Effective governance for competitive regions in Europe: the difficult case of the Randstad

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Abstract Europe has come to recognize that its regions have a major role to play in achieving its cohesion and competitiveness objectives. EU policies and Structural Fund principles are therefore increasingly geared towards enhancing regional capacities. Regions across Europe are responding, with varying results so far. The Randstad, in the Netherlands, presents itself as a ‘far from best’ example. Despite continued and serious attempts to strengthen capacities and institutions, the region still lacks effective governance. This paper explores the question why it is next to impossible to establish a framework for effective governance in the Randstad and distils some lessons for other regions in Europe.

Keywords Competitive regions · Europeanization · European regional policy · Governance · Institutional change · Randstad

Introduction

In its pursuit of competitiveness, dynamism, growth and jobs (i.e. the Lisbon Strategy), Europe largely depends upon its regions (Davies 1994; Williams 1996; Rivolin and Faludi 2005). This fact gained full acceptance in the 2005 revision of the Strategy, which not only narrowed the focus to the stimulation of growth and the creation of jobs, but also identified the need for increased ownership at all levels of government as one of the key factors for the Strategy’s success (European Commission 2005). The European leaders recognized more clearly than before that while the origins of many of the changes and challenges affecting Europe are global, the impacts are mainly regional and local, and that it is the regions of the EU that have a major role to play in making the Strategy work (Committee of the Regions (CoR) 2005, 2008).

According to the EU, ‘competitive regions’ are regions that are able ‘to anticipate and successfully adapt to internal and external economic and social challenges’ (Huggins and Davies 2007, p. 1). This ability is influenced by such factors as the quality of the physical infrastructure and of human and social capital, as well as by regions’ institutional and organizing capacity. The capacity of public administrations and institutions is recognized as a factor that may either undermine or enhance a region’s ability to generate sustainable growth. This is one of the reasons why EU Cohesion policy and Structural Fund principles of late are increasingly geared

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towards enhancing regional capacities and ‘good governance practices’ (Newman 2000).

During the past decade or so, the EU has introduced and/or supported a variety of programmes and instruments that are directly or indirectly aimed at enhancing regional capacities and good governance practices (Gualini 2006), for example through its Cohesion policy and Territorial Cooperation objective (e.g. INTERREG and INTERACT). Across Europe, regions have taken up the challenge and have started (or continued) to explore the possibilities for enhancing institutional and governance capacities (Salet et al. 2003). Fine examples include the creation of the Verband Region Stuttgart (‘Association of the Stuttgart Region’) and the Swedish experiments with regional parliaments.

The Randstad—the heavily urbanized western part of the Netherlands cornered by Amsterdam, The Hague, Rotterdam and Utrecht—is another, interesting case in point. The region was the subject of a comprehensive planning doctrine (Faludi and van der Valk 1994), and attempts to strengthen its capacities and institutions (Lambregts and Zonneveld 2004) date from long before the Lisbon Strategy was drawn up. At the end of the 1990s, with the tailwind provided by ‘Europe’, conditions seemed ideal for the region to smoothly establish itself as a regional actor and become a prime example of how regions can help to make ‘Lisbon’ work. Reality evolved in a different way, however, and the above scenario has not materialized. Despite continued and serious efforts, the Randstad still lacks effective institutions and, worse still, the prospects seem bleaker than ever. The road towards effective regional governance in a polycentric urban region, even in one that seemed to have everything going for it, is apparently a very bumpy one with plenty of pitfalls and diversions.

It is a good custom, not only among policy makers, to aim to learn from ‘best practices’. However, in many cases it is just as instructive to learn from practices that are far from ‘best’. In this paper we try to do the latter. The recent, rather troublesome history of ‘governance enhancement’ in the Randstad leads to two questions, the answers to which may be of interest to both actors operating in the Randstad area and to a wider audience. The first question is: why is it virtually impossible to establish a framework for effective governance in the Randstad? What are the barriers and why are they so hard to remove? The second, rather

obvious question concerns the lessons that can be drawn from the Randstad experience for other regions in Europe, especially the polycentric ones. These questions perhaps do not qualify as ‘pioneering’, but the answers may be of help to the many public administrators, politicians and other actors who are trying to enhance regional capacities across Europe.

This paper is divided into four sections. Section “Europe’s appeal to the regions” deals in more detail with Europe’s perspective on the role of regions and briefly discusses the various ways in which the EU is trying to encourage the strengthening of governance practices at the regional level. Section “One step forward, two steps back: organizing institutional capacity in the Randstad region around the turn of the twenty-first century” describes how, over the past decade or so, various actors in the Netherlands have put great effort into increasing the organizing capacity of the Randstad region, starting with the foundation of the Deltametropolis Association at the end of the 1990s. Next, in section “Barriers to regional governance in the Randstad”, we answer the first of the above questions and try to discern the factors that have effectively obstructed these efforts so far. We investigate their origins and backgrounds and provide an idea of their tenacity. In the fifth and final section, we do not present a set of recommendations on how the Randstad should proceed, but try to distil some lessons for European regions that are walking or intend to walk the same road.

Europe’s appeal to the regions

Regions are key to the European Union. Of all EU regulations, some 75% are implemented at the regional level (Evers 2006, p. 81), and in the 2000–2006 and 2007–2013 programme periods more than a third of the EU’s budget was/is allocated to the reduction of development disparities between the regions (European Communities 2004, 2008). Through time, the EU has appealed to its regions and their organizing capacity in two distinct but complementary ways, namely by words and by means. The former refers to the European discourse on the role of regions in achieving the EU’s wider objectives, the latter to the ways in which both the preparation and the implementation of EU regional programmes and instruments are organized.

Regions in EU policy

EU papers and policy documents have time and again stressed the crucial role of regions in achieving cohesion and competitiveness. The Lisbon and Gothenburg strategies are good examples (CoR 2005), as are the Third and the Fourth report on Economic and Social Cohesion (European Commission 2004, 2007). European regional policy primarily seeks to strengthen the economic, social and territorial cohesion of the EU. At first, it chiefly did so by redistributing resources in favour of the less well-off territories. For a long time, convergence—that is, the narrowing of developmental gaps between territories—was the main objective. Later, however, and especially from the 1990s onward, regional competitiveness and territorial cooperation emerged as additional objectives. They received considerable (if not absolute) status with the adoption of the Lisbon agenda in 2000 and the Third Report on Social and Economic Cohesion (European Commission 2004), respectively, and now figure prominently in the 2007–2013 programme period (where they appear on a par with the ‘Convergence’ objective, the ‘Regional Competitiveness and Employment’ objective and the ‘European Territorial Cooperation’ objective). Especially the competitiveness objective has engendered an increased interest in the utilization of endogenous development potentials of regions. Generating new resources has come to be seen as just as important as redistributing existing ones. Regions themselves have a key role to play in achieving these objectives, and are therefore increasingly recognized as ‘partners’ rather than ‘subjects’ (CoR 2005, 2008).

The European Spatial Development Perspective (ESDP) is perhaps one of the EU documents that most explicitly and elaborately appeals to regions’ organizing capacity. The ESDP—which was published by the European Commission in 1999 after years of consultation and rewriting—pursues a more balanced and sustainable development of the European territory by means of three guiding principles, namely: polycentric territorial development and a new relationship between cities and their surrounding areas; equal accessibility to infrastructure and knowledge; and the preservation of the Union’s cultural and natural heritage. The concept of polycentric territorial development can be seen as an

effort to bridge what at first sight is an inherent gap between the cohesion and the competitiveness objective (Waterhout 2002). The concept is applied at two spatial levels: that of the EU as a whole and that of the region (sub-national, but including cross-border). At the EU level, polycentric territorial development refers to the strengthening and further development of the more peripherally located urban centres and regions. To achieve this, attention should be focused not only on the large (capital) cities and their regional hinterlands, but also on ‘polycentric’ urban regions. These are regions in which several cities of medium size are located in relatively close proximity, and where inter-city cooperation and effective regional governance may help to unlock latent competitive potential. Polycentric territorial development at the EU level serves to counteract ‘further excessive economic and demographic concentration in the core area of the EU’ (i.e. the ‘Pentagon’) and to safeguard ‘the greater competitiveness of the EU on a global scale’ (European Commission 1999). At this level, both the convergence and the competitiveness objective are clearly at play. At the regional level, the emphasis is on the competitiveness objective. Here, polycentric territorial development is associated with cooperative practices between neighbouring cities (‘city networks’ or ‘polycentric urban regions’) and the development of complementary relationships, with regard not only to economic functions, but also to other urban functions, such as culture, education and knowledge, and social infrastructure (Lambrechts and Zonneveld 2003). In addition, the ESDP advocates that city clusters within individual Member States be made the subject of integrated spatial development strategies. Such regional strategies should aim to overcome the disadvantages of intra-regional, inter-city competition and instead build upon common and/or composite strengths, and they could also offer the framework for the shaping and reshaping of urban-rural relationships and the coordination of urban expansion plans (European Commission 1999; Lambrechts and Zonneveld 2003). The ESDP’s steering philosophy as such can be seen as a plea for improved horizontal and vertical integration in spatial planning and for increased cooperation among and between public and private actors (Faludi and Waterhout 2002), and thus as a strong appeal to regions’ organizing capacities.

The programmes and instruments trail

The second way in which the EU encourages regions to strengthen their organizing capacity is through its regional programmes and instruments. Note that the EU does not maintain any programmes that directly support regional capacity building, not even under the European Territorial Cooperation objective (which focuses on cross-border, transnational and inter-regional cooperation, and not so much on intra-regional cooperation). Instead, regional capacity building is encouraged in rather more subtle ways.

The programmes and instruments through which European regional policy is delivered, are designed, managed and fine-tuned in a collective and largely decentralized process. In this process, European, national, regional and local partners jointly settle important issues such as programme priorities, eligibility criteria, and application and monitoring procedures. Regions (as well as other actors) have a clear interest in effectively engaging in these important collective, multilevel processes. After all, to be involved means to exert influence (or at least have the possibility to do so) and to be able to steer things in particular directions. To be effectively involved as a region, however, requires a certain degree of organization and purposiveness, as well as a clear understanding of the region's interests in relation to the European programme at stake. For regions that are represented by a single regional authority, this should be a surmountable challenge; however, for regions that lack such an authority, the same conditions are almost certainly much more difficult to meet.

Similar qualities are then necessary to become a beneficiary of these programmes and instruments. Many programmes and instruments require local and regional actors from the public and the private domain to jointly apply for and, if the application is granted, to jointly utilize the European support. Together, these are strong incentives for regions to organize themselves and respond (as the benefits may be substantial), and in time many regions have come to understand them well (Gualini 2006). In some cases, they have even led to changes in Member States' appreciation of the regional level.

Responses

The EU Member States and their regions are clearly influenced by these practices and susceptible to the

built-in incentives. Their responses, however, differ (Featherstone and Radaelli 2003; Gualini 2006). Ireland, for example, has rearranged its regional division in order to better attune to European subsidy criteria. In Italy, Europeanization has been instrumental in facilitating the reconstruction of more effective state-society relationships (Gualini 2003). Denmark and Sweden, encouraged and supported by the EU's INTERREG II and IIIa initiatives, added a new node to Europe's polycentric system by boosting the formerly peripheral cross-border Øresund region. Also in the Netherlands, regions have felt the appeal of Europe. Here, however, attempts to build capacities have so far foundered on a variety of problems. These problems are explored in the following two sections, using the case of the Randstad as an example.

One step forward, two steps back: organizing institutional capacity in the Randstad region around the turn of the twenty-first century

The Randstad was first conceived as a spatial entity—or as a region—half a century ago in a report on the development of the western part of the Netherlands (Werkcommissie Westen des Lands 1958). This report marked the start of a period in which the desired form and role of the region would continue to fascinate spatial planners of Dutch and other origins alike (e.g. Burke 1966; Hall 1966). 'The Randstad' immediately became a cornerstone of the Dutch planning edifice (Faludi and van der Valk 1994) and it has maintained this position until today. Throughout these years, the region's fate has been contested, at times fiercely, with especially the proponents and opponents of a more metropolitan development perspective crossing swords at regular intervals (Lambregts and Zonneveld 2004). In the wake of these skirmishes, the region's institutional representation has been the subject of some serious debate, especially during the past decade. In this section, in order to pave the way for the more detailed analysis of the factors that frustrate the strengthening of regional capacities in the Randstad that follows in the next section, we disclose this debate. Since the planning history of the Randstad and the closely related story on capacity building at the level of the Randstad are well-documented (e.g. Lambregts and

Zonneveld 2004; Zonneveld and Verwest 2005), and since we aim to avoid repetition, we disregard the earlier episodes and concentrate on the developments of the past decade. This period coincides with the intensification of Europe's efforts to 'mobilize' the regions outlined above, and also qualifies as a time in which perhaps more energy was put into efforts to strengthen capacities at the Randstad level than ever before. Our analysis therefore starts in the second half of the 1990s, a few years after the failure of the 'Randstad International' project that was still part of the Fourth National Memorandum on Spatial Planning Extra (see Lambregts and Zonneveld 2004), and right at the beginning of the preparatory period for the country's Fifth National Memorandum on Spatial Planning. First, however, some basic features of the region and its administrative context must be outlined.

Some Randstad basics

Despite its importance as a planning concept, the Randstad is not a formal constituent of the Dutch polity. In the Netherlands, central government, the 12 provinces and the 443 municipalities (1 January 2008) constitute the three constitutional tiers of elected government. The Randstad does not fit well within this framework. Its approximately 7 million inhabitants are divided between some 175 municipalities and four provinces or parts thereof. The Randstad is not and has never been an administrative unit nor has it been effectively governed by a regional or 'Randstad' authority. The region does not have any officially established boundaries. Yet, there exists a rough understanding among people (including politicians and planners) in the Netherlands about which parts of the country belong to the Randstad and which do not.

The region is quintessentially polycentric (Lambregts et al. 2006). It is dominated by four cities (Amsterdam, Rotterdam, The Hague, Utrecht) that from a European perspective are medium-sized (275,000–750,000 inhabitants). These are known in the Netherlands as 'the big four' and are separated from each other by the famous 'Green Heart' (Fig. 1). Another seven or eight cities (i.e. municipalities) fall in the range of 100,000–200,000 inhabitants, while the rest are smaller or much smaller and are predominantly of suburban or rural character. The

Fig. 1 The Randstad

region as such accounts for almost 45% of the Dutch population and for about 50% of the country's jobs and economic production (OECD 2007). Since all these people and economic functions are concentrated on only about 16% of the Dutch land surface, the Randstad is generally seen as the country's economic core and engine, and hence also as the country's trump card in the so-perceived European inter-metropolitan competition for mobile resources (Ministry of Housing, Spatial Planning and the Environment 1991, 2004). And although the region over the past couple of years has somewhat lagged behind European growth champions, such as Dublin and Madrid, this perception is well-deserved as is illustrated in Table 1.

Capacity building on the back of the 'Deltametropolis'

At the end of the 1990s, the Randstad's assigned role in the European inter-metropolitan competition, combined with (a) dissatisfaction with the failure of national spatial policy to contribute to the 'metropolitan qualities' of the Randstad, and (b) the notion that preparatory work for a new National Memorandum on Spatial Planning would soon begin (in the Dutch context, such memoranda are important guides for the allocation of spatial investments), incited the aldermen for spatial planning of Amsterdam, Rotterdam, The

Table 1 Comparative performance of the Randstad on a selection of Lisbon indicators (2006) (adapted from TNO 2007, p. 8)

Indicator	EU27	EU15	Netherlands	Randstad
GDP per capita in PPS (EU27 = 100)	100	112.1	132.2	144.2
Labour productivity per person employed (EU27 = 100)	100	110.7	114.6	121.5
Employment rate (population aged 15–64)	64.4	66.0	74.3	75.4
Youth education attainment level (% population aged 20–24 having completed at least upper secondary education)	77.8	74.8	74.7	76.2
Gross domestic expenditure on R&D (% of GDP)	1.84	1.91	1.72	1.66
Long-term unemployment rate	3.7	3.3	1.7	1.7

Hague and Utrecht to let bygones be bygones and to engage in yet another effort to join forces and secure their common interests (Lambrechts and Zonneveld 2004, pp. 311–312). The early 1990s had seen some partially successful attempts to increase organizing capacity at the local level (e.g. through annexations and the promotion of mergers between municipalities, the introduction of legal frameworks for inter-municipal cooperation, and the half-hearted foundation of *stadsregio's* ('city-regions') around the country's seven major urban centres), but at the level of the Randstad organizing capacity remained weak. The aldermen opted for a change and in 1998 jointly presented the Deltametropolis Declaration (Deltametropool 1998), in which they revealed their vision of the future spatial development of the Randstad region. They claimed that the spheres of influence of the four cities had started to overlap, that an increasing number of planning issues in the Randstad area were transcending the scale not only of the municipalities but also of the provinces, and that, in combination with the international ambitions, the time had come to join forces, develop a common vision (i.e. the Deltametropolis) and trade intra-regional competition for

cooperation (Frieling and van Iersel 2003). This initiative soon resulted in the foundation of the Vereniging Deltametropool ('Deltametropolis Association'). This informal body served to enhance the transformation of the 'scattered' Randstad into a more coherent 'Deltametropolis' through the initiation of research and design activities and by stimulating professional exchange between Randstad-based actors.

In the meantime, official consultation, policy coordination and outward representation (also towards the EU) was organized through a more formal cooperative body called Regio Randstad ('Randstad Region'). This collaboration between the four Randstad provinces (North Holland, South Holland, Utrecht, Flevoland) had in fact existed since 1991, but new life was breathed into it and in 2002 the four largest cities and their respective city-regions entered the agreement too (Storm 2006). This body was grounded in law and its members had committed themselves to the aim to strengthen the international competitive position and to improve the quality of life in the western part of the Netherlands (i.e. the Randstad). However, decision making was based on consensus and since the body lacked implementing powers, the implementation of decisions was fully dependent on the benevolence of the participants. Political consultation between the Randstad Region and central government was facilitated by the Bestuurlijke Commissie Randstad ('Administrative Committee for the Randstad'). Here, national government and executive members of the Randstad Region would meet several times a year to discuss, for example, the central government's spatial investments in the Randstad and the Randstad's views on national spatial policy.

The central government appeared to be receptive to the vigour radiated by the united Randstad actors. In the process leading up to the Fifth National Report on Spatial Planning (released in 2001), it encouraged groups of local and regional authorities to coordinate their input and response to the Report at the supra-provincial level. For that purpose, the country was divided into four *landsdelen* ('mega regions'), one of which was the Region West (which included the Randstad and was represented by the Administrative Committee for the Randstad). These mega regions coincided with the NUTS 1 level of the European Nomenclature of Territorial Units for Statistics, and

their conception can be seen as a cautious response from the Dutch government to the European efforts to strengthen the role of regions ('Europeanization'). When the final draft of the Fifth Report appeared to adopt much of the pro-Randstad/Deltametropolis agenda and the 'Deltametropolis' was designated as a 'national urban network of international importance' that deserved to be strengthened in various ways (Ministry of Housing, Spatial Planning and the Environment 2002), it seemed as though the cooperating Randstad-based authorities would soon have free play to further strengthen their capacities and perhaps even aspire to the formation of a full-blown Randstad government.

Changing winds, dwindling hopes

The Fifth Report, however, never acquired official status due to the untimely fall of the government that was responsible for its production and the subsequent decision of the next government to produce a partly new report. In this report—the National Spatial Strategy (Ministry of Housing, Spatial Planning and the Environment et al. 2004)—the Deltametropolis concept and its metropolitan focus were abandoned and the old concept of 'Randstad Holland' reappeared, this time largely devoid of any serious metropolitan ambitions. The new government, while advocating a far-reaching decentralization policy, appeared to be less convinced of the need to put the level of the Randstad at centre stage. 'Europe' more or less disappeared beneath the horizon (Modder 2004) and the policy focus shifted 'back to basics' and to the spatial scales for which concrete investment programmes could more easily be defined. In practice, this meant that the Randstad Holland (the Deltametropolis was no longer mentioned) was divided into four programme areas (i.e. the north wing and the south wing of the Randstad, the Utrecht area and the Green Heart) and that concrete policies and investment strategies were coordinated with the authorities in each of the areas (rather than with the Administrative Committee for the Randstad).

This of course was a major setback for those who had rallied behind the idea of a strong and united Deltametropolis. Faced with this new reality, local and regional players had no choice other than to seek a new balance between their more local and their Randstad interests. Informal collaborative activities

that had already been initiated by local actors at the level of the 'wings' (i.e. the North Wing Conference and the South Wing Platform) were intensified. In terms of their spatial scope, these networks corresponded more closely with the actual functional relationships on the ground (commuting patterns, housing markets, etc.). Consequently, problems, challenges and their possible responses were easier to comprehend than were the more abstract challenges facing the Randstad, and conflicts of interest were less manifest than they were at the Randstad level. Soon, therefore, local actors started to appreciate these networks at least as much as the Randstad Region (in the north wing more than in the south wing, admittedly), and felt that they were actually yielding more results (helped of course by the national government's practice of funnelling spatial investments this way).

Randstad united one more time...

Yet, the same local and regional actors who were increasingly starting to find each other within their respective 'programme areas' or 'wings', would still not give up on the idea of strengthening capacities at the Randstad level. In 2006, the 'Holland 8'—that is, the mayors of Amsterdam, Rotterdam, The Hague and Utrecht, and the queen's commissioners of the four provinces—called for the creation of a central Randstad authority that would be responsible for instigating, coordinating and implementing spatial policies at the scale of the Randstad. Even though the members of the Holland 8 were not speaking for their entire cities or provincial councils, they did make an impression. Their lobby persuaded the Minister of Interior Affairs to appoint a commission, headed by the former Dutch Prime Minister Wim Kok, to investigate the issue and make recommendations. The 'Kok' Commission eventually concluded in support of the Holland 8. According to the Commission, the Randstad's proposed role in the increasingly fierce international and inter-metropolitan competition for mobile resources, required that it would be able to fend for itself, and far-reaching administrative reform was also thought necessary to put an end to the 'administrative crowdedness' that was held responsible for the lack of verve and the agonizingly slow decision-making procedures that were seen as preventing the region from becoming more competitive

Fig. 2 Partial and schematic overview of administrative actors in the Randstad area (not shown, for example, are the ca. 150 municipalities that have a say in planning matters as well)

(Fig. 2). The Commission recommended to introduce some serious institutional reforms and to create a single metropolitan government for the entire Randstad that would take over responsibilities from the existing provinces and city-regions, and put the Randstad on the road to a bright and competitive future (Commissie Versterking Randstad 2007).

...But again to no avail

In the spring of 2007, the national government chose not to adopt the advice of the Kok Commission. It was sustained in its decision by the outcomes of two other important studies that had appeared around that time. The first, a study by the National Spatial Planning Agency, drew attention to the fact that functional relationships at the scale of the Randstad are still much weaker than at the scale of the individual city-regions and the wings (Ruimtelijk Planbureau 2006), and thus effectively undermined any claims that the region could be seen (and should be treated) as a single functional entity. And although the second study—the OECD Territorial Review of the Randstad Holland—acknowledged that in certain ways the Randstad represented a relevant scale, it did not consider the introduction of a Randstad authority a necessity and instead favoured the strengthening of the city-regions (OECD 2007).

The central government's rejection of the institutional reforms proposed by the Commission constituted what may well have been a final blow to the local and regional aspirations to strengthen capacities at the level of the Randstad. The remainder of the year saw a further intensification of cooperation at the level of the wings (notably in the north wing) and the discontinuation of the Randstad Region collaboration (per 1 January 2008). Especially actors in the north wing seemed to lose interest in the 'Randstad project'. In a quite remarkable solo effort at the end of 2007, they changed the name of their region from the 'north wing' to 'Amsterdam Metropolitan Region', thus clearly obstructing any further attempts to promote the Randstad as the one and only Dutch metropolis. This step has made the prospects of strengthening institutional and governance capacities at the level of the Randstad appear bleaker than ever, while only 10 years ago they looked distinctively rosy. In the following section, we delve deeper into the reasons why building institutional capacity at the Randstad level is such a difficult project.

Barriers to regional governance in the Randstad

Recent attempts to organize institutional capacity at the scale of the Randstad have not had the desired effects. The barriers that so effectively hamper any amendment of the constitutional structure that regulates intergovernmental relations in the Netherlands successfully withstood the Deltametropolis initiative, the local and regional authorities united in the Randstad Region and 'Holland 8', and the Kok Commission. Worse still, it appeared to be just as difficult for local and regional actors to establish effective and lasting informal cooperative arrangements within this constitutional structure. The dissolution of the Randstad Region as of 1 January 2008 tells its own story.

Why has meaningful cooperation at the level of the Randstad failed to materialize? Why is it that the promise of being able to unlock the regional potential through good regional governance has not persuaded actors at all levels to do their utmost? Even though the course of events is ongoing and not all intricacies can be taken into account, some possible explanations can be pointed at. The majority of these can be grouped into three categories: those related to inter-

governmental competition, those related to the rationale behind the project, and those related to leadership and control.

Competing governments

Attempts to strengthen institutions at a particular level often lead to a change in the balance of power both within and between government tiers. In such cases, resistance is to be expected from those who fear a loss of power. This applies to the Dutch context too. At least three forms of inter-governmental competition for power are likely to have posed a barrier to institutional capacity building at the level of the Randstad, namely competition among local authorities within the Randstad, competition between the Randstad and other regions within the Netherlands, and competition between the Randstad and the national government.

As noted, the Randstad is quintessentially polycentric. A substantial number of cities within the area compete with each other for the central government's investments. In an international comparative perspective, Dutch municipalities are financially very dependent on the national government. Only 20% of a municipality's income is raised within the municipality, the remainder comes from the national government, either as a lump sum (35%) or as ring-fenced money to be spent in delegated authority (45%). Attracting additional investments from the national government for large-scale infrastructure or economic development projects is high on all municipal agendas and places municipalities into a competitive relationship vis-à-vis each other. This centralized, top-down financing system clearly favours vertical relations over inter-municipal or inter-regional horizontal relations (Janssen-Jansen 2004). Next to this, cities also compete for incoming private investments (and the resulting jobs) and the more affluent segments of the population. Although, and perhaps even because municipalities do not benefit directly from the success of local businesses or from property taxes, they are very eager to receive revenues from the land servicing plans. This makes that realizing offices and expensive housing is much more profitable for municipalities than investing in social housing. While the competition resulting from these conditions also affects smaller municipalities, it is particularly strong among the four larger cities. It is

safe to assume therefore that these cities in their attempts to further the Deltametropolis initiative and, as of 2002, the Randstad Region continuously balanced their cooperative efforts against their individual interests. This of course held the main actors back from engaging in full and put restraints on what cooperation could have achieved anyway. The absence of accepted hierarchies between the major cities might make intra-regional competition a more serious concern in a polycentric region such as the Randstad compared to monocentric regions, and it may also partly explain why internal competition at lower geographical scales within the Randstad (i.e. the wings and the city-regions) is less of a barrier to cooperation. Here, hierarchical (and power) relationships are usually clear and not that much contested, making it relatively easier for everyone to constructively rally around a joint objective. Adding weight to this factor in the Randstad context is the fact that not all cities and city-regions depended to the same degree on the success of the Randstad project. To strengthen the international competitiveness of the region and its constituent cities was one of the main rationalities underlying the cooperative efforts, but it gradually became increasingly clear that Amsterdam and the north wing, supported by strong economic growth, had managed to achieve international competitiveness on their own. This made it particularly easy for Amsterdam to be in two minds about the Randstad project and turned cooperation in the North Wing Conference into a very interesting alternative.

Institutional capacity building at the level of the Randstad suffered not only from internal competition, but also from power struggles between the Randstad and the rest of the Netherlands. In this case, the 'rest of the Netherlands' was/is represented by the three other *landsdelen* (mega regions) that produced input to the Fifth Memorandum on Spatial Planning and the National Spatial Strategy (see section "One step forward, two steps back: organizing institutional capacity in the Randstad region around the turn of the twenty-first century"), and by the national government. The Netherlands has a strong tradition of redistributing wealth and public resources equally across the country, and regions that claim to deserve more than the others can expect serious opposition. In the Fifth Memorandum on Spatial Planning, the national government seemed to be willing to break with this tradition, as it went along with the idea to

favour the Randstad (then labelled Deltametropolis; see section “One step forward, two steps back: organizing institutional capacity in the Randstad region around the turn of the twenty-first century”) over the rest of the country to a considerable degree. However, the balance was soon restored (and the Randstad’s ambitions downplayed) with the arrival of a new national government that appeared to be more open to the competing claims of the other regions.

By refusing to grant the Randstad the resources and the institutional capacities the latter had repeatedly argued for, the national government most probably did not only intend to serve the interests of the other regions. Just as the provinces had rightfully feared the erosive effects of the creation of city-regions, the national government had (and still has) reasons to worry about the consequences of a Randstad that would be capable of largely fending for itself. A possible Randstad authority would govern almost half of the Dutch population and its economy, and would seriously undermine the position of the national government (depending on the authority’s given powers, of course). It is because of this and other factors that the national government has generally been favourably disposed towards the more informal and voluntarily cooperative arrangements organized at the Randstad level, but has never endorsed any constitutional reform.

Abstract and contested rationale

The two most frequently used arguments in support of strengthening institutional capacities at the level of the Randstad are: (a) the Randstad requires governing capacity in order to be able to fend for itself in the global inter-metropolitan competition for mobile resources (the individual cities are considered too small to play a role at this level), and (b) the establishment of a Randstad authority that replaces the plethora of sub-regional and sectoral cooperative arrangements and governmental platforms could help to tackle the problem of ‘administrative crowdedness’ and increase the speed and effectiveness of regional policy making. While these arguments make sense, they are also somewhat problematic. The international competition argument has rhetorical power, but it is also rather abstract. Its users have always had trouble explaining how exactly the establishment of a Randstad authority would eventually lead to greater

competitiveness and international success for the region. The problem with the second argument is that it is somewhat speculative (success is not guaranteed) and disregards some thorny details. Filling the governance deficit at the Randstad level by substitution is likely to create governance deficits at lower levels (possibly even of a more serious nature), while leaving out the substitution objective renders the argument internally inconsistent.

Proponents of strengthening institutional capacity at the Randstad level have not been able to convince their opponents of the idea that the Randstad represents the scale at which important parts of social and economic life are organized and thus should be equipped with certain policy-making capacities. Functional relationships and interdependencies at the Randstad level do exist (Lambregts 2008), but they are less visible and less voluminous than the relationships defined at the scale of the city-regions and the wings (Ruimtelijk Planbureau 2006). For many people, the latter coincide with their daily activity space and for many planners this automatically means that governance should be organized at these levels.

The same proponents have also more or less failed to convincingly identify urgent spatial challenges that necessarily require to be addressed at the Randstad level. In theory, such challenges can be defined irrespective of existing social and economic functional relationships (e.g. in anticipation of a future threat, such as climate change). Although they have been introduced to the Randstad debate (e.g. the water retention and transportation challenges), again it could not be argued clearly enough that only a Randstad authority could address such issues.

Together, these weaknesses—namely the inability to define issues that clearly and irrefutably call for a Randstad approach/solution, the inability to define consequential interdependencies and interrelationships that justify a Randstad approach, and the abstract rather than concrete nature of the arguments used—have undermined the position of the Randstad advocates, and have also rendered the definition of one or more typical, symbolic ‘Randstad’ projects too large a challenge. Candidate projects (e.g. the conversion of the Green Heart into a ‘metropolitan park’ and the construction of a circular high-speed transit system, the *Rondje Randstad*) never gained enough support to get off the ground. ‘Europe’ as an

argument was always there in the background, but never carried enough weight to tip the scales.

Leadership and control

Political leadership is a crucial condition for establishing and maintaining regional governance (Sotarauta 2005). Without compelling arguments, however, political leaders are less likely to fully back a high-risk project. It is no surprise, then, that in the case of institution building for the Randstad, political leaders through time have been reluctant to unambiguously associate themselves with the project. The position of the various national governments towards the Randstad has mostly been lacklustre, and there has been only limited enthusiasm among local and regional politicians. Lip service was in many cases easily given, but no bold leaders arose.

Following the dissolution of the Randstad Region, the initiative once again lies with the national government. It has made one of its ministers responsible for the coordination and realization of projects within the Randstad area (although not all can be considered Randstad projects) and for the drafting of a long-term development strategy (in cooperation with local and regional stakeholders). This seems to be a continuation of the old and safe middle course, in which drastic institutional changes are not part of the script.

The Randstad experience: concluding remarks

There are a few lessons to be drawn from the Randstad experience—especially because it is not the only region in Europe that has been struggling with challenges related to institutional capacity building in the past years, and because Europe's continued appeal to the regions has started to take effect across Europe. With the addition of the competitiveness objective to the convergence objective, regions have come to be increasingly seen by the EU as partners in the policy delivery process and are addressed as such. They are invited to work on their competitive strengths, to help generate new resources and to contribute to the development of a more polycentric and balanced European territory. Regional administrations are encouraged by words and by subtle means to strengthen their capacities so as to improve their

ability to anticipate and adapt, and to generate sustainable growth.

Yet the discussion on the recent attempts by authorities in the Randstad region to strengthen institutional capacity presented in this paper makes it clear that the path towards effective governance for competitive regions is not always strewn with roses. Whereas such regions as Øresund and Stuttgart are making good headway and, as such, are contributing to the effectuation of European convergence and competitiveness objectives, similar efforts in the Randstad over the past ten years have largely been to no avail. The case of the Randstad shows how delicate and difficult processes of institutional capacity building can be. Existing administrative structures and the balance of power they represent can be very persistent, and it may require extraordinary and very dedicated agency to alter them. Key actors' loyalties may be multivocal and hard to win. The quality of the rationale for regionalization and institutional reform matters too. Strong arguments are needed to gain support for regional projects that in turn may function as the driving force for further developments; in addition, such arguments increase the likelihood that politicians are willing to take the lead and make a difference. In the Randstad, inter-governmental competition (at no less than three levels), ambiguous loyalties, unconvincing reasoning and the concomitant lack of leadership all worked against institutional capacity building at the level of the Randstad. They could not be counteracted by 'Europe' and its arguments and incentives for strong regions.

The barriers to institutional capacity building distinguished above are not unique to the Randstad. They play their roles in other regions as well, albeit perhaps in different combinations and with different strength. Some of them—such as horizontal inter-governmental competition and the occurrence of multivocal loyalties—may be more prevalent in polycentric urban regions than in their 'monocentric' counterparts (i.e. regions that are characterized by more hierarchically organized power relationships). While the Randstad experience does not provide a map for other regions to follow, it does point at a number of pitfalls that other regions may wish to avoid.

There is, however, a reassuring side to the Randstad story, especially when viewed from a European policy perspective. Apparently, strong economic performance (not a bad measure of

competitiveness) does not necessarily require strong regional institutions. Despite its faltering organizing capacities, the Randstad scores way above average on many of the Lisbon indicators. Admittedly, this leaves untouched the question whether the Randstad's performance would have been better by now had the efforts to build capacity on the back of the Deltametropolis around the turn of the century really produced results, as well as the question whether the informal but more productive cooperation taking place in what is now the Amsterdam Metropolitan Area is responsible for or is a product of the economic boom this area is experiencing. These are excellent issues for further research.

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