

Abstract of advisory report:

## **Regional cooperation – Learning from practices**

(Regionaal Samenwerken – leren van praktijken, 17/01)

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A wide variety of regional partnerships can be found in the Netherlands, indicating a pressing need for consultation and networking, but also giving rise to administrative complexity. The advisory report focuses in particular on forms of cooperation that involve employers and employees (and their representative organisations), for example economic boards, regional development agencies, provincial social and economic councils, and labour market regions.

The demands made on the regional level – and therefore on regional cooperation – are growing. This follow-up advisory report considers how to make the practice of regional cooperation more effective by addressing six areas of tension.

### **Introduction**

The SER's previous advisory report on the Netherlands' Urban Agenda (*Agenda Stad*) showed that cities and urban regions can make an important contribution to prosperity growth, for all and by all. The SER drew attention to six interrelated themes in that context. This follow-up report explores one of those themes – regional cooperation – in greater depth and focuses in particular on the three-way relationship between the economy, education and the labour market. Solid results require effective cooperation and consistent efforts by stakeholders in various policy domains.

### **The six interrelated themes in the Netherlands' Urban Agenda**

1. Developing and utilising talent: training, training, training (education and labour market). Investing in people and their competencies.
2. Encouraging entrepreneurship and innovation (research/education and economy).
3. Creating an attractive climate for people and businesses that is responsive to change.
4. Improving the physical and digital connections between and within cities.
5. Fostering regional cooperation based on national rules: cooperation rather than competition, national coordination where necessary.
6. Improving administrative efficiency: paying more attention to the 'daily urban system' and the potential of labour market regions.

The demands made on the regional level – and therefore on regional cooperation – are growing. This follow-up advisory report considers how to make regional cooperation more effective by addressing six areas of tension.

The six areas of tension concern:

- the substance of the cooperation
- the spatial scale of the cooperation: the most effective scale depends on the policy area being addressed
- the different interests involved and the coordination necessary to align them
- democratic accountability in the event of cross-border (municipal or provincial) cooperation
- how cooperation is funded
- the interaction between regional and national levels.

The report reviews a number of actual cases in each area of tension that were raised during two dialogue meetings, several working visits in differing regions, and numerous interviews with stakeholders. It is the SER's hope that this advisory report will help improve regional cooperation by allowing parties to learn from the experiences of their counterparts in other regions and other policy domains.

### **Let substance prevail: united by a common agenda**

There is much agreement that substance should prevail in regional cooperation. The challenge is to see the economy, the labour market and education as an interconnected whole. Awareness is growing that regional economic development must be linked to labour market issues and to investment in human capital. Drafting a common socio-economic agenda is an effective way of uniting separate worlds, each with its own objectives and interests, networks, perspectives and worldviews.

Recommendations:

- Let the agenda reflect the specific features of the region. There are various tools that can assist in this respect, such as SWOT analyses and economic foresight studies.
- See that the agenda also allows for the features of neighbouring regions so that neighbours can make effective use of each other.
- See that the added value of regions is transparent and quantifiable. This requires establishing a standard set of indicators, for a start in the economic, labour market and educational domains.

### **The spatial scale of regional cooperation**

There is no official, predetermined definition of what constitutes a 'region'. The targeted spatial scale of regional cooperation depends heavily on the tasks and policy domains involved. The challenge is to choose the most appropriate spatial scale for each issue, regardless of administrative borders, and to cooperate effectively in functional networks. One important starting point is the 'daily urban system', i.e. the urban area in which people commute every day between home, work and school.

Recommendations:

- Scale-switching is required because the spatial scale of cooperation may differ per policy domain and because parties participate in various functional networks.
- From the vantage point of the economy and innovation, it is important to build regional ecosystems and to create robust interconnections.
- There should also be connections between the different circles (economy, education, labour market/economic boards, regional SERs, labour market regions), and the people active in these circles should possess the right skills to ensure successful networking.
- National borders continue to impede regional cooperation and the labour market. The daily urban system in border regions is smaller than it would be if there were no national borders. To encourage cross-border employment, there must be a helpdesk on *both* sides of the border offering information on job vacancies and job-seekers in the border region. Also important are close coordination between vocational training centres and employer needs on both sides of the border and good cross-border transport links.

### **Interests and coordination**

Every stakeholder has its own interests to promote. How can differing parties arrive at a common, shared interest through voluntary but committed cooperation? A shared sense of urgency is crucial in that regard. In addition, coordination is needed.

Recommendations:

- Recognise one another's interests and invest in trust by building relationships. For example, there may be tension in a labour market region between the main municipality in an intermunicipal partnership and the other, smaller municipal members of the partnership. It is important then to invest in their mutual relationships.
- Good leadership is crucial. That means gaining the trust of all the parties involved.

- Building an ecosystem takes a lot of time. It calls for a long-term approach and a sound basis in substance that will survive any change in drivers.
- Learn from each other's experiences without simply copying each other.

### **Democratic accountability**

Regional cooperation transcends municipal borders, and in certain instances provincial and national borders as well, making real democratic accountability a complicated affair. How do the new forms of governance (co-creation, co-governance) relate to existing forms, and how can sound democratic accountability be guaranteed?

Recommendations:

- Ensure that regional cooperation does not impinge on the policymaking authority of the individual municipal councils and the system of local checks and balances by seeing that local councillors are kept fully informed.
- Involve municipal executives and councils by making both the targets and the results of cooperation visible.
- Define the time horizon and assess progress at regular intervals, and give councils a 'last-resort' opportunity to intervene.
- Involve employer and employee representatives in planning, decision-making and execution.

### **Funding regional cooperation**

There is no specific source of funding or funding stream supporting regional cooperation. In fact, such cooperation is often funded from differing sources, depending on the policy domain involved. In the case of the labour market regions, municipalities and the Social Security Agency (UWV) co-finance the cooperation. The economic boards' executive organisations are usually funded by local authorities, often based on a contribution (a few euros) per inhabitant of the relevant municipalities. Businesses or knowledge institutions may also contribute money or expertise.

Recommendations:

- See that the method of funding supports and encourages regional cooperation, and organise enough 'process funding' to be able to launch new projects (which may then qualify for national and/or EU funding).
- Assess progress at regular intervals to monitor the usefulness and necessity of specific regional partnerships.

### **Interaction between regional and national levels**

Effective interaction is needed between the regional and national levels, with clear-cut national policy frameworks, for example regarding spatial-economic policymaking. Ensuring such effective interaction involves tackling the area of tension between two traditions: policy compartmentalisation at national level and fragmentation within municipal borders at regional level (and the counterproductive policy competitiveness that this creates between cities). The Netherlands' Urban Agenda allows both sides, national and regional, to engage in a crucial learning process that will lead to more closely coordinated policy initiatives.

One significant challenge is to see that the national government's overall business sector policy, which focuses on innovation and entrepreneurship, combined with public-private partnership in top economic sectors, filters through to the regions and is properly aligned with the societal challenges as they manifest themselves in the differing regions. The leeway for policymaking at regional level is determined largely by the financial arrangements between differing public authorities and the set of tasks allocated to municipal authorities.

Recommendations:

- It is certainly possible to establish national policy frameworks through interaction, with major input by regions or with regions taking the initiative.
- Exploit the potential of the regional scale to draw up a broad socio-economic agenda, one that covers such issues as sustainability, liveability and safety & security.
- Accept that the separate agendas may give rise to differences.

- Learn from the City Deals as a mechanism for ensuring effective interaction between regional and national domains.