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# How effective and legitimate is hybrid city-regional governance?

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The **Tilburg Center for Regional Law and Governance (TiREG)** is a joint venture of the Departments of Public Law and Politics & Public Administration of Tilburg University and is supported by the Province of Noord-Brabant. Besides legal and public administration scholars, the Center brings together researchers from a variety of disciplines and institutes (also beyond Tilburg University) to conduct research and develop education in the field of regional law and governance. It focuses on exploring, explaining and evaluating the novel interactions between government, businesses, citizens and knowledge institutions that develop at the level of the region in response to complex societal challenges.

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## Introduction

This document provides an overview of the conclusions of the research project ‘Smart Transformations in City-Regional Law and Governance’. This project analyzed the drivers, manifestations and implications of hybrid city-regional governance. City-regional governance is the kind of governance in which both public and private actors as well as public and private instruments form the governance of a metropolitan area.

Based on a literature review and desk study, four cases of hybrid city-regional governance were selected: (a) the neighborhood management system in Berlin, (b) the triple-helix collaboration of Brainport Eindhoven, (c) the cross-regional collaboration of Greater Copenhagen and Skåne Committee, and (d) the multilevel collaboration in the Verein Metropolitanraum Zürich. While all being part of national systems that display strong local institutions, these four cases differ in terms of policy fields and institutional structures. As a result, they portray different manifestations of hybridity in governance of metropolitan areas. The data collection for our study included extensive document analyses, 52 in-depth interviews and five two-day workshops, dubbed city-region labs, which involved representatives from the four regions as well as local stakeholders. In these city-region labs, participants from each of the four city-regions jointly reflected on their experiences in dealing with particular governance challenges and, as a group, identify opportunities for improvement. The ambition was to stimulate a collective learning process that draws on the experiences of participants and the findings of the research. The focus of the city-region labs was on concrete and contemporary governance challenges that participants were dealing with as regards hybridity on a day-to-day basis.

The next section introduces the four cases and pays particular attention to the actors involved in the governance model at hand, as well as to the hybrid characteristics of the model and its governance challenges. After that, we discuss the effectiveness and legitimacy of those four governance models and formulate a number of reflections on the outcomes of this study.

## Four cases of hybrid city-regional governance

### Neighborhood management in Berlin

As part of the ‘Soziale Stadt’ program (BMVBS, 2008), the neighborhood management system (‘Quartiersmanagement’) in Berlin aims at creating an integrated approach to improving the structural, physical and social conditions of citizens living in a selected number of deprived Berlin neighborhoods. To pursue this goal, the program supports local activities with grants. In addition, it actively engages citizens in the creation of a political vision on how to improve the conditions of the neighborhoods, as well as in the selection of projects that could receive support. A private company is subcontracted by Berlin’s city government (called ‘Senat’) to develop and implement an urban development plan for the neighborhood and act as a linking

pin between the interests of the public authorities and the citizens in the neighborhoods. The combination of the logic of public procurement and active involvement of citizens characterizes its hybrid character.

### Brainport Eindhoven

Brainport Eindhoven is a triple-helix cooperation, where companies, knowledge institutes and regional authorities work together to elaborate the regional economic innovation strategy. From an institutional perspective, the governance model is based on two private-law structures. First, there is the private foundation Brainport Stichting, where representatives from public authorities, private companies and knowledge institutions co-decide on equal terms over the regional innovation strategy of the collaboration (Schaap & van Ostaaijen, 2015). This equality between both private, public and civil society actors makes Brainport Eindhoven a typical case of a hybrid governance model. Second, there is Brainport Development, the development company of the cooperation, embedded in private law, which has the local municipalities as its main stakeholders. In the governance of Brainport, citizens do not play an active role beyond being involved as end-users in specific projects developed by Brainport.

### Greater Copenhagen and Skåne Committee

The Greater Copenhagen and Skåne Committee is a collaboration of regional and local public authorities across the Øresund Strait. In this network organization, representatives of public institutions from two Danish regions, Hovedstaden and Sjælland, and the Swedish region of Skåne, work closely together to eliminate the cross-border barriers that prevent economic growth and business development in the broader region (The Greater Copenhagen and Skåne Committee, 2017). We see this cooperation as a form of hybrid governance because it aims at fostering collaboration across national borders, and also because private actors are involved in the implementation of specific projects. Furthermore, some private and societal organizations are involved in policy design on an ad hoc base.

### VMZ - Verein Metropolitanraum Zürich

The VMZ is aimed at coordinating local and regional policies on economic development, transportation, societal challenges and spatial development (Nüssli, 2015). Almost half of the local and regional authorities in the Greater Zürich area, around 120 in total, are involved in the VMZ on a voluntary basis. Although the organization is dominated by public authorities, it can be seen as an example of hybrid governance since it is a private-law organization that has a secretariat run by a private consultancy and also a number of associated members from the private sector (van der Heiden, Koch, & Kübler, 2013). In addition, the VMZ has recently opened up a competition to award projects to private partners. And also, within the VMZ, there is an 'echo chamber' in which societal partners reflect on VMZ's activities, which is not very active at the moment, though.

The table below explains the involvement of non-public actors and the hybrid character of the four models.

Table 1. Overview of the actors and hybrid character of the models

| <i>Actors involved</i>               | private actors   | civil society actors  | citizens   | <i>Hybrid character</i>  |
|--------------------------------------|--|---|--|--|
| <i>City region</i>                   |  |   |  |  |
| Neighborhood management Berlin       | private company is contracted for developing and implementing the neighborhood policy  | advisory role in the Quartiersrat, where decisions are taken on funding of projects                             | advisory role in the Quartiersrat, where decisions are taken on funding of projects                    | <i>Combination of the logic of public procurement and active involvement of organizations and citizens</i> |
| Brainport Eindhoven                  | Formal role in decision making on strategic regional policy within triple helix system | Formal role for knowledge institutes in decision making on strategic regional policy within triple helix system | Involvement as enduser in specific projects, but no active involvement in the governance of the region | <i>Balanced cooperation between private actors, knowledge institutes and local government</i>              |
| Greater Copenhagen & Skåne Committee | Involvement on ad hoc basis in policy design and set up of specific projects           | Involvement on ad hoc basis in policy design and set up of specific projects                                    | No active involvement  | <i>Public cooperation with involvement of private actors on ad hoc basis in the policy implementation</i>  |
| Verein Metropolitanraum Zürich       | Private entity, private secretariat, outsourcing of projects                           | Involvement in reflection board which has a minor role  | No active involvement  | <i>Public-public cooperation in a private form with different private characteristics</i>                  |

## The effectiveness and legitimacy of those four models

Hybridity is seen to be a promising characteristic of contemporary governance (Battilana & Lee, 2014; Brandsen, Van de Donk, & Putters, 2005; Klijn & Koppenjan, 2012). One of the promises of hybrid modes of governance is that they have greater problem-solving capacity than the traditional modes of governance (Bulkeley, 2005; Harrison & Hoyler, 2014; Karkkainen, 2004; Lindqvist, 2013). The reasons are at least threefold. First, hybrid governance arrangements are seen to be better equipped to respond to the complexity and multi-scalar character of today's societal challenges (Lemos & Agrawal, 2006; Skelcher, Sullivan, & Jeffares, 2013). Second, such governance arrangements benefit from increased stakeholder participation, which is seen to enhance effectiveness and legitimacy (Ansell & Gash, 2008; Osofsky & Wiseman, 2014). In addition, hybrid governance is applauded for its flexibility, creativity and its ability to adapt to changing circumstances (Gross, 2016; Lockie & Higgins, 2007; Salet & Thornley, 2007). But it is also increasingly recognized that hybridity may give rise to a number of tensions and problems including the fact that the combination of seemingly incompatible logics may weaken the effectiveness of hybrid governance models (Harrison & Hoyler, 2014; Lockie & Higgins, 2007). Also, hybrid governance systems often lack democratic legitimacy, because of the involvement of private actors and its overlap with existing democratically legitimized authorities (Engel, 2001; Skelcher et al., 2013).

One of the aims of our project, therefore, was to assess the effectiveness and legitimacy of the above institutions since these are two core measures for good governance (Hendriks,

2010). As we will conclude, hybridity can both be a weakness as well as a strength, and the context of the hybrid arrangement is decisive for its performance.

### Effectiveness

Various characteristics of the respective governance models have an influence on the effectiveness of the cooperation in the city-regions. In Berlin, the execution of the neighborhood policy is subcontracted to a private party. This characteristic makes it possible to take advantage of the private company's long-standing expertise in the field of citizens' participation and neighborhood management. It also provides welcome operational flexibility in terms of working hours and the like. The subcontracted private company takes the lead in developing the neighborhood policies and policies on citizens' involvement, which gives it a strong public role. The effectiveness of the model is sometimes negatively affected by the fact that, in practice, some policies developed by the subcontractors clash with the vision of the public authorities. Moreover, the neighborhood managers frequently are caught up between the interests of the citizens they represent and their client, the Senat of Berlin. As a hybrid organization, they tend to be torn between all other actors and responsibilities. 'They do not belong to anyone', a respondent clearly expressed their position.

In Brainport, the division of responsibilities between actors manifests itself quite differently. Private actors, knowledge institutes and public authorities are equal partners in the regional development strategies and the private legal form of a foundation ('stichting') enables the actors to collectively agree upon the regional policies for this area. The implementation of the regional strategy is then transferred to the development agency 'Brainport Development' that has a strong stand-alone administrative capacity. This triple-helix cooperation is considered to be an effective governance structure when it comes to stimulating economic development and innovation. Local stakeholders maintain that political commitment is safeguarded by the strong connection between the foundation and the development agency, and the fact that local municipalities are the main shareholders of the development agency. At the same time, in the cooperation, we signal some typical agency problems, in the way that policy execution in Brainport Development is not always a one-on-one translation of the strategic policy formulated by the foundation. One might say, Brainport is effective, but the effects are not always the ones as intended by the foundation.

Unlike Brainport, in the governance model of the GCSC the implementation capacity is decentralized, meaning that municipalities are expected to provide capacity for implementing the decisions taken therein. This characteristic, that distinguishes GCSC from its predecessor, the Øresund Committee, also creates more distance between the organization itself and the member authorities, which feel less involved and committed to the success of the cooperation. Since its creation in 2016, the GCSC has proven to be of importance by developing, amongst others, a joint traffic charter (Greater Copenhagen and Skåne

Committee, 2016). At the same time, the GSCSC is seen to lack structural involvement and embedding of societal and private actors.

Within the constitutional context of Switzerland, with its three levels of government (federal, cantonal and municipal level) and a strong autonomy for subnational authorities, it is not easy to involve other actors in the governance of a region. As a consequence, in the VMZ governance model hardly any citizens or societal actors are involved. This appears to be the result of the strict constitutional prerequisites as well as a strong belief in the political primacy. The VMZ case shows how hybrid governance, in the form of a private-law foundation with a private secretariat and opportunities for private and civil society partners to propose projects, can increase governance capacity of government organizations by providing welcome flexibility in the context of rigid constitutional arrangements. In particular, the VMZ arrangement allows for voluntary cooperation between public institutions that, at least to some extent, escapes some of the more formal good-public-governance requirements of accountability and transparency. At the same time, there hardly is any real governance going on in the VMZ, whereas the privately organized cooperation based on voluntarism is hardly able to contribute to strategic policymaking.

### Legitimacy

Hybrid forms of governance also produce questions about the legitimacy of the decisions taken therein. Whereas traditional territorial institutions often exclusively rely on a representative form of democracy through elections, the same hardly holds for hybrid forms of governance, where the organization itself is formed by representatives nominated by its members and not elected by the general public, instead.

In Berlin, the traditional model of representative democracy is supplemented by grassroots democracy, that is, by the active involvement of citizens and societal organizations in the decision-making. Democratic legitimacy is thus safeguarded in two ways, one of which is developed and implemented by a private company. Although this can lead to tensions between the various mandates, from the perspective of democratic legitimacy, this is not necessarily an unfavorable situation since such tensions can trigger productive discussions on what the public interest is, and who represent this interest (Hendriks, 2010).

In Eindhoven, this legitimacy issue is primarily located at the level of single - often small - municipalities, where discussions often focus on the questions to which extent the local council can influence or can contribute to the development of Brainport, as well as whether Brainport can effectively be held to account. The hybrid character of Brainport evidently has increased the distance between the regional policy-making efforts and the decision-making in the individual municipal councils. However, the fact that Eindhoven region is seen as successful by many prevents discussions over its legitimacy. Thus, the output legitimacy of Brainport seems to be stronger than its input legitimacy. At the same time, Brainport recently

revealed its ambition to become more inclusive by developing from a triple-helix to a multiple-helix cooperation, and by involving citizens in the cooperation (Brainport Development, 2015). In practice, however, citizens are involved in Brainport only as end users of innovations developed by the partners of the cooperation, a mechanism that cannot be described as democratic involvement in the decision-making process taking place in Brainport.

In the decision making within the GCSC citizens are not involved either. The democratic legitimacy of the organization, which primarily rests on the indirect legitimation through involvement of councils and mayors in the cooperation, thus, can be seen as a weakness. At the same time, those involved do not see an important or urgent problem of legitimacy, mainly because the GSCS is seen to have a sufficient level of output legitimacy.

In Zürich too, the legitimacy of the regional organization VMZ is organized mainly through indirect representation by the executives of the municipalities and cantons involved. At the same time, some of the stakeholders see the fact that there is hardly any accounting of the activities of the VMZ towards the cantons and municipalities as a risk for its legitimacy (see also Schwab, Kübler and Walti, 2001).

The above, then, leads to the following assessment of the effectiveness and legitimacy of these hybrid city-regional governance models.

Table 2. Overview of the effectiveness and legitimacy of the four cases

| <i>Assessment criteria</i>           | Effectiveness  | Legitimacy   |
|--------------------------------------|--|--|
| <i>City-region</i>                   |  |  |
| Neighborhood management Berlin       | + hiring of specific expertise<br>- conflicting mandates   | + combination of representative and participatory democracy  |
| Brainport Eindhoven                  | + concentration of powers of private, societal and public actors<br>+ strong implementing organisation with political commitment<br>- <i>agency problems</i> | + successful cooperation stifles the discussion on legitimacy<br>- limited involvement of local councils |
| Greater Copenhagen & Skåne Committee | +/- organising implementing capacity locally<br>- negligible role for private and societal actors  | + successful cooperation stifles the discussion on legitimacy<br>- indirect legitimation                 |
| Verein Metropolitanraum Zürich       | + <i>coalition of the willing</i><br>- hardly any concrete decision making   | - indirect legitimation and poor accountability  |

## Reflections

First, in the context of the cases of city-regional governance, it becomes clear that a certain tension exists between effectiveness, on the one hand, and legitimacy, on the other. Where hybrid governance is perceived as effective, its democratic legitimacy is often questioned, and vice versa.

The Berlin governance model, with its combination of the traditional representative democracy and more grass root participatory elements, shows a strong focus on input

legitimacy. By contrast, the governance models in the other city regions tend to lean on a strong output legitimacy, where the issue of democratic representation or participation is not really under debate. At the same time, especially in Eindhoven and GCSC (and, to a lesser extent, Zürich), the authorities are considering expanding the models to also involve citizens and societal organizations. Up until now however, taking into account the unconvincing way Brainport is coping with the idea of introducing a multi-helix, as well as the attempts in Zürich to keep its 'echo chamber' alive, these attempts have not been very effective. Similarly, still some new initiatives are being initiated in the regions to implement hybrid characteristics in the governance models, such as the possibilities for citizens and organizations to submit proposals, and the intention to organize future-labs where all actors can share and discuss their ideas for the future of the region.

Second, what emerges from the discussions with local stakeholders and participants to the city-labs, is a shared conviction that the region represents a meso-level of public policy-making that is detached from its citizens and their concrete problems, and is concerned with strategic coordination and planning in some specific policy areas. As such, regional policy-making is believed to be irrelevant to citizens, which explains why we see little effort being made to involve them in regional policy-making. In the cases of GCSC and Zürich, the region is perceived as a cluster of authorities (both local and supra-local) that need to collaborate in order to develop common plans or jointly influence decisions taken at other levels of governments. Brainport Eindhoven and the Berlin neighborhood management distribute resources and plan consistent and uniform interventions in selected policy areas that need multi-actors' coordination. In practice, thus, we see that there is more going on than mere coordination of activities. Regional policy-making apparently is not a politically neutral and rather technical activity. That is probably why local executive politicians play important roles in it. Then the question becomes relevant, why a lack of involvement of stakeholders and citizens is hardly perceived as being a problem, as would be the case in local policy-making. In the labs, we did see some of the participants seriously chewing on this topic. Which brings us to a third and final reflection.

Third, as a reflection of the learning process that took place during the city-region labs, we observed a 'natural' tendency for strategic policy-makers to discuss substantive policy issues, even though they originated from different policy fields. It proved to be difficult for them not to resort to discussions about policy measures and to stay focused on discussing governance issues, that is the question of how to effectively organize the interactions between actors. Partly due to varying work forms in the labs, to interventions by the researchers and some of the participants, this worked out well. Learning actually took place, thanks to participants' learning attitude.

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