public-private-partnerships emphasizes this development.

### **Organisation development**

The formal and informal organization has an important impact on processes of horizontal self-organization in Metropolitan Regions. There has to be a division in the development of an organizational structure within an organization (intra-organizational) and the development of an organizational structure between existing organizations (inter-organizational; see above).

## **7. Demands for Good Governance in European Metropolitan Regions**

### **Necessity for individual metropolitan solutions**

Considering the large variety of Metropolitan Regions in Europe, it is not possible to give overall recommendations for the right governance structure. For establishing good governance within Metropolitan Regions a one-by-one transfer of objectives, concepts and policy tools does not seem to be a successful approach. There is a demand for careful assessment of the individual dynamics, the historical development path and other specific conditions of each region. However, some general recommendations for establishing Good Metropolitan Governance in Europe can be culled from existing good practices of Metropolitan Governance and from the principles of good governance.

### **Demands concerning the Metropolitan Competencies**

#### **Form follows function**

The key issue of Metropolitan Governance is to establish effective structures and procedures to fulfil important

tasks and responsibilities which arise in Metropolitan Regions. Economic, social, environmental, housing and retail development as well as transportation are central tasks on the metropolitan level. According to the principle that "form follows function" it is necessary to analyse which problems and challenges of metropolitan development exist and which administrative level might be appropriate for problem-solving. Subsequent clarification is required to determine what kind of stakeholders needs to become involved and what kind of organization structure could be most effective to ensure an effective and efficient application of resources. (Fürst, Knieling 2005)

### **Strategic Metropolitan Governance**

Irrespective of the chosen model of Metropolitan Governance the organization should have the competence of fostering a sustainable development and of protecting sensitive resources, considering long-term perspectives in debates about the future and decision-making processes as well as enabling and safeguarding the implementation of chosen strategies and development options. Therefore Metropolitan Governance needs a

convincing and meaningful vision and strategy which identifies long-term objectives and priorities for the Metropolitan Region. (Benz 2001)

### **Flexibility and organizational dynamic**

Flexible organizations, procedures and governance modes are crucial to solve regional challenges and to meet the requirements of recent and future tasks and problems. The organization of Metropolitan Regions often requires to overcome the fragmentation of networks and cooperation forms and the centralized and sectoral approaches of government. Therefore problem-oriented types of organization and processes as well as a metropolitan steering unit are essential. Consequently and with regard to the high complexity of interdependencies and involved parties complex organizational structures in variable constellations as well as a mix of governance instruments become important. These demands should be integrated into the further development of the European Council's Charta of Local Autonomy. (Knieling, Matern 2005)

## **Demands for Governance Capabilities**

### **Organisational capacity**

Metropolitan Regions need to balance their regional development and meet requirements of regional tasks and responsibilities. These tasks include policy analysis and preparation of strategic scenarios and visions for the Metropolitan Region. Therefore it is important that an authority or agency exists that has the capability to plan, monitor, review and safeguard the implementation of the common vision and strategies. Preconditions for this agency are professional resources, availability of information and data to an agreed standard as well as access to national sources like surveys, census, projections and forecasts. (Salet et al. 2003)

### **(International) networking**

Besides being responsible for internal coordination and for their performance within global competition Metropolitan Regions are supposed to foster the dissemination of good practices of Metropolitan Governance as

well as to be member of international organizations that deal with metropolitan issues. They should also encourage the dialogue with public and private actors. (Healey 2000)

### **Evaluation and reflection**

Institutions and organizations of Metropolitan Governance need to reflect and to evaluate their organizational structure. Criteria for evaluation of Metropolitan Governance should focus on coherence of policies and joint actions to long-term objectives, the efficiency of decision-making and implementation processes as well as the principles of good governance.

### **Funding**

Regional stakeholders as well as regional and local government bodies and the central government have to contribute to the financing of Metropolitan Regions activities through appropriate funding.

## **Demands concerning the Governance Process**

### **Legal framework**

Hierarchical regulation as well as legal frames are supposed to be reduced to a minimum but should be strong enough to ensure certainty of planning for private investment. For a clear and transparent integration of expert knowledge guidelines need to be formulated to show how this knowledge will be obtained and used within the decision-making-process. (Schuppert 2005)

### **Integration of economic and civic stakeholders**

Key stakeholders of the Metropolitan Regions should be encouraged to establish efficient governance structures and networks through consultation and dialogue in order to develop solutions for recent challenges. On the regional level appropriate partners should be identified that have the capability to cooperate. With regard to the shortage of public finances it should be evaluated which tasks and responsibilities can be delegated from the public sector to private networks. (Frey 2003)



### **Legitimacy of Metropolitan Governance**

In whichever way policies of Metropolitan Regions are conceptualized and organized, the processes of coordination and decision-making have to be open and comprehensive. Cooperation between public, civic and economic stakeholders needs to exceed ordinary information, legally binding hearings and elections. Private actors and their experiences should be involved in the decision-making and prioritizing processes as well as in long-term planning. (Einig et al. 2003)

### **Transparency**

A powerful force for effective Metropolitan Governance and implementation of development strategies is a reasoned justification. A high degree of transparency to

the general public and regional stakeholders during the planning process, monitoring and review stages can strengthen the key stakeholders' and the general public's identification with the objectives and strategies, foster understanding and continuing support for it. (Köoiman, Frey 2003)

## **8. Recommendations**

### **Incentives for Good Metropolitan Governance**

The establishment of Good Metropolitan Governance contributes to a sustainable, more efficient and democratic development in Metropolitan Regions. Hence, the Council of Europe welcomes the self-organizing processes within Metropolitan Regions to develop good governance. The Council and its member states can encourage these developments through different incentives and framework regulations (e.g. the integration of specific demands of Metropolitan Governance into the Charta of Local Autonomy).

### **National legislation**

The member states can support Metropolitan Governance processes by offering a legislative framework for self-organization processes, e.g. in spatial planning law or in legislation that fosters inter-communal cooperation.

### **Monitoring Metropolitan Governance**

The processes in the European regions towards Good Metropolitan Governance ought to be accompanied by a supranational monitoring system. On the basis of qua-

lity criteria with regard to the good governance principles it opens the ability to give external feedback on how far the objectives already have been fulfilled. Examples of good practice could be presented on the European level to motivate exchange and transfer. The monitoring should be organised in a decentralised form as a Good Governance Survey that allows the Metropolitan Regions to adapt it to their specific situation and needs.

### **European Award for Good Metropolitan Governance**

Regional governance processes can be encouraged by a Europe-wide contest on best practice and material or immaterial incentives, e.g. an European Award on Good Metropolitan Governance. While incentives support stakeholders to initiate governance, a contest encourages stakeholders of existing governance forms to evaluate and reflect their objectives, strategies and organization. A contest allows the Council of Europe to spread its quality criteria all over Europe. Particularly in the Eastern European transition states such a platform could strengthen and encourage democratic forces. Furthermore the award would result in additional public attention for the European Council.

### **Annual conference about Metropolitan Governance for quality improvement**

In a similar way the achievement of Good Metropolitan Governance can be supported by an organised exchange of experiences on the European level, e.g. in an annual conference about Metropolitan Governance. The main focus of the conferences could be aspects of internal democracy within Metropolitan Governance processes (issues of participation and transparency). The conferences would include scientists as well as practitioners from various European Metropolitan Regions. They could contribute to a European network on Good Metropolitan Governance and gain political and public attention.

### **Joint activities**

When implementing the recommendations it should be considered that some activities and institutions have already been contributing to good governance in European Metropolitan Regions. In particular a cooperation and joint measures are recommended with the European Commission and with METREX, the network of European Metropolitan Regions.

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## **Good Governance in European Metropolitan Regions**

Economic globalization and transformation processes to service and knowledge based economies seem to foster concentration processes of people and economic activities, of information, knowledge and innovation in metropolitan regions. At the same time these development trends lead to new challenges in urban agglomeration, such as social and ecological problems, as well as an increase of conflicting interests.

Although economic and societal activities are not restricted by administrative boundaries, organisational and management structures have to be adapted on the metropolitan level. The concept of good governance serves as a guideline. This concept is based on multi-actor and multi-level cooperation of public stakeholders from different sectors and private stakeholders from the business sector and the civic society.

The paper describes requirements and criteria of good governance for metropolitan regions and underlines the importance of different planning cultures for regional cooperation models. On the basis of issues, organisational forms and instruments the paper formulates demands for good metropolitan governance in Europe and recommendations for its implementation.

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