The Return of the Region:

Addressing Global Challenges and Tackling Social Issues through

Regional Collaborative Governance

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Your Excellencies, distinguished guests, ladies and gentleman, it is an honor to address you today, in this beautiful museum among the fantastic works of Hieronymus Bosch. Bosch was, of course, born in and lived his entire life in or around 's-Hertogenbosch, but was – so I've learned – at the same time firmly embedded in European networks and already during his lifetime enjoyed international prestige.

Global problems, local solutions

The world we live in today, 500 years later, is increasingly global, in terms of what the sociologist Manuel Castells has called the 'space of flows', that is, the networks connecting places by information and communication. Think of internationalized financial markets, transnational production networks, but also global social movements.

Yet, these flows are not spaceless. The actual work of globalization still has to be done at the local level, in the so-called 'space of places'. This was already pointed out by another sociologist Saskia Sassen, when she emphasized the city, the global city to be precise, as a place where trade and transactions come together, and the political, economic, and cultural elite gathers.

Today, in what has been termed the urban age, the city finds itself again in the center of attention. It can make us richer, smarter, greener, healthier, and happier – at least if we were to believe the economist Edward Glaeser, one of the speakers at the 2014 Cobbenhagen Summit.

Many of today's global challenges and transboundary social issues require more than an emphasis on the city, however. The city cannot be seen apart from its surroundings: other (smaller) cities, local municipalities, rural areas, and the nodes that connect the city and the region.

Indeed, the development of effective and legitimate solutions to these challenges and issues are said to necessitate a <u>renewed focus on the region</u>.

The regional rescue of the EU

The EU has since long recognized the importance of the region, to do the work of European integration. In the period between 2014 and 2020, it spends more than one third of its total budget, over 350 billion Euros, on urban and regional policy. That does not even include all the funds that come available for investment in the region through the Juncker plan.

An important aim – as I interpret it - of the EU's urban and regional policy is to, on the one hand, encourage the formation of intra- and interregional networks, stimulating the space of flows in Europe; and to, on the other hand, empower

Europe's regions, as the space of places, through stimulating economic growth and sustainable development.

In fact, the region could very well be the rescue of the EU, notably against resurging nationalism. A case in point is the current refugee crisis where national leaders talk, but hesitate, local leaders want to act, but lack clout, and the region emerges as a possible space for action - at least in the Netherlands.

Perhaps paradoxically, the region thus appears to be particularly suitable to address such global, transboundary challenges as the refugee crisis, especially in the European context. Hence, a renewed focus on the region, not as an alternative to European integration, but as a way to bolster the legitimacy of the European project, and the effectiveness of the EU's actions.

A concept of the region

To be sure, my <u>concept of the region</u> does not entail a fixed territory; rather, what constitutes the region relies on the nature of the problem at hand, which may range from climate change, organized crime, population aging, congested transportation networks, to social inequality. The region as a fluid space, as my TiREG colleague Hans Mommaas would call it.

Conceptualized as such, the region is variable in size. Depending on the problem, we can distinguish intra-country regions such as Brabant, or the Eindhoven metropolitan region; we can also identify inter-country regions such as the Northwestern European region, or the Benelux. So place remains crucial, but is variable.

The region is also diverse in shape. Sometimes it is a political or administrative entity, with its own governance bodies, an actor in itself; more frequently, it is the arena in which people come together to do the actual work of globalization or Europeanization.

This variability and variety of the region are a key strength. They allow for experimentation, learning and, indeed, innovation around concrete problems.

The variability and variety also confront the region with a formidable challenge. When approached as fluid space, and not as fixed territory, what would be the appropriate structure or arrangement of governance for the region?

Research into the region

To formulate a very preliminary answer to this question, I will take you on a short tour through the case of the Brabant Energy Agreement and its implementation.

This case is currently under study at the newly established <u>Tilburg Center for Regional Law and Governance</u> (TiREG), which we launched just two weeks ago and is supported by the Province of Noord-Brabant. In the spirit of Martinus Cobbenhagen, TiREG brings together different disciplines: law and public administration scholars at Tilburg University as well as economists and researchers from other disciplines, and other universities.

The Center aims to understand, as well as shape, transformations and innovations in regional law and governance. Contributing to both theory and practice, to science and society, it investigates new forms of multi-actor and multi-level governance that emerge in the context of the region - including when it comes to the energy transition.

The energy transition and innovation from the bottom up

The realization of the European Union's climate change and energy policy's goals, including a 20% reduction in greenhouse gas emissions by 2020, requires a fundamental change: from today's centrally coordinated energy system, powered by fossil fuels, towards a low carbon, demand-response driven and decentralized energy system.

Clearly, EU level action alone is insufficient to bring about this change, and national level action is required. We all know, though, that the Netherlands is lagging behind in realizing this change, and will have to step up its efforts to reach EU targets. It is for that reason that in 2013 a wide variety of parties has come

together to conclude the Dutch Energy Agreement, notably raising the energy

from renewable sources to 14% in 2020.

Without concerted action at the subnational level, realization of this target may

be out of reach, however. In several Dutch regions, parties have therefore

developed additional plans to implement and elaborate the national agreement.

In Brabant, the Brabant Energy Agreement (BEA) was concluded by a range of

actors representing both business, society, government, and knowledge

institutions at the regional level.

The BEA is a bottom-up initiative, initially coordinated by the SER Brabant and by

our sister center for sustainable development, TELOS. It largely follows the goals

laid down in the national agreement, but with a regional twist. In particular,

parties have agreed to make 40.000 houses climate neutral and increase the

energy produced through solar panels with 10% by 2020, thus greening both the

built environment and the basic industry.

Importantly, investments in technological innovation for sustainable energy

production and energy efficiency are supposed to result in over 5000 new jobs in

Brabant, connecting the energy transition with regional economic growth and employment.

What is more, it has been suggested that the implementation of the Brabant Energy Agreement could serve as a 'living lab' for innovation, technologically but also socially. With solutions developed to be tried and tested first at the regional and then scaled up to the national and EU and global level.

This is easier said than done, as it appears from ongoing action research that TiREG conducts into the implementation process of the BEA. Whereas on paper the BEA takes into account the interests of the involved parties and offers benefits for everyone concerned, and change appears to be possible, in practice delays develop, and parties hesitate now the time comes for action.

How can this be explained? A couple of reasons:

First of all, many parties have vested interests in the current situation. This, while there is uncertainty about effects of implementing the agreed measures.

Parties also have different perceptions of gain. They do not necessarily agree on what counts as a satisfactory result.

In fact, one may wonder whether there is a real sense of urgency among all parties involved, and whether there is commitment, not only among representative organizations or their front-runners, but also broader, among their constituents.

As a result, we observe that parties – in absence of a clear problem owner - have adopted a wait-and-see attitude.

For instance, basic industry looks at government for subsidies to compensate for their losses when they switch to renewable energy sources, while government, in turn, looks at companies to take their responsibility in creating public value.

Moreover, even if parties are willing to engage or to invest, they often do not have an incentive to do so in coordination, synchronizing their actions with those of others. The various involved parties do undertake actions, but there is hardly any integration.

For instance, companies develop sustainable solutions, such as in the case of energy from heat, but connections with societal actors are lacking. As a result, an opportunity is missed to link up technological and social innovation.

So what governance is needed at the regional level to bring about change in this case? Some very tentative and partial answers:

First of all, a sustained effort in awareness raising is required to create a broad sense of urgency, and more than the current voluntary agreements are needed to ensure not only involvement but also commitment of parties.

Such as in the fable of the chicken and the pig. Where the chicken suggests opening a restaurant together called 'ham-and-eggs', and the pig kindly declines by saying: No thanks, I'd be committed, but you'd only be involved!

Second, even though collaboration currently takes place in a network setting, smart hierarchical interventions may still be necessary to maintain progress, through policy and legislation.

This ties in with a third and final remark. The energy transition and the implementation of the BEA require an implementation agenda, ideally drafted by the parties; they also need a number of individuals, representing the parties, who are responsible for execution of that agenda.

Solving the regional governance puzzle

To conclude, we have briefly examined a problem that is global, European, in any case transboundary, not fixed to one and the same location, but crossing territorial borders, not fitting in one administrative category, but blurring the distinctions between policy fields.

The response to this problem has an important regional dimension. It is the region where the actual work of globalization, Europeanization is done. Where people come together to deal with the effects of global climate change. In a hybrid way, incorporating market, network, and hierarchical elements.

Indeed, the region, as space of places, has some clear advantages when it comes

to effective as well as legitimate governance. Parties are sufficiently

interdependent, or otherwise interdependencies can be organized. Other parties

are at a close distance, even though connectivity nowadays is perhaps more

important than proximity. And there often is a basic level of trust and a shared

sense of identity among parties, also molded by events like today.

Focusing attention on the region, in a global, and European context, offers a

potential for experimentation in different forms, in order to kick start or

accelerate change, and make progress in tackling problems. More of such

experimentation is necessary to learn and to innovate, as is research monitoring

and evaluating such experimentation.

Thank you for your attention!