Loughborough University

This item was submitted to Loughborough's Research Repository by the author.
Items in Figshare are protected by copyright, with all rights reserved, unless otherwise indicated.

Urban regions - governance

PLEASE CITE THE PUBLISHED VERSION

PUBLISHER

© State of New South Wales through the Department of Planning

VERSION

AM (Accepted Manuscript)

LICENCE

CC BY-NC-ND 4.0

REPOSITORY RECORD

Harrison, John. 2019. “Urban Regions - Governance”. figshare. https://hdl.handle.net/2134/4402.

Loughborough University

This item was submitted to Loughborough's Institutional Repository (https://dspace.lboro.ac.uk/) by the author and is made available under the following Creative Commons Licence conditions.

creative commons

COMMONS DEED

Attribution-NonCommercial-NoDerivs 2.5

You are free:

- to copy, distribute, display, and perform the work

Under the following conditions:

Attribution. You must attribute the work in the manner specified by the author or licensor.

Noncommercial. You may not use this work for commercial purposes.

No Derivative Works. You may not alter, transform, or build upon this work.

- For any reuse or distribution, you must make clear to others the license terms of this work.
- Any of these conditions can be waived if you get permission from the copyright holder.

Your fair use and other rights are in no way affected by the above.

This is a human-readable summary of the Legal Code (the full license).

Disclaimer

For the full text of this licence, please go to:
http://creativecommons.org/licenses/by-nc-nd/2.5/

John Harrison

URBAN REGIONS – GOVERNANCE

This short paper addresses the issue of ‘governance’ in urban regions. Following a brief introduction outlining the key features in the re-emergence of city-regions, it highlights why ‘good governance’ is such an important asset for a city-region. This is followed by a presentation of some of the various city-regional models currently being adopted throughout the world. Finally the paper explores some of the tensions, conflicts and challenges which exist in the governance of city-regions.

Introduction: the re-emergence of city-regions

Until the 1970s, modern nation-states were the site/scale at which economic management was conducted, social welfare delivered, and political subjects were treat as citizens. However, against the backdrop of a protracted economic crisis, the deindustrialisation of core manufacturing regions, and the fiscal crisis of the state has seen the primacy afforded to the nation-state challenged by the emergence of new state spaces. One such challenger has been the urban region, or as it has been more commonly known, the city-region.

The city-region concept has been in common usage amongst urbanists, economists, and planners since the 1940s, representing an area (rural hinterland) linked to a core (city) by functional ties. Despite a rich scientific history, the concept has been enjoying something of a revival in recent years. Divorced from views that predicted ‘the death of distance’ and ‘the end to

geography', the re-emergence of city-regions has served to highlight the importance of dense nodes of socio-economic activity within a globalized world. In a world where interactions are increasingly described in terms of flows of capital, knowledge, people and services, rather than in terms of organized exchanges, recent research has demonstrated how the dynamics of globalization has tended to crystallize not only in states but in specific city-regions as well.

In his 2001 book *Global City-Regions*, Allen Scott describes how city-regions are "beginning to function as the spatial foundations of the new world system" (p. 1). This is because city-regions are the nodes and hubs of these flows, acting as centres and gateways for global business, culture, and social relations. They are the site from which the flows originate and terminate. In the words of Scott, city-regions "function as territorial platforms for much of the post-Fordist economy that constitutes the dominant leading edge of contemporary capitalist development, and as important staging posts for the operations of multinational corporations" (p. 4). Moreover, "the geographic nature of these networks tends more and more to override purely political boundaries so that they are increasingly free from regulatory supervision on the part of nation-states" (p. 4). In these senses, city-regions have emerged as an apparent challenger to the primacy of the nation-state.

Consequently, as city-regions increasingly become the site for economic activity and basic service provision that is independent of the national economic environment, there is a growing volume of research devoted to the

interplay between city-region development and governance. This focuses on how city-region elites have to cope with two processes simultaneously – globalization and regionalization – and how there are no neatly separated layers of institutions and decision-makers in today's multi-layered and multi-tiered structures of governance. As a consequence, none of them function as a unitary actor. Instead, different groups of actors simultaneously try to exert control over the developments affecting their respective city-regions. Build into this the recognition that city governments have seen their influence wane as the new anchors of regional development – airports, universities, science parks – are increasingly located beyond city lines, and it is clear to see why questions relating to the governance of city-regions have become a topical, but also thorny, issue in recent years.

City-regions are not simply smaller states. Where nation-states were seen to offer stability, the universal logic underpinning diverse city-region formation in different parts of the world is the territorial restlessness inherent in the capitalist system. This means that instead of looking at neatly separated layers of institutions and decision-makers which form a nested hierarchy running from the global to the local – like Russian Matryoshka dolls – we must now recognise the plurality of interdependent actors and polities that comprise city-regions. City-regions are connected to the macro-regions, to their states, and increasingly to one another. Their transnational outreach promotes greater territorial inter-connectivity between cities and city-regions. However, within this global network city-regions are forced to compete against one another for investment and trade. They have to market, sell, and place

themselves in a competitive environment where their position in league tables defines their character. These circumstances can no longer be described using the notion of *government*. Instead we have to develop and make operational the concept of *governance* on the level of city-regions. Governance is required any time multiple actors come together to accomplish an end. It is the process through which multiple actors make decisions that direct their collective efforts. In city-regions the group of actors is too large to efficiently make all necessary decisions, so a new entity is required to facilitate the process.

Urban governance as an asset of a city or region

According to the *Institute on Governance* one simple definition of governance is “the art of steering societies and organizations”. Urban governance is therefore about the more strategic aspects of steering, making the *big* decisions about the direction of city-region development and the roles that actors will fulfil. The ability to make these decisions relies on city-region actors to delegate a large portion of the decision-making responsibility to this entity. However, it is a little more complicated than this. Steering suggests that governance is a straightforward process, akin to a steersman in a boat. But by its very nature, governance is complicated by the fact that it involves multiple actors, not a single helmsman.

These actors are important because they articulate their interests, influence how decisions are made, who the decision-makers are and what decisions are taken. They feed into the decision-making process, but the decision-

makers are then accountable to those same actors for the output, and process for producing it. The aim of governance – the taking of decisions and rendering of account – is *good governance*. Here the desired results are achieved and achieved in the right way.

Just as much as bad governance can be a major barrier for city-regions, good governance can be a key asset for a city-region looking to elevate its position in the national and international competitiveness league tables. There is, however, no universal template for good governance in city-regions. Instead, each city-region must tailor its definition of good governance to suit its needs and values. What is right for one city-region will not be right for another. This goes some way to explaining why city-regions across the world operate through a variety of different governance models.

Before looking at the various city-regional governance models, it is first necessary to highlight a number of key principles which underpin all examples of good governance. According to the *United Nations*, good governance has nine major characteristics.

1 **Participation**: all actors should have a voice in decision-making, either directly or through legitimate intermediate institutions that represent their interests. Such broad participation is built on freedom of association and speech, as well as capacities to participate constructively.

2 **Rule of law**: legal frameworks should be fair and enforced impartially.

3 **Transparency**: transparency is built on the free flow of information. Processes, institutions and information are directly accessible to those concerned with them, and enough information is provided to understand and monitor them.

4 **Responsiveness**: institutions and processes try to serve all stakeholders.

5 **Consensus orientation**: good governance mediates differing interests to reach a broad consensus on what is in the best interests of the group, and where possible, on policies and procedures.

6 **Equity**: all actors have opportunities to improve or maintain their well-being.

7 **Effectiveness and efficiency**: processes and institutions produce results that meet needs while making the best use of resources.

8 **Accountability**: decision-makers in government, the private sector and civil society organizations are accountable to the public, as well as to institutional stakeholders. This accountability differs depending on the organizations and whether the decision is internal or external to an organization.

9 **Strategic vision**: leaders and public have a broad and long-term perspective on good governance and human development, along with a sense of what is needed for such development. There is also

an understanding of the historical, cultural and social complexities in which that perspective is grounded.

This is not a prescriptive model for good governance, rather it is a series of aspirations. Each city-region will be stronger on some aspirations and weaker on others. This depends on their governance model, but moreover, it depends on the negotiations that take place between the multiple actors who have a stake in that city-region. To understand how city-regions develop different governance models despite pursuing the same aspirations, we must recognise that city-regions are a site of contest, tension and conflict. Although many of the actors are the same across city-regions, we must also recognise that their role and, more importantly, their authority will be different in each. One prominent example of this would be the state. An important actor in any city-region, the degree of authority a state has over the city-region can dictate the nature of the governance model and to a large extent its success in meeting the aspirations of good governance. All other actors contribute in however small a way to the prevailing governance model and its success. As a consequence, there is no one model for the governance of city-regions. Rather there are a number of models, any number of which can be found in close proximity to one another.

Metropolitan and regional governance models

The governance model for a city-region is the outcome of negotiation between the multiple actors who hold a stake in the city-region and its development. A simple way of explaining the different types of governance model is to say that

they can range from the ‘formal’ to ‘informal’. An example of a formal governance model would be where a city-region’s governing body is made up of directly-elected representatives (including the leader), has tax raising capabilities, autonomy over its financial resources, functional responsibility for service provision, and the capacity to introduce city-regional legislation. This is the model of governance adopted in London and other prominent global cities. A key characteristic of this governance model is that the leader is often more prominent than the body they represent – for example, Ken Livingstone and Boris Johnson (London), Rudy Giuliani and Michael Bloomberg (New York), and Arnold Schwarzenegger (California). The very nature of the media frenzy which surrounds their election to office, and their capacity to change the very nature of the city (for example, the introduction of the congestion charge in London) ensures that the leader becomes a figurehead under this model of governance. Appropriate for global city-regions where, in political terms, there is legitimacy for such a formal tier of city-regional governance, it is questionable whether this model of governance is practical and/or achievable for other cities.

Compare the US with the UK for instance. While the federal nature of US government sees power divided between central government and the government of each state, the centralized nature of UK politics sees London as the only city currently operating with this formalized model of governance. Here UK city-regions operate through less formal governance structures. Still operating above local authorities, these city-regional governance bodies range from the still quite formal, where group members are all directly elected,

to institutions where members are either appointed or indirectly elected. Below this, the most informal model of city-regional governance sees the formation of metropolitan area boards – a voluntary collaboration between local authorities. As well as ranging from the formal to the informal, we can also relate models of city-regional governance ranging from ‘strong’ to ‘weak’. Naturally the most formal models of city-regional governance are the most likely to have statutory status, legislative powers, and additional tax raising powers. So what dictates how formal and strong or informal and weak a city-regions model of governance is?

As intimated earlier in this paper, the complexity which surrounds models of city-regional governance derives from the interest conflicts of the actors involved and the differences in legitimacy that they share. Central to the outcome is the negotiation of interests between the city-region and national government. For when it comes to national governments decentralizing authority and resources to city-regions, the interests of the city-regional and national government tend to be at odds. Recent analysis by Andres Rodríguéz-Pose and Nicholas Gill into the devolution process in Brazil, China, India, Mexico, the USA and countries of the European Union, concluded that, “although national governments would prefer, ceteris paribus, to devolve responsibilities (authority) to their regional or state governments with as few accompanying resources as possible, the subnational government would prefer the opposite case”. Going on to suggest that “the balance between these extremes will depend upon the relative strength, or, in political terms, legitimacy, of the two tiers of government”, the authors offer an important

insight into why some city-regions emerge with a more formal and stronger model of governance than others. Simply put, global cities develop the most formal models of urban governance because they have the authority and legitimacy required to put pressure on the central state to devolve the necessary authority and resources, allowing them to have the power to affect change but also requiring more accountability in their governance. We can say with a fair degree of confidence that when city-regional authority and legitimacy reduces in relation to that of the central state, the weaker and more informal the model of governance will be. Most obvious in countries such as the UK where the asymmetric devolution of state power to city-regions has resulted in the development of a whole range of governance models ranging from the formal to informal, it can also be seen in countries where each city-region has the same model of governance. Albeit in a more conspicuous way, these countries also show a strong degree of asymmetry within what appears to be a symmetrical model of governance. Even within a symmetrical framework those city-regions with the most political power, usually those with the most economic power but often those with the least as well, will have more legitimacy in negotiating with the state for the devolution of power and resources. However, this is not the only tension, for there are a whole series of conflicts that currently surround attempts to develop new models of governance which marry up with the new urban growth pattern.

Conflict between outdated governance and the new urban growth pattern

A decade ago city-regions were only just becoming a focal point for academics or policymakers. Since then, academic discourses pertaining to a new city-regionalism in economic development and territorial representation have emphasized the capacity of city-regions to bring forth greater democratization, improved service delivery, and better economic performance. But this new urban growth pattern is presenting a real challenge for those involved in the governance of city-regions. Quite simply, existing governance models are outdated and do not fit the new urban growth pattern of city-regions where the economic footprint extends beyond city lines. The race to put the new city-regionalism into practice has therefore exposed a series of tensions around the issue of governance.

First and most obvious is the current lack of understanding about what exactly a city-region is. Wherever you look in the literature you will find different a different definition and set of criteria for distinguishing what is and what is not a city-region. For instance, Allen Scott in his book *Global City-Regions* takes those cities with a population over 1 million as his starting point. With populations ranging from 2 million (Dublin, Helsinki) to 35 million (Tokyo), the OECD concentrates on what it identifies as seventy-eight metro-regions. Others focus solely on polycentric mega city-regions such as South East England, the north-eastern seaboard of the United States, and the Pearl River Delta in China. This lack of consistency has led some commentators to identify the city-region as an extremely chaotic concept.

Second and somewhat related, knowledge of issues relating to the economics of city-regions is far more advanced than issues relating to the politics of city-regionalism. Though promoted as key attributes of city-region development, much less is known about the politics of governance and state reterritorialisation, the role of democracy and citizenship in city-regional politics, and issues relating to social reproduction and sustainability across city-regions. These issues have been marginalized by accounts documenting the importance of city-regions for issues relating to exchange, interspatial competition and globalization. It also serves to reinforce this tension between the new urban growth pattern and the outdated governance models which are often tasked with regulating it. The tension that exists here is between the real economic geography of cities and regions, based on viewing the world as a networked ‘space of flows’ (i.e. connected cities), and established patterns of partnership working (i.e. governance), based on the more traditional view of the world as a ‘space of places’ and made up of territorial and administrative units. City-regions give the closest answer to the former, but existing governance models do not reflect in the same way the regional economic geography and are instead based on territorial patterns of partnership working. To disturb these established partnership-working patterns has a reasonable level of risk attached to it, which is not a reason never to look at change but it is a reason to be cautious of leaping to a new governance model.

Third, there is a tension around whether policy should focus on those areas which exhibit the most potential for economic success or those where the

greatest concentration of problems are to be found. In one sense it can be argued that they are one and the same thing. For example, it is widely accepted that while global cities have the greatest potential for economic success they also contain very deprived communities. Social polarization is therefore a key feature and one which poses challenges for those involved in the governance of global city-regions.

Relatedly, a fourth tension centres on the inclusion or exclusion of certain city-regions within national city-development programmes. To be included brings a certain degree of legitimacy and authority to those city-regions, while those that are not deemed part of the national city-regional programme can become isolated and miss out on the potential benefits of state-assisted city-regional development. This is certainly true in countries such as the United Kingdom where city-region development is both piecemeal and by nature asymmetrical.

Highlighting once more the tension between city-regions and the central state, a fifth tension revolves around the nature of city-region development as autonomous city-regional action (bottom-up) or centrally orchestrated (top-down). Here city-regions are caught in a dilemma. Much of the literature emphasizes how a bottom-up approach is necessary to enable city-regions to have the ability to operate independently from the state. This enables city-regions to have the flexibility to respond to their own specific city-regional needs and preferences, and the ability to implement policy innovations that might be deemed politically sensitive and difficult to pursue at the national level. However, the need to operate independent of the state is often to be

balanced against the necessity for city-regions to work closely with the national government to secure their legitimacy, authority and power. With national governments inclined to be prescriptive in what they require of city-regions in return for the decentralization of authority and power, the development of city-regions is often more top-down than it is bottom-up. Again the relative strength or, in political terms, legitimacy of the two tiers will play a critical role in the outcome of this particular tension.

Sixth, as with any orthodoxy there is a real danger that people get swept up in the furore which surrounds city-regions. In particular, there is a real issue over the causality of many incidents, events and developments taking place in or around cities today. Given the current popularity of city-regions in academic and policy literatures, there is a culture whereby people are all too ready to identify any sign of improvement as being evidence of the new city-regionalism in action. What is routinely overlooked in the rush to highlight the impact of the new city-regionalism is that the city-regional approach may have had little or no bearing on that development. Causality is an important, but often overlooked, concept in debates around city-regions. This is because it is extremely difficult to overcome the counterfactual argument: “well there is no way of knowing whether it would or would not have happened if we had not introduced these policies?” Having said that, we need to remain vigilant to the fact that it is all too easy to get ahead of ourselves and assume causality, and in so doing jump on the city-regional bandwagon. The simple motto is to learn how to walk before attempting to run.

All of which leads to a seventh tension. This tension centres on the recognition that the current orthodoxy which surrounds the city-region in academic discourse and political praxis is reminiscent of the orthodoxy achieved by the ‘region’ in the 1990s and the ‘local’ in the 1980s. The lack of a consistent definition for what a ‘city-region’ is, the failure to recognise the critical role of the state and the associated asymmetries of power when accounting for the current focus on city-regions, and the narrow construction around issues which relate to the economic logic for city-regions, are all tensions which characterise the new city-regionalism. But they are also tensions which were present in its predecessor, the new regionalism. And herein lies the warning. Recent research suggests that these tensions manifest themselves as a series of critical points of weakness which served to undermine the theoretical standing of the new regionalism in academic circles, but also went a long way to explaining why political attempts to put the new regionalism into practice did not necessarily bring about the expected results. The question which remains unanswered in relation to city-regions is whether the same critical points of weakness will in the same way undermine attempts to put the new city-regionalism into practice?

The eighth and final tension to highlight is one which underpins many of the points made previous to it. Put bluntly, we still know very little about city-regions. This reflects amongst other things the difficulty which surrounds defining city-regions, but also the noticeable lack of an evidence base. Figures for city-regions are very often aggregates of smaller units of analysis or estimates based on the aggregation or disaggregation of data collected at

other scales. So despite ongoing research in academic and policy communities the evidence is just not there in many cases. Understandably this causes tension because without the evidence base there is a natural tendency for much conjecture to become associated with fact. The reality is that at present, the answer to many of the challenging questions which face city-regions and their planners is that we just do not know for sure. Whilst the situation is improving, and significant improvements in recent years have allowed academics and policymakers to make better informed recommendations, there remains a long way to go.

The lack of an evidence base for city-regions is clearly an important starting point for improving our understandings of city-regions. More city-regional data will inevitably allow us to gain a better understanding what is going on it city-regions, but there are other key questions for which it is not sufficient simply to have more data and more evidence. It is to these questions that the final section of the paper turns.

Existing debates and practices

The final section of the paper concentrates on a series of currently topical debates which it is important to acknowledge, but more importantly understand, when working with city-regions. These are the rhetorical power and usefulness of the competitiveness discourse, the changing role of the state, and finally, the importance of place. Each is addressed in turn.

Closely allied to the development of the new regionalism and more recently the new city-regionalism, the work of Michael Porter and colleagues at *Harvard Business School* has seen ‘competition’ become the buzzword for policymakers worldwide in the past decade. Originally focused on firm competitiveness, but more recently on city and regional competitiveness, Porter’s seminal thesis on competition, and what it means to be competitive, has seen competitiveness elevated to the status of a ‘natural law’ in the modern capitalist economy. Recent research by Gillian Bristow at the Cardiff *School of City and Regional Planning* (UK) has illustrated how the concept of regional competitiveness is so ingrained in public policy circles that policies and strategies deemed to be competitiveness enhancing are accepted irrespective of their indirect consequences. But Bristow and others are now suggesting that while policy extolling the language of competitiveness tends to present it as ‘an unproblematic term’ and as ‘an unambiguously beneficial attribute of an economy’, much confusion surrounds the actual idea of regional competitiveness because it lacks a ‘clear, unequivocal and agreed meaning’ in the literature. Of particular concern is how ,despite the concept of regional competitiveness being opened up to suggestions that it is a somewhat chaotic and ill-defined concept based on a narrow conception of how regions compete, prosper and grow, it continues to assume such significance in policy circles.

Given the pre-dominance of the linkage between city-regions and competitiveness, this questioning of the competitiveness discourse raises the important question of the relative strength of claims made by city-regionalists

that, in the quicksilver global economy, city-regions are economic territories *par excellence*. As such, there is a need to consider the causality between city-regions and competitiveness more closely. To understand why, for instance, the economic logic for city-regions has run parallel to and ahead of the political, social, cultural and environmental logic for city-regions there is a need to understand the process by which city and regional competitiveness has become a hegemonic discourse within public policy circles and academic commentaries. In particular we need to discover for which interests (i.e. actors) city-regions are necessary and for whom it is merely contingent, and whether the new city-regionalism legitimates certain courses of political action (e.g. the pursuit of competitiveness) over others (e.g. sustainable development)? But it is not just issues around city-regions and the competitiveness discourse that are shaping current debate on city-regional governance. A second important debate centres on the changing role of the state and its association with the emergence of city-regions.

Much of the literature on city-regions and claims of a new city-regionalism have advanced the notion that city-regions have broken free from the regulatory control of their respective nation-state. However, as noted above, recent research has accused these accounts of bending the stick too far in the direction of autonomous city-regions. Giving weight to the argument that the nation-state and the national scale continue to provide the institutional conditions for economic development, critics highlight how the most successful city-regions are also those which are located in the most successful national economies. An example of this can be seen in the recent

work of Pauline McGuirk, a researcher at the *Centre for Urban and Regional Studies* in Newcastle (NSW, Australia). Focusing on the political construction of the Sydney city-region, McGuirk has done much to highlight how the metropolitan scale, which had little strategic presence before, can now be found at the core of Australia's national regime of economic-territorial management. This is despite there having been no formal scalar devolution of state power and no formal metropolitan-scaled government in the Australian political structure. McGuirk's work on Sydney, and research by other academic and political commentators around the world, is highlighting how "city-regionalization is an ongoing and multiscalar process without autonomy from the national political economy nor from its territory". Current debate is therefore centred on the degree to which city-regions are autonomous: are they, as first imagined, increasingly free from the regulatory supervision of the state, or, is the autonomy that city-regions possess only resulted because of state authority and institutional structure, state mediation, and significantly, state legitimation?

The third and final debate that I want to highlight here is actually more of a pointer than a debate *per se*. It emphasizes a theme that has been implicit throughout this paper – place. More so than ever before, place is seen as the critical element in understanding the development of, and governance requirements for, city-regions. Emphasis on the importance of noncodifiable production conventions and inter-firm associations (e.g. trust, loyalty, familiarity) to being competitive has raised the awareness that institutions are notoriously bad travellers. While you can uplift an institution or model of

governance from a successful city-region and plant it in a less successful city-region, you cannot transfer the noncodifiable production conventions. All of which makes it extremely difficult for less successful city-regions to mimic the institutional arrangements of more successful city-regions.

Conclusion

This paper has highlighted how there is no one model for city-regional governance. What exists are a series of models ranging from the formal to the informal, the strong to the weak. Each city-region's model of governance is developed from a set of pressures and demands which are constantly being renegotiated in response to place-specific pressures and demands. Of these the key determinant as to how a city-regions governance arrangement takes shape is the legitimacy that particular city-region has in relation to the state. Generally speaking the more legitimacy a city-region has in relation to its state the more formal and strong the governance arrangement will be. Albeit an important one, this is only one of the many negotiations that take place on a day-to-basis between actors who hold a stake in city-regions around the world. In each case it is the political outcome of these negotiations which shapes the model of city-regional governance adopted and the unique place-specific characteristics that define that city-region's governance arrangement.