

# Establishing Regional Integrated Strategies in Europe

Targeted Analysis 2013/2/11

Towards a Handbook  
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## INTRODUCTION

A regional integrated strategy is a set of decisions about the overall direction of a set of component regional policies – and of their sponsoring agencies – decisions which integrate the policies, and plan the responses of these to contextual changes in the medium or long term. To be worthy of its name a regional integrated strategy must be based upon conscious and deliberate decisions amongst the participating agencies, rather than merely the *de facto* direction in which these agencies – and the region itself – find themselves heading. Regions differ and may be classified according to:

1. the degree of integration which currently exists between different interacting regional policies – their *policy integration*;
2. their capacity to identify, formulate and take strategic decisions that integrate policies at the regional level – their *strategic capacity*;
3. the orientation of the integrated regional strategy or strategies they contain – their *strategic direction*.

Most attention has over the years been focussed by policy-makers and researchers upon the third of these dimensions, upon strategic direction. However in the context of the present practice-orientated note, we focus instead upon the first two dimensions.

## DEGREES OF REGIONAL POLICY INTEGRATION

Different regional policies interact with one another to different degrees. The current degree of policy integration must be assessed, and this can happen by considering the *inclusiveness* of a strategy framework – the range of different interacting policies that are embraced within the same strategic framework. It can also be assessed by considering the level of *harmonisation* achieved within this framework between different policies – the degree to which each policy is (re)designed in order to enhance rather than to inhibit the effects of other policies within the framework. A fully integrated regional strategy is one that has high inclusiveness and high harmonisation. It should be noted, however, that in order to achieve harmonisation a set of policy priorities must be agreed, and that this will be a decidedly political process involving the resolution of significant areas of disagreement.

Questions that arise in assessing the degree of integration of the different strategies within regions concern the following dimensions or levels of integration:

- a) To what extent do policy-makers consider, and understand the degree to which different policy strands interact with one another? This concerns the methodologies that are in place to identify and measure policy interactions – ranging from *synergy* to *allergy* – between different policy strands in different thematic areas.

- b) This leads on to the next question – to what degree have the main interacting policy strands been brought together within the same strategic framework – the strategy-making, implementing and reviewing cycle – and have any crucially interacting strands been left or separated out? This concerns the inclusiveness of the strategy framework.
- c) How well are policy-makers building towards – planning for and addressing – the enhancement of policy integration over time? This concerns their identification of interacting policies and establishing *communications* between the managers of the different thematic policies within and between RISs around the achievement of their mutual consistency and synergy. It also concerns the managerial and political procedures that are in place to enhance integration. Politicians may in some cases want to segregate – disintegrate – policies for different sectors in order to protect certain vested interests.
- d) How much progress have policy-makers made in strengthening integration? This concerns the *responsiveness* and *mutual adjustment* of the proponents of different policy themes in the light of feed-back, the efforts made to overcome obstacles. It may also concern the degree of institutional and territorial alignment, and the level of trust that has been established.

Taken together these represent the main operational dimension of policy-integration, and they form a ladder of integration that policy-makers can apply to their own regions.

## **STRENGTHENING REGIONAL STRATEGIC CAPACITY**

Having considered the level of policy integration at the regional level, the next set of questions concerns the process of building a regional strategy – the political process of establishing deliberative procedures, and of using these to reach agreement over strategic decisions in which there are likely to be winners and losers. In order to develop and refine its strategic direction a region must build or strengthen its capacity for strategy formation, its capacity for strategic choice. Regions differ in the degree to which they possess this strategic capacity, and in the form and scope of the structures and strategy processes that are involved. It can on the basis of the RISE project be hypothesised that the process of developing regional strategic capacity is likely to involve the following components:-

- the articulation by leading agencies, politicians and officials, of the project of raising regional strategic capacity, an *integrated strategy project* behind which political and managerial commitment can be organised;
- the introduction and embedding of policy review, of *regional strategy processes* which facilitate strategic choice by involving key power-holders – agencies, politicians and officials – and enabling these to identify intersecting policies, and bring them together within a strategy review process, and to coalesce over key decisions (for example, the

establishment of regional data gathering and information systems to support decision-making processes) and governance structure,

- a *governance system* in which power is sufficiently focused at the regional level to facilitate agreement and to breakdown the tendency towards agency or policy separatism, and incentives are dispersed at intermediate and operational levels to facilitate implementation;
- the entrenchment of *cultural dispositions* between agencies – such as trust – which are less subject to short-termism or to professional divisions, and more conducive to inter-agency, inter-professional, inter-scale, planning and team-based working methods.

Each of these four pre-conditions for strong regional strategic capacity is now considered in turn.

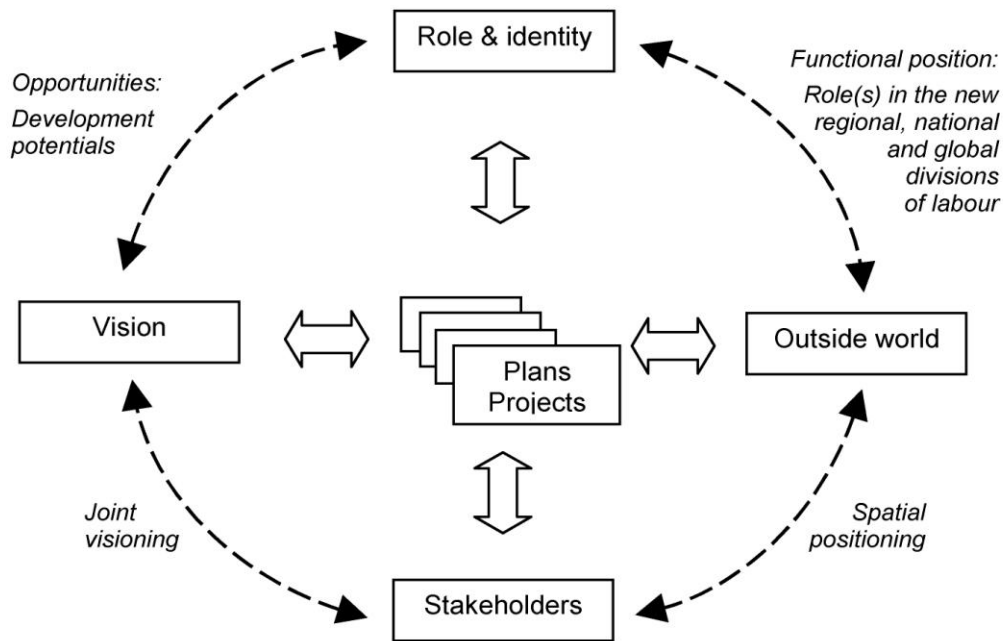
### ***Integrated Strategy Project***

Many policy-makers will not want to have the policies they sponsor integrated with those of other agencies, for fear that their own priorities may be compromised. The creation of an integrated regional strategy cannot therefore be taken for granted as a shared goal, but must be articulated as a value by leading agencies, politicians and officials. This will involve demonstrating the detriments of disintegration, explaining the path towards greater integration, and finding ways of accommodating disparate political interests.

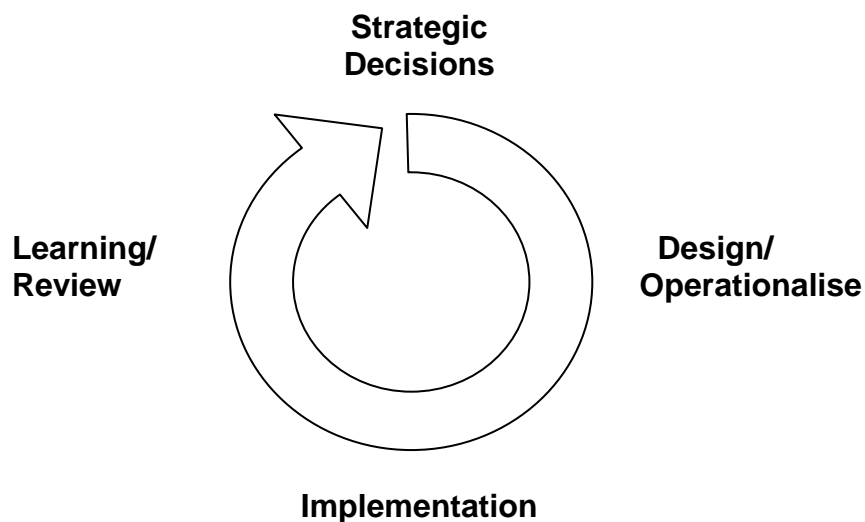
### ***Regional Governance Processes***

A model for strategic analysis is conceptualised by means of the 'strategic circle'. This identifies *key elements for consideration and learning processes* of the strategic agents as: 1) the outer world of the territory; 2) the role of the city or economic functioning area; 3) visions for the future for the city or economic functioning area; and 4) the stakeholders sharing the vision. Certain elements of this model are more important than others, and are related to each other under four headings: Functional Position, Opportunities, Joint Visioning and Spatial Positioning.

In the strategic analysis, the role of a city or a region in the external world is seen as changing when a new division of labour emerges between territories, caused by (for example) globalisation and outsourcing. In this context policy-makers need to re-imagine their territories and the roles these can play in order to guide policy priorities. The search for local development potentials and comparative advantages – regional entrepreneurialism – comes to the fore along with a shift of focus from short-term problem-solving towards long term visioning. This is reflected in the emergence of development perspectives that involve 'growth corridors', 'development zones', 'clusters', 'cooperation areas'.



Territorial strategies depend crucially upon collaboration between stakeholders sharing a common vision of the future. These visions may involve the redefinition of socio-economic and territorial boundaries. In developing a new vision 'spatial positioning' is an important tool for identifying opportunities, comparative advantages and possibilities. Spatial positioning reveals the new spatial division of labour and permits the mobilisation of stakeholders across professional and administrative boundaries.



A distinction is often drawn between design and learning approaches to strategy-making. The *design* approach is that which often prevails in textbooks on corporate strategy, and it is a top-down approach which assumes centralised bureaucratic control by a group of strategists with the ability – technical knowledge and hierarchical power – to send out instructions that will

be followed by subordinates. The *learning* approach, on the other hand, is a bottom-up approach, and it assumes that a plurality of agents are already doing a variety of interacting things, and that these activities can be brought together and focussed through a pooling of experience and understand at the centre. In reality these two approaches will be combined together over time, with the learning moment preceding the (re-)design moment, given that no strategy is ever produced in a vacuum or from a blank

Where there is pluralistic regional governance system then this will be an inter-agency process in which the aim is to achieve a growing consensus between the different agencies and their respective priorities, over time. Alongside the process of building and implementing the strategy, there will also be the process – amongst the agencies involved – of reviewing and attempting to build or to revise the strategic capacity of the region, including particularly the regional governance system.

### ***Regional Governance System***

In the development of strategic capacity, we must consider regional governance consolidation: the degree to which the governance of the region is institutionally centralised at the regional level, or devolved to the sub-regional level in various ways, or centralised above the region to the national level. This establishes a scale from unitary regional governance, to bifurcated sub-regional governance (where regional governance is divided between the metropolitan core and the sub-urban or rural hinterland), to pluralistic sub-regional governance (involving a plurality of sub-regional agents).

There may well be a causal relationship between *regional policy integration* and *regional governance consolidation*. Regional governance consolidation is likely to simplify regional policy integration, making this more feasible by bringing it within the scope of a single agency of governance and a single authority structure. But it is also possible to argue that the less consolidation there is at the regional level, the more sub-regional governance agencies will represent diverse interests and allow these to be recognised. In a complex and fluid economic environment it is also likely that multiple, overlapping geometries will be required in the integration of policies, whilst in more stable economic environments consolidated regional governance may be most appropriate:

1. The ability to achieve policy integration is affected by the degree of territorial and institutional alignment which exists between the agencies involved. Where agencies share *common territorial boundaries* then it will be easier to aggregate the data they collect in a comparable form, and it will be easier to allocate resources in a concerted manner. Where they share a *common point of binding authority*, it will be easier to bring policy-strands together, and to resolve disagreements over the 'treatment' of overlapping problems. Where there is a plurality of overlapping agencies and territorial units involved in the delivery of different policies or services then – although this may incorporate more stakeholders – it will require more effort over a longer time scale to establish measures to improve



consistency. Politicians who want to discourage the integration of certain policies may fragment the governance framework.

2. The degree to which networked regional governance can act as a binding point of authority will depend upon the establishment of shared procedures, and upon the establishment of trust between participants, both of which take time. It may also depend upon the degree to which sponsors of the territories concerned have been able to establish these as recognised 'places'. One way to undermine regional strategy-development is to routinely change the structure and personnel of governance. On the other hand, where there is *structural continuity*, and territorially-based agencies have been cooperating over several years, they may have created the relationships, power structure, procedures and identities to facilitate coordination of policies.

### **Culture**

The fourth component of regional strategic capacity is cultural disposition – the possession by agencies and policy-makers in a region of a shared cultural commitment to the process of cooperating in the construction of an integrated strategy. In particular, it includes the development of a culture of trust, where competition between agencies is balanced by a spirit of cooperation. This is the aspect of strategic capacity that takes the longest to build up, and it is greatly facilitated by a strong sense of shared regional identity.

## **CONCLUSIONS**

Regional systems of governance do not cease operating in order to form strategic choices or to raise their capacity for policy integration. The champions of change are therefore not starting with a clean slate, but are faced with altering the existing direction of change, moving the region from point A to point B along a trajectory in which both strategic capacity and strategic direction may be changed. If they make these decisions at all then they make them in midstream, on the basis of existing commitments and practices. At any point in time:

1. the agencies in a region will already be serving a range of objectives, will be operating according to certain priorities or dispositions, and will be functioning within a certain level of policy (dis)integration;
2. regional governance will at any point be held in a dynamic tension between integrative forces tending to raise the level of integration and fragmentary forces tending (for various political or resource reasons) to reduce this level;
3. in regions which have developed a strategic capacity it is likely that the form of this capacity, the structures and processes involved, will be changing, either evolving gently through trial and error, or being uprooted and changed wholesale.

Regions and their governance systems are dynamic settings, and there will be pressures within (and beyond) agencies which facilitate the development of strategic capacity, and pressures that impede or undermine these developments. In recent years there has come a point in the life of some regions where the forces that favour strategic integration have gained the upper hand in the struggle for control. The process of change and the building of strategic capacity is likely to be contested and political, and the outcome of this struggle will not necessarily turn out exactly as intended or foreseen by any of the participants.



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