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The politics of social inequality in metropolitan areas

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Intro

Metropolitan areas are characterized by varied patterns of metropolitan spatial, socio-economic polarization (Hoffmann-Martinot and Sellers 2005:435-439). This paper will focus on the question how characteristics of systems of regional governance may affect the chances of decisive action to equalize such regional disparities. We will answer this question on the basis of a theoretical analysis, with an application to the case of Dutch local and regional governance.

Regional governance typically takes place in the context of weakly institutionalized arenas and is based on voluntary cooperation between different public authorities and private organisation (Fürst 2004). In densely populated countries like the Netherlands the development of major urban centres and the surrounding municipalities are highly interdependent. The responsibility for the equalisation of regional socio-economic disparities within these arenas does not rest with a single authority, but is shared between multiple actors. Because of the lack of hierarchal power within such cooperation, there is a problem of coordinating the programs and policies within the region. By analyzing the structure of such cooperation it is possible to give some insight in the prospects of effective collective action in such regional arenas.

For looking at cooperation within networks of municipalities we use the AID framework to describe the institutional setting. An important part within this framework is the action arena, which delineates the possibilities and the restrictions for the interactions between actors and can be seen as the structure of the network. External factors such as the environment in which it is situated and the rules and norms in that environment influence the action arena. The actors within a metropolitan governance network make up an important part of the action arena. The actors can be described by their resources, their problem perceptions and their interdependencies.

According to the traditional wisdoms with regard to regional governance, regional policies aimed at redistribution are unlikely to be enacted because of the presence of inter-municipal socio-economic disparities in combination with the weak institutionalization of regional systems of governance.

Some more recent approaches in the realm of theories of network and process management are more optimistic, they imply that by changing either institutional conditions or by making efforts to change actor parameters (e.g the level of uncertainty

and the degree of trust), more positive outcomes can be realized. In our analysis we will explore whether in the context of the Dutch multi-level (local, regional, national) system of governance positively coordinated outcomes (in terms of Scharpf's distinction between positive and negative coordination) are likely to emerge.

Cooperation within metropolitan areas

Before looking at what factors influence cooperation and how the interactions between participants within an urban network are structured and influenced, the level of cooperation is distinguished. The possible forms of cooperation within a metropolitan region vary as the type of problem or situation that is addressed differs. Several issues give an incentive for participants to work together because of scale economies. In the case of redistribution policies there are also possible gains of cooperating but conflict over the distribution is probable. This creates difficulties when coordination must be achieved through negotiated agreement (Scharpf 1997: 111).

We use negative and positive coordination to describe the possible level of cooperation in such settings that can be seen as a scale from no cooperation to positive cooperation. This is a simplification that does not do justice to every possible form of cooperation but distinguishing between these alternatives has practical reasons for our framework that aims to explain cooperation. Negative coordination can be seen as a base level of cooperation while positive cooperation represents a more optimal level.

Negative coordination is a level of cooperation in which the actors interact with each other, but on a minimal level. The actors solely care for their own interests and do not invest in the relationship with the other actors. It is, just as positive coordination, derived from Scharpf's notion of coordination outcomes. Negative coordination has as a requirement that the outcome does not inflict damage to the interest of the parties involved. Scharpf describes this as "Negative coordination among separate decision units which, at best, helps to avoid the negative externalities of one decision area upon another (Scharpf 1986). This outcome describes conservative solutions that take the status quo and construct policies on the basis of that. The actors involved remain for a great deal uncommitted to each other and plan their policies in such a way that they do not conflict with each other. We label this low level of cooperation as negative coordination.

Positive coordination on the other hand has the capacity to create outcomes that are more ambitious than the status quo. Positive coordination has interacting actors that look beyond self interest to the common interest and invest in the relationship with each other. Positive coordination would use synergistic positive externalities in order to optimize the overall policy performance of networks of independent organisations. (Scharpf 1986). The parties give and take on certain matters so that results can be obtained that benefit the network of actors although some individual members may suffer from the outcome. By using package deals or compensation all participants could benefit from the outcome. Positive coordination depends on the willingness of participants to give up local autonomy and think from a more regional perspective. These types of outcomes represent

the gains of cooperating while solving the redistributive conflict by allowing for compensation.

The last level of cooperation is the absence of cooperation in which actors do not interact with each other on a joint or shared policy. Which form of cooperation will develop in a regional setting: none, negative or positive coordination depends on several factors influencing cooperation. In the following section we describe several elements that are beneficial to cooperation and could lead to a positive level of cooperation.

Factors that explain cooperation

Why would actors cooperate in a regional setting? What are the factors that influence the level of cooperation that takes place? In this section we try to answer these questions. We identify the following conditions that facilitate cooperation: interdependence, the availability of resources, compatibility of policy perspectives, interaction and insecurity costs and trust.

Interdependence

A vital element for cooperation to develop is interdependence. The actors within an urban network do not exist in a vacuum but they are a part of a social system with other actors on whom they are dependent. They are dependent because they need each other to gather the necessary amount of resources to fulfil their activities. This is the reason actors interact with each other (Pfeffer and Salancik 1978:2-3; Godfroij 1981; Chisholm 1989; Alexander 1995; Klok 1995) . Interdependence can be seen as the way actors influence each others goal achievement and each others actions (Godfroij 1981: 121). Or as Chisholm puts it: 'each actor (decision-maker) is in such a relation to each other actor that unless he deliberately avoids doing so, he interferes with or contributes to the goal achievement of each other actor, either by direct impact or through a chain of effects that reach any given actor only through effects on others.' (Chisholm 1989: 43).

The amount of interdependence is not static and can be 'discovered, changed, created and abolished' in the course of time as actors interact (Godfroij 1981: 77). Interdependence is an important factor because it bridges the resources and motives of actors with the interactions between actors (Godfroij 1981). These three characteristics of actors, interdependence, motives and resources are important factors in determining whether cooperation is feasible. Motives and resources will be discussed further below. We distinguish three dimensions of interdependence that influence cooperation: The nature, the amount and the type of interdependence.

The first dimension of interdependence is its nature. As mentioned above actors can be interdependent regarding their goals or their actions. Goal interdependence means that in order to achieve their goals actors are dependent of each other. The goal of A is dependent or linked to the goal of B. Action interdependence entails that the actions of one actor are dependent on actions of another actor. Playing a game that requires other people such as poker is an example of this, since this is only possible if others want to join in (Pfeffer and

Salancik 1978:40-43) Action interdependence can be seen as resource dependency. Actor A can only perform activity Z with the use of resources from actor B.¹

The second dimension is the amount of interdependence. The interdependence between the actors is larger the more their actions and goals influence one another. Regarding actions this means that they are more willing to cooperate if their interdependence is larger because their actions have a greater effect on each other. The stakes and the possible benefits of cooperation are higher which makes the possible effect of cooperated action larger for both parties and therefore more interesting. The same holds true for their goals, if the goals are more intertwined they have a greater effect on each other.

The third dimension is the type of interdependence. Actors can be goal or action interdependent, to a different degree. This interdependence does not automatically mean it is favourable for cooperation. Some types of interdependence are more favourable to cooperation than others. Thompson developed an important division of interdependence which focuses on the direction of interdependence between the actors (Thompson 1967: 54, 55) (Godfroij 1981: 121; O'Toole and Montjoy 1984: 493-495; Alexander 1995: 31). Serial interdependence between actors means that the output of one actor is the input of another actor². An example of this is a report by civil servants that is used by political actors as a basis for their decision. Mutual dependency means that the output of one actor is the input of another and vice versa, they are mutually dependent on each other. The last type Thompson distinguishes is pooled interdependence, where actors are dependent on the same resource or aim for the same goal. Of these types mutual dependency is the most while unilateral is the least favourable to cooperation. The second division of interdependencies distinguishes between symbiotic and competitive interdependence. Symbiotic interdependence between actors means that the goals achievement of one actor simplifies the goal achievement of others, their goals are symbiotic. Regarding actions it means that the resources or the actions of actors influence each other in a positive way. In competitive interdependence on the other hand the goal achievement or the actions of one actor hinders that of the other. An example of this regarding goals is the tension between farmers who want to use their land for agriculture and environmental agencies who want to use the land for creating a forest. The goals of the two actors compete with each other. The actions of actors can also be symbiotic or competitive; this can be illustrated with a team of rowers. Their strokes can be timed perfectly creating a symbiotic movement which increases the speed of the boat. If the strokes are out of sync the speed will decrease or the direction of the boat will be wrong, their actions conflict with each other. Symbiotic interdependent actors are more willing to cooperate than competitive actors. Lastly there can be the case of no interdependence or independence, the goal achievement of actors or their actions have no influence on each other. This is not very likely in the metropolitan setting we investigate.

¹ As is illustrated by: I've got the brains, you've got the looks Let's make lots of money (Opportunities by Pet Shop Boys)

² For reasons of simplification two actors are mentioned, but these interdependencies also apply to networks of more actors.

These different dimensions of interdependence have implications for the level of cooperation. Some types are more favourable than others and as mentioned above, the amount of interdependence also plays a role. If the 'positive' interdependencies are large cooperation is more likely. It is important to note that interdependence between actors is not always a 'natural' phenomenon in an environment of actors. Interdependence can be imposed by a third party who forces actors to act within a certain arena. The actors have become interdependent because only by cooperating they can fulfil the demands that are put on them. This mandated collaboration could lead to actors that feel forced into relationships that appear to them as suboptimal, although it is beneficial to the group of actors (Rodriguez et al. 2007).

Resources

Another factor that influences cooperation is the resources that actors bring with them to the cooperation arena. Resources are important for actors because they are needed for survival (Pfeffer and Salancik 1978). The assumption is that actors are always making sure that their stock of resources is replenished. Resources are all things material (capital, manpower) and immaterial (information, time) that are needed for an actor to function (Fenger 2001:45, Godfroij, 1981 #67). Next to these basic resources there are "social resources" (e.g. money and authority) that are only needed when interacting with others. If actors interact in a different setting their resources have a different value because resources are dependent of the environment they are in and are therefore not static. Resources matter for cooperation in two ways: they influence the motivation to cooperate and they influence the capability to cooperate. As described above resource dependency between actors creates interdependence by the influence on the motives of actors. As their stock of resources is important to them, a lack of resources is a motive to cooperate with others who possess certain resources. This makes the actors resource dependent on each other. The second element influences the capability to cooperate; resources can be more or less functional and replaceable in certain environments. Furthermore, if the environment changes, so does the value of the resources. Just as resources are not static; the total amount of resources varies as well and can increase or decrease in time. Some outcomes require a combination of different resources and these resources are often located at different actors of the network. In order to achieve cooperation the necessary set of resources has to be available in order to achieve the desired actions.

Policy beliefs

As can be seen from the discussion so far, an actor has to take the other participants in the action situation into account (Ostrom 2005:38-40). An actor does not only bring resources into the arena, they also have a certain view on the problem at hand, the position of themselves in the arena and the policy solution that is favourable. An actor within an arena has a certain policy belief (Sabatier 1998). The policy belief of an actor consists of three parts: the perception of the problem, the aim of the policy and the choice of instruments to tackle the problem. This implies that participants have a perception of a problem which they want to address and by addressing this problem they have goal. The choice of instruments used to realize their objectives is the final part of their policy belief. Next to the content of the policy beliefs, the compatibility of the beliefs of different actors is an important factor influencing cooperation. If they are compatible, not in the sense that they should coincide but that they should not be exclude each other, this is positive for cooperation. Policy perspectives can be congruent, indifferent or divergent (Fenger 2001; Fenger and Klok 2001). If they are divergent or indifferent there is no fertile ground for cooperation or cooperation is not impossible but very difficult to achieve. Policy perspectives give some insight in the differences between private and public organisations. Private organizations exist, in principle, only for themselves while public organizations exist for their environment. Concern for the environment around them will therefore be more important for public organizations which give them a different position within a regional governance network.

Cost regarding cooperation

Apart from the above mentioned factors originating from the actors involved in cooperation, the interactions influence cooperation as well. Cooperation has costs that can be divided in the costs and benefits of activities that are the result of cooperation and the costs of cooperation itself. For example when two municipalities work together regarding a public service, there are the costs of the joint service and the benefits of economies of scale. These are the cost resulting from cooperation. In the process of coming to an agreement to do this activity together there were costs involved in reaching the agreement, these are the costs of cooperation. The costs and benefits of actions are part of the interdependencies described earlier; interdependence gives benefits that can outweigh the costs. The costs of cooperation can be one time only (preparation, adaptation of the internal organization) or recurring (organizational coordination, adaptation and tuning of substantive objectives, etc.)(Edelenbos and Klijn 2007: 27).

Important costs regarding cooperation are the costs involved in interacting with others: interaction costs. Interaction costs can be seen as a form of transaction costs (Williamson 1998) and are the costs that are involved to interact with others, to reach an agreement. In order to facilitate cooperation transaction costs should be as low as possible.

Another cost factor in cooperation is the insecurity costs. The insecurity cost reflects the costs that are caused by the insecurity whether actors behave opportunistically in a certain setting. By cooperating within a network the actors invest in a relationship. Because of this investment and the high asset specificity of this investment opportunistic behaviour of the

participants is less likely. The actors are not involved in a single game, but will meet each other again. If the actors within a network can easily change position, e.g. by leaving or entering the network this increase the level of insecurity for the participants involved. The insecurity costs are influenced by the type of arena. Opportunistic behaviour is more likely within a market setting than within a network because within a market setting it is easier to find a replacement actor to interact with.

Trust

Trust is seen as an important factor influencing cooperation (Edelenbos and Klijn 2007). Trust can be seen as the conviction that actor A will act in the way that is stated by A itself or that is expected by others. Trust can be located at individual actors within an arena, but trust can also be a character of the arena itself. A single actor can be trusted by others in the arena and trust can be available between many actors in an arena. Trust is thus an element of the structure of cooperation and of the actors involved. The relationship between trust and cooperation is a complex one, trust in others and cooperating with them to further group goals reinforces each other (Rahn 2007). Arenas with high level of trust are thought to achieve results that are not possible in arenas with low levels of trust but cooperation also builds trust. Nootenboom distinguishes between two dimensions of trust (Nootenboom et al. 1997). One dimension of trust is the institutionalization of values and norms that constitute an ethics of transactional relationships. This is a certain a logic of appropriateness where (March and Olsen 2005) actors trust that the values and norms in the arena will be followed by the other actors. (Zand 1972) The second dimension of trust stems from the notion that repeated interactions lead to the forming of habits and the institutionalization of behavior. In this manner trust is able to reduce interaction and insecurity costs. High levels of trust between actors or within an arena are thought to be a factor that facilitates cooperation.

All the factors mentioned above have an influence on the level cooperation we expect to see within an urban network. Certain forms of interdependence, the availability of resources, compatibility of policy perspectives, low interaction and insecurity costs and high levels of trust are factors that facilitate cooperation. These factors are a part of and are influenced by the structure of the cooperation setting. This structure influences the level of cooperation. The rules and the context that make up the structure of cooperation influence the possible actions and outcomes and many of the above mentioned factors. In order to systematically analyze these factors together with the structure of the network a framework is needed.

Framework for looking at regional governance networks

For describing the characteristics of a regional governance network, Elinor Ostrom's Institutional Analysis and Development (IAD) framework (Ostrom 1990) is used. Actors within a regional governance system are not free to act but are restricted in their possibilities and actions by the structure of the governance network. This structure is seen as the situation, structured by several contextual factors, which actors have to take into account when they act (Hay and Richards 2000). The central unit of analysis in the IAD framework is the 'action arena'. Action arenas include both an 'action situation' and the actors involved in that situation. The action situation describes the relevant aspects of the social space in which interaction takes place and gives the possibilities and limitations for action.

The action arena is not situated in an analytical vacuum; it is part of an institutional context. This context is conceptualized by three external factors that influence the nature of the arena: the rules individuals use to order their relationships, the attributes of the bio-physical world, and the attributes of the community (Ostrom et al. 1994). Furthermore Ostrom provides a framework describing institutional rules, distinguishing between seven types of rules, all linked to the seven constituent elements of the action situation. In order to use the IAD we see a governance network as one arena or a set of action arenas, whereby the set is an aggregate. For the most part the variables that structure the aggregate of arenas are the same for every arena. The community will probably be the same for example. This is also the case for the rules, although there can be rules that only apply to a certain action arena or action situation.

The AID framework describes the participants and what we see as their relevant characteristics and how the interactions are structured. This description is useful because it gives us insight in the possible ways these characteristics can be used to guide the cooperation in a certain direction. In this section we confront the factors influencing cooperation with the structure, the action arena. An action arena has participants, who have positions. These participants have a set of possible actions at their disposal. The outcomes are the result of the actions that are pursued and therefore the set of possible actions influences which outcomes are possible. The participants have a certain level of control on the action situation. Within the action situation there is information available for participants. Lastly the costs and benefits of action alternatives and outcomes are specified. It is not possible to give specified values of these variables that will result in cooperation, because this is influenced by contextual variables and the actual actors involved. It is however possible to arrive at more abstract conditions that are favourable to cooperation that have to be worked out for each specific situation. Below we will look at the variables of the action situation and how they influence the factors that can favour cooperation.

The factors that are mentioned earlier relate to the action situation. Several elements of the action situation influence the factors that are favourable for cooperation. As mentioned above comparable policy perspectives and availability of necessary resources are conditions that favour cooperation within an arena and they are related to the number of participants within an arena. If, for example, the necessary set of resources is not available in the action arena, this could be solved by adding participants. The problem with adding participants is that you increase the number of resources inside the arena, but not necessarily the necessary set of resources. Who is added, matters. The number of participants also influences the compatibility of policy beliefs. More participants lead to more complexity because there are more policy perspectives which increase the changes of diverging policy perspectives. Reaching an agreement over common goals and how to achieve them is then more difficult resulting in higher interaction costs.

The other elements of the actions situation also influence the factors mentioned earlier. The amount of interdependence is influenced by the available options for action of participants. If there are many possible actions within and outside the arena for the participants they are less interdependent and therefore the chances of cooperation are lower. The information for example influences the policy perspectives of actors, but also the interaction and insecurity costs. If information is not accessible to all participants than participants with more information have the opportunity for strategic behaviour because they can exploit their knowledge of the situation. If information is accessible to all participants their behaviours are easier to predict and the chances of opportunistic behaviour can be predicted to a certain extent which could decrease its damage. Information furthermore gives the possibility to sanction opportunistic behaviour making it less rewarding. This means lower interaction costs and lower insecurity costs. The level of control of actors influences the interaction costs as well. An example is veto power; if every actor has veto power the interactions are more costly. Every actor can block the cooperation with its veto meaning that all the different interests have to be taken into account. Reaching an agreement in this way is time consuming and costly.

The way the action arena is structured thus influences the level of cooperation. The institutional structure of such an arena can best be described by its formal and informal rules. The rules shape the arena, establishing what is possible and what is impossible. Boundary rules for example influence the type of actors that can be involved and aggregation rules specify how decisions are made. Apart from the rules the other external factors also influence cooperation: the attributes of a physical world and the attributes of the community. The norms within the community have an effect on the factors that influence cooperation. The policy perspective of an actor is influenced by how an actor sees his environment. This is influenced by the norms and values of an arena and how they are perceived by the participants, by the resources a participant can use and by their interaction orientations (Ostrom, Gardner et al. 1994; Scharpf 1997; Lange 2007). The attributes of the physical world are an important factor for the nature of the problem that the actors try to deal with. Actors can be interdependent in preventing a deterioration of, or improving the status quo where the latter is more favourable for cooperation. If the

cooperation has the goal of preventing losses, the actors involved are less willing to invest since there is no profit to be made and the parties involved will try to avoid losses. If however there are possible benefits the actors involved could be more willing to invest in the relationship. Investing in a relationship is an important reason for positive coordination to take place.

The rules can have different configurations whereby a certain configuration can be viable because the distinct set of rules is well adapted to the arena and its contextual factors (Denters and Klok 2005). Such configurations lead to different levels of cooperation. It is interesting to look at which configuration leads to more negative, and which to more positive coordination. Negative coordination can be realised with a low intensity of interaction and does not require many resources. The interaction costs are often low and if the actions of the participants do not harm each other the result is accepted. This requires a different configuration of rules than one which would result in positive coordination. There are other viable configurations possible in which the actors go from consultation to cooperation and give up a part of their autonomy and invest in the cooperation. This investment gives higher cost but could lead to even higher benefits. Such a system cannot be achieved merely by changing a single rule, the set of rules that structure the arena have to be tailored to this new situation which could lead to positive coordination.

How would these two configurations be structured when we look at Ostrom's typology of rules? (e.g. Ostrom 2005) (Klok and Denters 2005) Position and boundary rules structure who is able to participate in what position, they can be either very strict or very open. In a negative coordination setting it does not really matter who enters the arena because the level of interaction between actors is minimal. The only condition is that the interests of the participants are not harmed. Positive coordination on the other hand requires investing in each other and more intense interactions which is more difficult when just about everybody is able to join. Positive coordination is therefore expected in arenas that are rather restrictive.

Regarding the aggregation rules or how outcomes are established, negative coordination is likely to develop in arenas where the participants have veto power. The participants will be able to block any outcome that harms them. Decisions made by majority agreement make positive coordination more likely.

In order to arrive at positive coordination actors have to invest in each other. This requires trusting that opportunistic behaviour will not take place. Therefore transparent information rules are necessary so that information about each other is easily available for everybody in the network. For negative coordination information about the other actors is much less important as the level of cooperation is much lower.

The payoff rules are very important in a positive coordination setting because it is likely that actors will have to be compensated. Furthermore as the investments are higher the need for payoff rules increases. If there is a rule which states that the benefits of one actor should not be at the expense of others only negative coordination is likely.

Positive coordination is more likely to occur when there are broader scope rules. A broader scope gives more areas of cooperation. This makes compensating actors using package deals easier. Negative coordination is more likely with a narrow scope because this increases the chance of getting an outcome that does not harm any of the participants.

Concluding this section we can say that there are several factors influencing cooperation that are in turn influenced by the structure and the context of the arena. We distinguished two types of cooperation, both with a different configuration of rules. Changing from one configuration to the next is a very uncertain process also due to the external factors that influence an arena. If the attributes of the world create a problem that can be considered a zero sum game with no gains for the parties involved the 'leap' to positive cooperation with actors investing in each other is more difficult than when there are benefits to be made. Now that the framework of our study is clear we can focus on how regional governance networks in the Netherlands are structured.

Metropolitan Governance in the Netherlands

Like elsewhere in Europe, the quest for adequate governance structures for major urban regions has been the driving force behind a cascade of proposals for the reform of Dutch local and provincial government. Since Thorbecke – in the middle of the nineteenth century – designed the current decentralized unitary state, the Dutch system of government has been based on a three-tier system, where the national government shares its powers with provincial and municipal governments. With increasing urbanization the limitations of the traditional system in adequately dealing with regional problems became ever more clear. The scale of the meso-level governments (the provinces) was generally too large, whereas the scale of the municipalities in many cases was too small. Since the 1950s a wide variety of alternative structural reforms have been proposed.

The various proposals can be categorized into three broad types: 'supra-local', 'inter-local' and 'new forms' of regional governance (Lefèvre 1998). The characteristics of supra-local solutions are 'direct political legitimacy, definite financial autonomy and multiple powers exercised over a relevant functional territory'. Many of the Dutch reform proposals fit into this category; including proposals:

§ to establish a fourth regional tier (between the provincial and the local level)

§ to dissolve all the existing provinces and replace them with a larger number of smaller regional provinces

§ to turn the major metropolitan areas into new provinces.

However, none of these solutions have been implemented. Reform aimed at a fundamental restructuring of the Thorbeckian three-tier structure proved to be politically infeasible. The most recent initiative of this type were efforts to introduce temporary special Regional Public Authorities in the seven of the country's major urban agglomerations (1994). The idea was that after a period of transition these authorities would be transformed into full fledged, directly elected Regional Governments. The main responsibilities of these Regional Authorities would be in the fields of economic

development, infrastructure, physical planning, housing, and the environment. In 1996, however, the cabinet decided to bury the plans for Regional Governments.

A second category of reform proposals is based on voluntary cooperation between essentially autonomous municipalities. Resources are supplied by the participating municipalities and by central and provincial governments through subsidies and grants. The range of functions and powers of these inter-local cooperative arrangements depends on the willingness of the localities to give up local autonomy. Because it proved impossible to establish supra-local institutions, regional governance in the Netherlands had to rely largely on such inter-local modes of governance. The legal basis for the regional corporations was provided by the Joint-Provision-Act (of 1950, and its successor of 1985). Regional corporations have been set up for both the provision of public services, and for the coordination of regional policies and regional planning.

The regional corporations are normally governed by a regional executive board and a regional council. Both these regional bodies are elected by the councils of the region's municipalities from the ranks of the local councilors, aldermen and mayors. The governing bodies of the corporations are bound hand and feet to the municipalities. Moreover, they operate on a consensual basis (Traag 1993 : 123-248). This implies that all municipalities have a veto-position, and this tends to reduce the capacity for effective joint action. The lack of decisiveness is more likely to manifest itself in some areas than others (Scharpf 1996:19-20). For some types of cooperation such problems may only be minor. This is true, for example, in the case of joint provisions aimed at exploiting economies of scale in the case of capital-intensive production processes (refuse collection and similar activities). But the structure of decision making in the 'intercommunales' is less appropriate to make binding decisions in the case of key issues in metropolitan areas, such as joint economic planning, acquisition of business firms, coordination of tax policies and planning decisions (Denters 1987 ; Dam 1992 ; Hulst 2005).

The Fifth National Planning Document on Spatial Planning provided a stimulus for the establishment of new forms regional governance. This document introduced the concept of urban networks. The term urban network primarily refers to the socio-economic and spatial relations that link various urban settlements in a particular region. The planning document identifies fourteen urban networks; six of those are considered as major networks of (inter)national importance. In response to the challenges formulated in the National Planning Document, the municipalities in the fourteen urban networks have set up new arrangements to coordinate their efforts and take advantage of their newly acquired status as an urban network. The main objective of the partnerships in these urban networks is to develop the metropolitan area by means of a joint strategy for urban development (both in terms of residential and commercial development), economic policy, infrastructure, transport and traffic and ecological sustainability. This should strengthen the international competitive position of the Dutch urban networks. In order to achieve these goals, co-operation between the urban municipalities and their private partners is needed. Competition among the urban municipalities, on the other hand, would deteriorate the position of the metropolitan area.

These urban networks are seen as new forms because of several reasons. Firstly, the system of actors is more complex due to the involvement of new stakeholders such as private partners, interest groups, NGOs and the accompanying multi-actor and multi-layer structure (Salet 2006). This provides challenges for governance within such networks. In the light of these challenges urban networks have typically resorted to “light” institutional structures to facilitate cooperation in the network. In part this reflects the frustration born out of the constant failure of structural reforms of local government in the urban regions. Typically municipalities in the early stages of collaboration have decided not to use the institutional framework offered by the Joint Provision Act or the Regional Public Authorities for institutionalizing their co-operative arrangements. Instead the municipalities have resorted to covenants and declarations of intent as the basis for cooperation. In some of the regions the interdependency was more or less mandated by the national or provincial government. These regions are often more institutionalized but not necessarily more successful. This low level of institutionalizations, compared to traditional forms of regional governance, is the second reason this can be seen as a new form. This low level of institutionalization increases the level of insecurity in the network. In such a network with political actors the uncertainty is increased by the possibility of a different situation after elections because certain actors, with accompanying beliefs, resources and interdependencies, will be replaced by others. This causes a narrow frame of reference for the actors involved. Another source of uncertainty within such a network is that elections can change the external factors of the action situation and thereby changing the rules of the game. This makes cooperation within such networks a toilsome exercise with a low certainty of achieving the preferred outcomes.

Looking at the regional governance network makes clear that positive coordination is not likely to develop on its own. The actors within a metropolitan setting are interdependent, but the type of interdependency differs for the diverse issues. Issues involving economies of scale often result in mutual and symbiotic dependency between actors but other issues and especially redistributive issues do not always have these positive interdependencies. The large amount of actors, often also from the non-public sector gives a big pool of resources and policy perspectives. This makes combining the policy perspectives more difficult especially since most regional system covenants have veto power for the participants in their aggregate rule. Thus given the complex setting with its multiple actors and “light” structure the interaction costs and insecurity cost are relatively high. Positively coordinated outcomes are less likely to occur spontaneously.

In order to arrive at more positive outcomes in such a network, some of the involved actor can try to influence the number of actors involved, the cooperation process or structure. The actions that influence the interaction, actors and structure are called network management and there is sometimes the assumption that satisfying outcomes for actors are not possible without some form of network management (Klijn and Koppenjan 2000).

Network governance

Governance within such an urban network has to take into account both the context and the characteristics of the participants involved. This study tries to combine two strands of research on organizational networks the “network analytical” and the “network as a form of governance” approach (Provan and Kenis 2007). The AID framework is used to look at the result of relational configurations on outcomes. This framework can also be used to look at the network structure by taking the network as a whole as the unit of analysis. The actions that are undertaken within networks to make or keep cooperation attractive and to create favourable conditions for cooperation are called network management. Creating favourable conditions for cooperation on both the short and the long term is the goal of network management. This involves influencing the *content* of interactions, the *process* and *structure* in which the interactions take place.

A network of autonomous actors who are interdependent does not automatically lead to outcomes, let alone outcomes that can be considered a success. Network management consists of deliberate strategies to influence the chance of cooperation (Bruijn and Heuvelhof 1997; Klijn 1997). According to Scharpf (1978) there are two such strategies: influencing actors with certain influence strategies such as persuasion and bargaining or by influencing the more stable structural factors. Klijn and Koppenjan (2000; 2007) follow this approach when they talk about two forms of network management: the management of the interaction processes within a network and the institutional (re)design of a network. This network literature gives certain general prescriptions on available strategies to coordinate cooperation. These prescriptions are often given independently of the context of the interactions, although the importance of the context in which the interactions takes place is often stressed (Kickert and Koppenjan 1997: 46). Our approach sees the context of a network as an important factor that shapes the interaction and the possible activities to influence the interaction within an arena. Two strategies of network management can be given: strategies aimed at influencing the interaction processes within networks and strategies aimed at changing the structural variables within a network. These strategies could enable cooperation within a network of multiple actors where this is unlikely to occur on its own.

Strategies aimed at changing the structural variables within a network

These strategies aim to change the action arena and the action situation by manipulation of the various structuring elements. When changing the set of rules that structure the arena it has to be taken into account that these rules are important in relation to each other and that changing one rule should be followed by changes in the others in order for the configuration of rules to remain viable. Klijn and Koppenjan label this institutional design, which aims specifically at bringing about changes in the institutional characteristics of the network. It needs to be seen in a different light from gradual change in characteristics that occur through adaptations over time. It refers to both the activity of trying to change institutional features and the content of the institutional change that is targeted. So an

activity that tries to change the institutional structure but fails to do so is institutional design as well (Klijn and Edelenbos 2007). Klijn and Koppenjan see institutional design as unsuitable for achieving changes in policy games that are already underway because they are time consuming and difficult to implement (2007: 208). They distinguish three types of institutional design. Firstly there is network composition which aims at changing the composition of the network. Secondly the network outcomes can be the target by changing the logic of costs and benefits. The third and last type of institutional design is aimed at the network interactions. This tries to influence the rules that regulate the process. All three institutional design strategies aim to change the contextual factors and the action situation in our AID framework. Changing these factors during the course of a process can indeed be difficult, but not necessarily impossible. Especially if you take temporary changes into account, changing the factors is possible. An example of this is that for a certain policy problem, a new structure within the network is created for the interaction. Within this structure there could be different (in)formal rules than in the “normal” network, or another set of participants.

The AID framework gives us the following structural variables that can be changed: the action arena and the external factors. Of these two, especially the contextual elements are hard to change. Firstly the attributes of the physical world influences the actors’ perceptions and their interdependencies. This factor is difficult to change by the network itself and is more likely to change due to political shifts because of elections on the national or regional level. The attributes of the community, the norms and values of the participants is equally difficult to change. In order to create more trust or more positive interaction orientations the most probable factor to change this is positive results out of the cooperation. As mentioned above the set of rules influences the arena. Some of these rules can be altered by the participants inside the arena such as aggregation rules while some of the rules are given for the participants such as rules that determine when municipal elections are held. These last set of rules, although given for the participants, are still subject to change but only by factors outside the arena. As the rules determine which actors are able to join, changing the rules also changes the resources and policy perspectives inside the arena. By changing the rules, adding or removing actors to the network is possible and this changes the set of resources and policy perspectives.

Strategies aimed at the structural and contextual variables are an influential network management tool that is difficult to achieve in the real world. Most contextual factors influence the action arena but are more likely to change because of actions outside the arena such as elections, than actions within the arena.

Strategies aimed at influencing the interaction processes within networks.

These strategies target the *process* and the *contents* of the interactions using the available structure. The actors play with the factors that are available around them in such a way that it works in their advantage (Teisman 1993 : 114). After the process design every action that intentionally influences the process is process management. There are several cooperation strategies such as mediation that can be used in this respect. The network management literature is optimistic on the ability to influence the interactions within a network. The actor, functioning as a manager, is seen to be able to modify the network characteristics relevant to governance (Bruijn and Heuvelhof 1997). Several authors give descriptions of strategies that target the interaction process (see for example Scharpf 1978; Agranoff and McGuire 2001; Klijn and Edelenbos 2007). Regarding our framework it is important to note that the factors should target the factors that facilitate cooperation.

An example for a strategy targeting the contents of the interactions would be to use package deals. If the scope of the network is big enough, the actors can be more interdependent if several issues are being addressed at once.

Actors could target the process itself by strategies of mediation or conflict resolution which could lower the interaction costs. Another strategy that targets the process is to facilitate a process in which the policy perspectives become more congruent for example by getting extra information from a non-biased source. Actors also influence the process by creating a powerful coalition that is hard to ignore by the rest of the network. This list of possible strategies is by no means exhaustive but gives some insight in the strategies we can possibly find in the networks we are investigating.

Design of study

The object of our study is one of the new forms of regional governance mentioned above where non-government and private actors are included in some of the inter-local cooperative arrangements. The study looks at regional governance networks in the Netherlands in four cases. These four cases were chosen out of a population of 14. The cases are the region of Groningen-Assen located in the north of the Netherlands, Stedendriehoek (Urban triangle) and Arnhem-Nijmegen both located in the east of the Netherlands and the last case is Tripool, located in the outmost southern part of the Netherlands. All cases are located in the eastern part of the Netherlands, and not the western, randstad, region which is already investigated by many (for example Salet 2006). Within each network the cooperation on two policy fields are examined: transport infrastructure and industrial parks. This nested design makes it possible to compare both between and within cases.

The legal framework of the cooperation is described for each policy field based on desk research and interviews with contacts within the network. The characteristics of the actors and the structure are researched by questionnaires to all participating members on the policy field. The process of cooperation is researched based on desk research (documents, agendas) and interviews with key participants in each case. These key participants consist

of at least the political leader and the administrative leader and the leader on the network level. This process of data gathering is currently underway.

Conclusion

There are several factors within a metropolitan area that can favour cooperation and the effectiveness of the outcomes of this cooperation in redistributive policy issues. An important factor is what type of interdependency the actors have and how strong this interdependency is. Next to the interdependencies the policy perspectives of the actors involved and their resources are important factors that influence the level of cooperation. Other factors favouring cooperation are low interaction cost and low insecurity costs. By using the IAD framework the influence of the structure and context on these factors is made clear. Certain configurations of rules are more viable than others and will lead to more positive outcomes. An important factor in this respect is the nature of the problem. With some problems, especially regarding redistribution, more positive results are more difficult to achieve. If the participants within an action situation are able to change the structure of the interactions to a level with more intense interactions, more investment and less individual autonomy the chances of outcomes in the sense of positive coordination increase. How these interactions are structured is what's under investigation in our research.

Regarding the structure and context of regional governance networks in the Netherlands we don't expect positive forms of cooperation to occur spontaneously. We expect that some form of network management is necessary and this is the second subject of research. Which forms of network management are used and do they lead to results.

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