ESPON TANGO – Territorial Approaches for New Governance

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1.   Territorial governance matters!

During the ESPON Open Seminar in Dublin on 13-14 June 2013 the ESPON community was continually reminded that the prevailing territorial trends and the need for resilience in light of the financial crisis make the role of territorial governance more central than ever.

Europe is still in recovery from a deep financial crisis and struggling with unemployment and social exclusion. At the same time it must switch to a low-carbon economy and adapt to the climate changes that are already underway. Responding to these daunting tasks requires effective and urgent policy initiatives and actions at European, national, regional and local levels as well as across different policy sectors. The so-called 'place-based approach' as delineated in the Barca Report and the existence of good governance with a strong adaptive capacity is recognised as a critical factor in addressing the agenda set by the EU 2020 Strategy. This is further reflected in the NTCCP (Network of territorial Cohesion Contact Points) report from 2013 calling for a place-based, territorially sensitive and integrated approach to policies, so as to improve the performance of actions on all levels and create synergies between different types of policy interventions.

The ESPON TANGO (Territorial Approaches to New Governance) project asserts that governance matters and territorial governance matters in order to achieve specific territorial development goals to achieve territorial cohesion. But *how* and *under which circumstances* territorial governance matters varies considerably for the vast range of territories across Europe. Even the question of 'good' territorial governance *for whom* must be addressed. Thus distinguishing generalisable and transferable lessons about territorial governance processes is a challenging task, but one that can provide additional fuel to the EU Cohesion Policy debate.

Taking this task to hand, one of the main objectives of the ESPON TANGO project is to draw and synthesize conclusions about territorial governance throughout Europe. Based on a theory-driven, pragmatic and consensual definition and operationalization of territorial governance, the focus of the project is to understand how actors and institutions at different levels formulate and implement policies, programmes and projects to achieve a certain territorial goal that is aligned to the Europe 2020 strategy. We provide conclusions on not only how spatial planning and regulatory instruments are involved in territorial governance, but also how broader policy processes such as coordination of actors and institutions, cross-sectoral integration, stakeholder mobilisation, adaptive capacity, and realising territorial specificities and impacts, have contributed to 'good' territorial governance. In the end we stress that comparability and transferability of territorial governance in Europe is not aimed at searching for 'one-size-fits-all' solutions, but rather at building an evidence-based set of opportunities for innovation in territorial governance practices at different levels/in different contexts.

The evidence-base of these questions is derived from a typology survey, a survey of the relevance and practicality of indicators of territorial governance and from a dozen case studies across Europe of territorial governance at play (see Annexes 1-12 for full case studies). Most territorial governance approaches examine the role that governance plays in achieving a certain outcome and confirming that yes, governance does matter. But there remains a need to revisit the feedback loop from the theoretical starting point that *governance matters* to generating hypotheses about *why, how, under which circumstances* and *for whom* it matters a little, a lot or not at all. This sort of reflection has in particular helped to meet the specific objectives of this project, namely to generalise current trends, to identify those governance practices which can be considered as being 'innovative' or 'good' and, finally, to discuss the extent of their transferability into other contexts.

Consequently the research was carefully prepared and embedded in a larger research framework. The project-team first developed an operational working definition of territorial governance based on available approaches, theories, findings and debates. Indeed this definition (see figure 1) has been revisited throughout the research process and has served to provide guidelines for the case study research; nonetheless it sets the tone and serves as an underlying framework from which the other research parts are unfolded, as well as a simple heuristic for how stakeholders can consider territorial governance. As such, the definition itself, based on theoretical observations and evolved through in-depth discussions with the experts in the TPG, can be seen as a major output of the ESPON TANGO project. Closely linked with the definition and the aforementioned case studies is a framework for the identification and transferability of good territorial governance practices and policy options. Finally a practice guide for practitioners, policy and decision maker has been developed.

Territorial governance is the formulation and implementation of public policies, programmes and projects for the development* of a place/territory by

1) co-ordinating actions of actors and institutions,

2) integrating policy sectors,

3) mobilising stakeholder participation,

4) being adaptive to changing contexts,

5) realising place-based/territorial specificities and impacts.

We consider 1) to 5) as "dimensions" of territorial governance which provide added value to achieving territorial cohesion.

* We define development as the improvement in the efficiency, equality and environmental quality of a place/territory (in line with the Europe 2020 strategy).
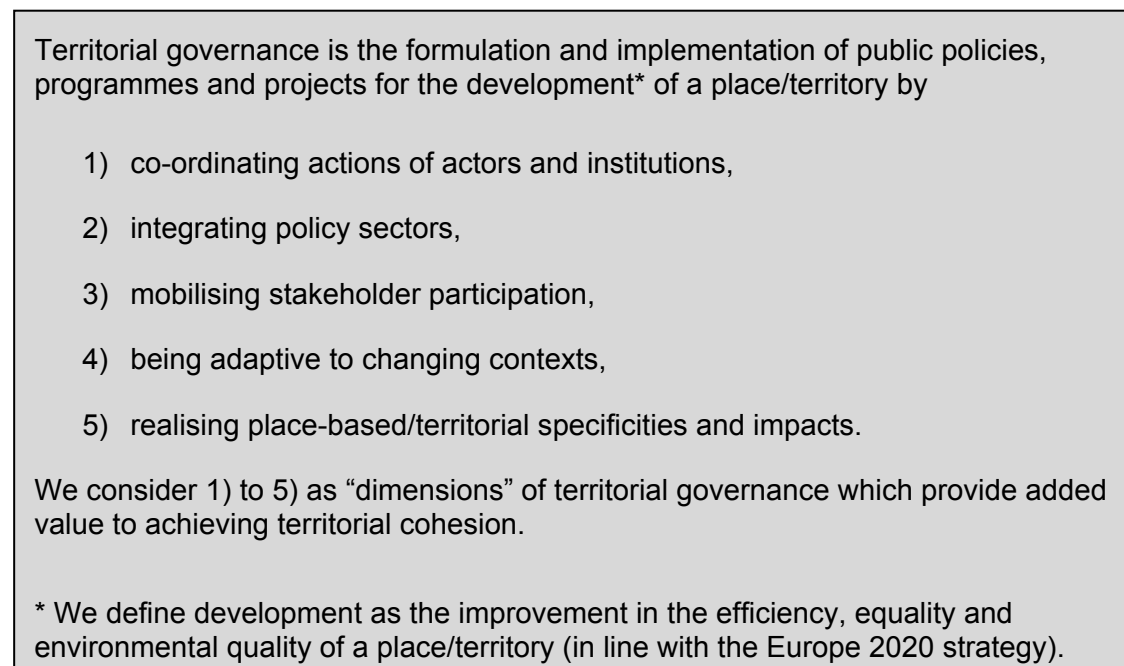
Figure 1: TANGO dimensions of Territorial Governance

2.   How has territorial governance changed recently?

A number of observations on national governance trends can be discerned from the ESPON TANGO typology survey, which point to current trends that illuminate why territorial governance may matter more now than ever. Many European countries have experienced noticeable shifts in government powers in relation to water management, urban and regional planning and/or public transport provision. Trends toward greater centralisation are apparent for some countries while trends in decentralisation are evident for others. Some policy sectors have experienced a complete 'pendulum shift' in certain countries: centralisation of government powers in the 1990s followed by decentralisation after 2000 (e.g. public transport provision in France and Latvia; water management and other areas in Hungary). More countries appear to have experienced centralisation of government powers than decentralisation.

As might be expected, *shifts in financial resources and fiscal responsibilities* in policy-making processes generally mirror the shifts in government powers described above. However, the two do not always follow each other. In some cases, there is a time lag between shifts in government powers and the reallocation of financial resources or fiscal responsibilities. In other cases, however, shifts have taken place in one but not in the other (e.g. a decentralisation of government powers but little or no decentralisation of financial resources or fiscal responsibilities, which is reported to have occurred in the case of water management in Denmark and public transport provision in Belgium). More countries have experienced shifts towards greater centralisation of financial resources and fiscal responsibilities than decentralisation.

Almost all countries in Europe experienced similar trends in terms of the *relations between national and sub-national governments* and between the public and private sectors. In the vast majority of cases, collaboration between different levels of government in policy-making processes increased in importance during the 1990s and/or the decade thereafter (2000-present). In all three policy sectors examined in the survey (water management, urban and regional planning and public transport provision), collaboration appears to have increased in importance.

Trends in the *contracting out (outsourcing) of 'traditional' government functions* in policy-making processes also seem to have been shifting in the same general direction: towards more contracting out, especially in the period 2000-present. The same is also true for trends in the use of public-private partnerships in policy-making. Across practically all European member states, public-private partnerships are increasingly used in water management, urban and regional planning and/or public transport provision. There appears to have been a strong increase in these partnerships in the period 2000-present in most countries.

The survey indicates a number of key trends in terms of how *community groups and the general public engage in policy-making.* First, the survey results highlight that citizens have generally become more concerned and involved in policy-making

processes related to water management, urban and regional planning and/or public transport provision. Not only was there a noticeable trend where citizens became more concerned and involved in policy-making processes during the 1990s, further shifts in the same direction took place in many countries from 2000-present. These trends were very widespread and not confined to specific clusters of countries.

Similar trends are apparent when looking at the formal *inclusion of citizens in the design and implementation of policy* and at the influence of citizens on policy decisions. The survey responses indicate that citizens have generally been included more often in formal policy-making processes in the 1990s and the decade thereafter (from 2000 onwards), and that citizens have had more influence over policy decisions, especially since 2000. However, a few exceptions are reported. Respondents indicate that the influence of citizens (and citizens' groups) may have actually declined since 2000 in a small number of cases (e.g. urban and regional planning in Hungary and The Netherlands; water management and public transport provision in Poland).

3. How does territorial governance matter?

The above mentioned trends in governance at all levels make it all the more vital to pay attention to territorial governance processes in depth and point out possible directions towards better territorial governance. To this end the ESPON TANGO team has delineated, assessed and verified a dozen indicators that can be used to assess how territorial governance is actually working. Twelve case studies in the ESPON TANGO project have been designed based on the dimensions and indicators to provide an understanding how actors and institutions at different levels formulate and implement policies, programmes and projects to achieve a certain territorial goal, and assess their performance.

1	A Climate Change Adaptation Strategy for the Baltic Sea Region
2	Territorial Governance to achieve resource efficient urban development in Stockholm: good practices without consistency?
3	Integration between public transport and urban development in the metropolitan region of Rotterdam-The Hague
4	Cross-border Cooperation in the River Rhine Basin
5	Target-based Tripartite Agreement among European Commission, Italian government and Lombardy Region
6	The territorial governance process within the South Loire Schéma de Cohérence Territoriale (SCOT)
7	Reinventing regional territorial governance - Greater Manchester Combined Authority
8	Is small really beautiful? Neighbourhood Planning in the UK, North Shields Fish Quay
9	Building Structural Fund Management systems. Learning by doing or imitating?
10	The ECC Pécs Project and the challenges of territorial governance
11	Public transport strategies in Ljubljana Urban Region (LUR)
12	Governance of natural areas in the Alpine Adriatic area: Trilateral Nature Park Goričko-Raab-Örség

Table 1*: Overview of the 12 ESPON TANGO case studies*

The objects of the 12 case studies are all relatively recent (from around 2000 until the present). This is to ensure the topicality of studying the territorial governance processes at play within the cases. The cases are representative of the major geographic areas of Europe and address a number of territorial policy areas as well as a range of institutional levels. But most of them address at least some form of 'bottom-up' governance process. They also involve both cases bounded by 'hard' administrative borders and those with 'softer' functional delimitations. Although a goal of the ESPON TANGO project is to illuminate particular 'good practices' of territorial governance, this has been done in the 'Guide for practitioners, policy and decision makers. We also draw some general findings from the case studies about how territories can move towards better territorial governance and how they can overcome certain governance gaps.

- **Coordinating the actions of actors and institutions**

Within the case studies we see a distinction between **distribution of formal power** (governmental rights and responsibilities) and **informal power** (structures and processes for influencing the decision-making process outside of statutory mandates). In the cases involving transnational or cross-border actors much of the power exercised was of a **normative** character, rather than **regulatory**. But also in the local and intra-regional cases, most cases of territorial governance involved a mixture of both.

Clear leadership was a characteristic of the more successful cases of territorial governance, regardless of whether the leadership was formal, informal or even shifting. Clear leadership appeared to be a contributing factor to the success of other dimensions of territorial governance, in particular cross-sectoral integration. In the 'softer' spaces, **consensus among actors** was the main mode of decision-making, facilitated by transparent leadership. Several of the 'unsuccessful' cases were marked by leadership which was unclear, opaque or contested. In a few cases, especially those in more centralised countries, national authorities claimed more top-down power in the issue at the cost to the formal leaders at local or regional level.

The cases pointed out several characteristics as enabling factors in the coordination of actors. These include previous cooperation among actors as well as the existence of various **principles such as solidarity, subsidiarity** or the **desire to create** and maintain **a certain 'image'** to be presented to the outside world, and which demanded coordination. Several case studies also noted that a **unified political landscape**, whereby the same political party dominated multiple governance levels, was an important facilitation factor.

- **Integrating policy sectors**

While all of the case studies had specific structures set up to promote cross-sectoral integration, the procedures for doing this were much less obvious. Working 'concretely' for synergies often occurred through **dialogue among networks or partnerships** associated with the drafting of programmes or strategies among trans-regional, transnational or cross-border actors. In the cases featuring municipal or

local governance, synergies were often facilitated by formal or informal structures to promote public-private partnerships.

Since all cases showed some evidence of multi-level governance, specific **structures and mechanisms are in place at the municipal level** (e.g. the planning and building code) to **ensure subsidiarity**. Nonetheless it was felt that these structures and mechanisms are indeed appreciated, but beyond the prevailing routines within local authorities there are hardly any additional forms of representative and/or participative democracy integrated (e.g. at the regional level), which could further strengthen and secure democratic legitimacy and accountability. This is in particular being addressed in those cases where territorial governance arrangements have been created that are not congruent with jurisdictional boundaries and/or are not (yet) represented by any governmental layer.

- **Mobilising stakeholders**

A key issue from the case studies seems not only to be the question of transparency, but **how stakeholder-articulated viewpoints are actually being dealt with**. It has also been noted that it is important to understand the whole territorial governance process as such in order to assess where and when viewpoints might feed into it and the scope of their relative power to re-shape the policy, programme or project at hand. A number of deficits have been reported, as the design of such processes can be undefined or unclear, which can hamper any further mobilisation of stakeholders. It was also reported that such processes might be very transparent for those who actively take part (or are allowed to do so) from the beginning, but as 'outsiders' or as 'stakeholders' joining such processes at a later stage it is rather difficult. Various **media channels (online, radio, newspaper)** seem to be powerful tools to make territorial governance more visible, but not necessarily more transparent, due to the prevailing high level of complexity.

- **Being adaptive to changing contexts**

How knowledge is managed within institutions is certainly a question of **resources, scope for (individual) capacity-building and mechanisms** to secure this for future purposes. What is required is stability of institutional arrangements, various means to store and develop knowledge (monitoring system, annual reports) and mechanisms to safeguard personalised knowledge due to the fluctuation of individual actors. However, besides such rather structural aspects, leadership styles and the level of collaborative culture, as well **interpersonal networks and trust** can either promote or inhibit the opportunity for institutional learning.

As a general rule one can say the less that the territorial governance arrangement at hand is formalised, the greater is the scope of flexibility or even experimentation. Other factors promoting this scope are the possibility to **integrate ad hoc debates, to create new partnerships, to develop soft leadership** that allows for corrective actions or to search for new solutions in light of changing contexts. Limiting factors are scarce resources (budget) and business-as-usual attitudes. Another item that has

been observed in this respect is the positive effect of robust institutional structures that are at the same time flexible enough to absorb the impacts of political changes or crisis.

- **Realising place-based/territorial specificities and impacts**

The case studies represent two different types of intervention logics: a) the territorial scope being pre-defined by the **jurisdictional boundaries** of the lead institution (e.g. municipality) and b), the territorial scope based on **functional/issue-based criteria** (e.g. catchment area of river, nature conservation, labour market region). In some cases both options are integrated, which complicates a number of other components of territorial governance. It seems that a soft or functional approach can challenge prevailing perceptions and routines of actors and institutions being locked in 'hard' spaces, which can contribute to a more relational territorial understanding. The key question is then to what extent a more relational understanding gets integrated into policies programmes or projects or even formally institutionalised in the long run.

It appears that today's territorial governance practices are supported by **an enormous body of territorial expert knowledge**. An issue which has been mentioned in many cases is the question who collects and owns this knowledge (and becomes knowledgeable) and to what extent the various actors and institutions involved in the territorial governance work at hand are able (and willing) to share it.

Other issues that can be carved out from the cases is the question of **continuity** (since during the plan-making phase the integration of territorial analysis can be high, but rather low once the plan is adopted) or of **setting priorities due to limited resources**. Examples for the latter are the selection of certain areas for territorial monitoring or the integration of territorial impact assessments for only strategic' projects (those who get high political attention).

Coordination as one overarching mechanism…

Coordinating actions of actors and institutions (Dimension 1) and Integrating policy sectors (Dimension 2) can be considered as being at the heart of what is usually called multi-level governance. These actions are often entangled within the actions of *government*. Both dimensions include different ways to integrate various actors and institutions and their interests. Central for the strong interplay between these dimensions is the distribution of various sorts of power (formal/informal as well as regulatory/normative) and ways to overcome the barriers, constraints or even gaps within the prevailing institutional structures.

Mobilising stakeholders (Dimension 3) expands on the two aforementioned dimensions, as it accentuates and provides a tool for the integration of all relevant stakeholders. The thorny question is how to mobilize in particular civil society and smaller private actors. The analysis shows that mobilising stakeholder participation is a lynchpin for achieving both coordination among actors and sectoral integration. As

a result, we can argue that Dimensions 1, 2 and 3 can be considered as forming a triangle that is characterised by coordination as the overarching mechanism as well as strong or at least moderate relations between them (see figure 2).

…knowledge as another overarching mechanism

However the linkage between mobilising stakeholder participation and being adaptive to changing contexts (Dimensions 4) Realising place-based /territorial specificities and impacts (Dimension 5) are somewhat disconnected. This is perhaps because there is a different overarching mechanism at play. Dimensions 1 and 2 set the structural pre-conditions of multi-level governance, which demands coordinative capacities, while dimensions 4 and 5, as argued below have knowledge as the overarching mechanism.

The uniting characteristic of Dimensions 4 and 5 is that both dimensions have knowledge aspects at the core of their conceptualisation. The case studies show that in order to be adaptive to changing contexts (Dimension 4) it is necessary to have certain institutional structures in place in order to safeguard knowledge and ensure that individual learning is eventually transposed into institutional learning.

Knowledge obviously underpins the components of Dimension 5 as well. Territorial knowledge sets the framework for the logic of defining an area of intervention and for further 'coping' with 'softer' or more functional boundaries. Particularly the cross-border and transnational cases, but also even softer 'local' cases indicate that the process of choosing which sectors are represented in an intervention is important in defining the territorial scope of the intervention.

In general we can argue that the interplay within the triangle composed of Dimensions 1, 2 and 3 has been (largely) captured, although using different starting points, by the concept of multi-level governance. Nonetheless, we argue that the territorial elements and the shift from 'multi-level governance' to what we define as 'territorial governance' become most explicit when incorporating dimension 4 and 5. The focus on the knowledge-related components within the case studies helps us recognise (relational) space as a social construct, and factor in 'place' and 'territory' factor into multi-level governance practices.
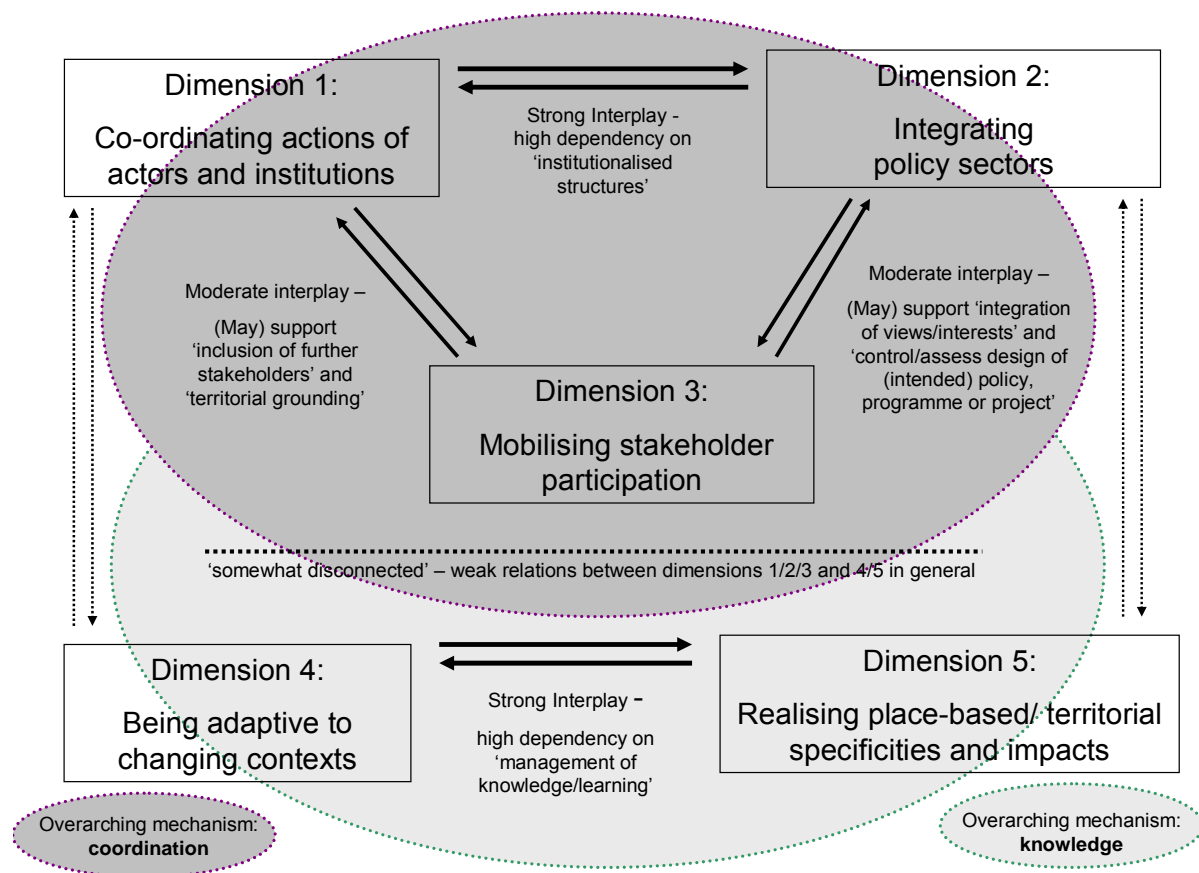
Figure 2: Inter-relations between the five dimensions of territorial governance

4.   For whom does territorial governance matter?

An important aim of this research project is to develop practical advice for territorial governance based on evidence from current practices, this being a particular concern for the ESPON TANGO 'Guide for practitioners, policy and decision makers'. To do so requires a preliminary understanding, on the one hand, of which factors lead to successful policy outcomes and, on the other hand, of the possible modes for their transferability as well as the target groups of the transfer.

Modes of policy transfer may be directly related, albeit not exclusively, to a main target group. A *discursive mode* is particularly concerned with the identification of preliminary ideas to be taken on board by the territorial knowledge communities active in a specific context. A *practical mode* of transfer requires the consolidation of practices, joint projects and interaction through which *practitioners* involved in multiple territorial contexts may learn from each other. A *technical mode* of transfer implies the opportunity to translate features of good territorial governance in terms of methods and techniques and know-how primarily addressed to *policy-makers*. Finally, an *institutional mode* of transfer implies the capacity to combine features of good territorial governance into rules, codes and law addressed to *decision-makers*.

The ESPON TANO case studies address policies, programmes and projects existing on various governance levels as well as located within different institutional and geographical contexts. Therefore, particular attention must be paid to identify *'for whom'* the identified territorial governance processes are considered to be 'good' or 'bad'. Whereas the territorial governance promoters derived from the case studies may be addressed to a specific target group, such a distinction is by no mean exhaustive and requires further empirical research on the matter. The 'filtering out' process of translating and combining various features of 'good' territorial governance from one context is a complex process of adaption. Likewise, the 'filtering in' process through which specific territorial governance features may be taken on board in a different territorial context appears to be related to two intertwined dimensions, namely a process of adaptation, that gives origin to policies/actions according to new contextual forms or shapes, and a degree of territorialisation, i.e. the relationship between these possible policies/actions and specific place-based issues at stake.

We have argued that the five dimensions as such constitute a robust framework to *analyse* territorial governance. In particular they offer room to assess the extent to which the territorial dimension matters within regular (multi-level) governance and thus offers a holistic approach towards territorial governance.

At the same time the framework offers a simple heuristic or guideline for practitioners, policy makers or decision makers *review, check, organise* and eventually *do* territorial governance processes. In this respect we draw attention particularly to Dimensions 4 (being adaptive to changing contexts) and 5 (Realising place-based / territorial specificities and impacts) as knowledge mechanisms.

A territorial governance approach that is *adaptable* can enable national, regional and local authorities to respond to crises, such as the current economic crisis, by 'thinking outside the box' in the search for quick and sustainable solutions. The results of the case studies show that more flexible governance or 'softer' structures may have greater scope for flexibility and some of these lessons could be transferred to more bounded administrative structures; i.e. the opportunities of building more forward-looking developments into projects. However remaining territorial governance challenges to be overcome include finding methods to transform individual learning and reflection into institutional learning and the search for ways to incorporate time for reflection and innovation into existing administrative routines.

A territorial governance approach that *realises place-based /territorial specificities and impacts* will acknowledge that a soft or functional territorial approach can challenge prevailing perceptions and routines of actors and institutions being locked in 'hard' spaces. Acknowledging the co-existence of hard and soft spaces and their institutional limitations and opportunities is a first step which can then be integrated into policies, programmes or projects. The results of the case studies point out several ways that this can be facilitated, including, 1) the creation and work towards a common territorial goal or developing a specific territorial rationale, 2) utilising a high degree of flexibility in policy design and implementation and 3) developing a culture of collaboration to link the policy, planning, civil society and scientific communities to coordinate territorial knowledge.