Evaluation of Regional Network Governance

Capacity Building for Steering Sustainable Development

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Abstract

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Contents

1. Introduction

While talking about concepts like 'region', 'governance' and 'sustainable development' one has to take the normative character of them into account. Regarding 'region', the borderlines are a product of social processes and can not be defined in an objective way. Even if enclosed by visible geographical landmarks like mountains or rivers, a 'region' is primarily defined by political occupations, cultural traditions and subjective perceptions of its inhabitants. Concerning 'governance', the importance of 'regions' rely on its function as an administrative unit of the (nation) state with specific constitutional rights, regulative duties, tax resources and public tasks to ensure the welfare of this territory. But this also does not necessarily mean that people governed by this entity feel to belong to a single community and legitimise its authorities.

As the main administrative unites of regions in Germany – the nation state in focus of this paper – federal states ('Bundesländer') had been formed after World War II and only some refer to traditional political units. While the borders of the 'Bundesländer' had been more or less stable since then, state definitions of smaller regional units (cities, villages, communes, districts, departments etc.) are almost continuously varying. These on-going changes of governance bodies are enlarging the responsibility of single regional decision makers by incorporations ('Eingemeindungen') as well as reducing it according to fusions for shared authorities (e.g. 'regionale Verbünde'). Not only in Germany and not limited to administration, definition of regions are far from being constant over time.

Nevertheless, the key documents of the United Nations Conference on Environment and Development in Rio de Janeiro 1992 emphasized especially the importance of regions for 'sustainable development'. According to this, 'regional governance' should not be limited to state administration but also include the regional civil society: 'Each local authority should enter into a dialogue with its citizens, local organizations and private enterprises and adopt "a local Agenda 21". Through consultation and consensus-building, local authorities would learn from citizens and from local, civic, community, business and industrial organizations and acquire the information needed for formulating the best strategies' (Agenda 21, 28.3). Thus building-up *local policy*

networks as a *horizontal integration* of all stakeholder groups for developing and executing regional sustainability strategies became a task for all regions in the world.

The reason why regions had been addressed as carriers of hope was also formulated in the Agenda 21: 'Because so many of the problems and solutions being addressed by Agenda 21 have their roots in local activities, the participation and cooperation of local authorities will be a determining factor in fulfilling its objectives. Local authorities construct, operate and maintain economic, social and environmental infrastructure, oversee planning processes, establish local environmental policies and regulations, and assist in implementing national and subnational environmental policies. As the level of governance closest to the people, they play a vital role in educating, mobilizing and responding to the public to promote sustainable development' (Agenda 21, 28.1). By 'thinking globally', the regions are supposed to transfer 'sustainable development' into 'acting locally'. Hence, a *multi-level governance structure* for *vertical integration* from the global to the local level was intended to synchronize the development and execution of policy strategies.

Implicitly, the Agenda 21 assumes the superiority of 'regional network governance' compared to existing forms of regional steering. New participative approaches seems to be indispensable for 'good regional governance', which itself is needed for establishing 'sustainable development' on the local level. But what do we really know about the impacts of 'regional network governance'? Are 'stakeholder networks' under all circumstances able to assure durably 'good governance' in each region of the world - and for all issues? And: how can we evaluate institutions and impacts of 'regional network governance' for giving local people the needed information for steering 'sustainable development'?

This paper will present some findings of policy network research to give at least a first hint on how to answer these questions. On a first step, the normative approach of 'good governance' is transferred to an operational definition which is able to guide evaluation research (chapter 2). On a second step, results of evaluation studies in Germany are presented for summarizing the knowledge on impacts of network governance (chapter 3). Finally, some conclusions on how we have to evaluate for improving the knowledge for steering sustainable development on regional level will be discussed (chapter 4).

2. What is 'Good Regional Governance'?

'Governance' is one of the 'catch-words' of the last decade and it is used – and often abused – in several different contexts with a large variety of meanings. Even if the focus is only set on the political system, the meaning of 'governance' strongly depends on the topic of scientific interests or political practice (see Meyer and Elbe 2006 for some examples). 'Regional governance' is also not homogenously employed and there is no consensus on what regional governance really is (for the scientific discussion of regional governance in Germany see Benz 2004; Bogumil and Holtkamp 2004; Fürst 2004). However, there seems to be some agreement on the point that regions are becoming more and more important for political decision-making – not barely caused by the Rio process – and regional networks including state and non-state actors are supplying – maybe even replacing – political executives and their bureaucratic administration by transferring these decisions into actions (cf. Lawrence 2004).

For this paper, 'regional governance' is generally defined as the *institutionalised process of making and executing political decisions within a commonly agreed geographic territory that is not identical with a nation state*. This definition emphasises three core elements of 'governance' - *political institutions*, *decision-making* and the *execution of decisions* – and combines it with an open territorial definition. 'Region' does not necessarily mean a legally delimited, bureaucratic established and commonly agreed unit and it is not mentioned whether the process of making and executing decisions is run within the legal political system, a more or less legitimised policy-network including state and non-state actors or a single authority. According to this, the definition is able to catch a broad variety of political institutions and processes.

By putting the normative aspect of *'good'* governance into focus, the generally legitimated and commonly shared goal of a region *'how it should be governed in theory'* must be assessed. Without any doubt, this basic principle of political rule is in many regions far away from a broadly agreed consensus and many conflicts between social groups are based on discussions of this crude question of social order. The vast majority of existing 'governance structures' is a result of combating interests, social conflicts and power relations – and not a consensual agreement of regional stakeholders.

Moreover, arguing about 'good' and 'bad' ways of governing a region is – and will be – the key issue of any debate between parties within a democratic political system. The formation of civil society is primarily a result of dissatisfaction with political steering, leading citizens to collective action for improving the quality of governance (cf. Meyer 2006). Therefore, any consensual agreement on 'good governance' within a 'region' will be limited to general – constitutional – aspects and highly aggregated strategies.

Following the above listed definition of 'regional governance', four normative questions have to be answered for constructing a concept of 'good' governance:

➢ What kind of *political institutions* are required to fulfil the commonly shared expectations for steering regional development in a legal, legitimised and effective way? More concrete: do we need the 'guiding hand' of only one strong political leader or should we have complex participative structures including all stakeholders within and outside the political system into decision-making?[1]

➢ How should the *process of political decision-making* be run on a regional level? Is it required to find a general consensus acceptable for all stakeholders or do we have to follow simply the pressure of external dynamics initiated by global or national authorities, markets, collective behaviour or requirements of the ecological system, leaving regional stakeholders almost no opportunity to decide?

➢ How can regional political decisions be transferred into *effective collective action*? Are 'proper solutions' the natural outcome of 'good decisions' or do we need additional efforts accompanying implementation processes and observing the impacts reached by used measures?

➢ Finally, how should the *territory* effected be defined? Do we need commonly shared and identical definitions of all stakeholders or is it possible to run regional governance with respect for different traditions, historical developments and various regional emphasises of each actor involved in decision-making and collective regional action?

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[1]   According to Dahl (1994), this polarization characterizes the democratic dilemma between system effectiveness and citizen participation.

In general, any attempt for changing *political institutions* implies more or less explicitly dissatisfaction with the *impacts of existing institutions* on political decision-making and the execution of these decisions. As mentioned by Hanf and O'Toole (1992: 166), 'modern governance is characterized by decision systems in which territorial and functional differentiation desegregate effective problem-solving capacity into a collection of sub-systems of actors with specialised tasks and limited competence and resources'. While decision-making seems to be much easier in small and homogenous groups (cf. Ohtsubo and Masuchi 2004), the execution of these decisions needs the support of an increasing number of heterogeneous (and sometimes opposing) interest groups. Due to required assistance in collective action, these actors are able to hinder or even to blockade the execution of decisions.

Therefore, the most important task of political institutions is the *horizontal integration of deciders and executers*, bringing their interests to a functional balance. In nowadays political research there seems to be a broadly agreed common sense that such a balance can only be reached in multi-actor partnerships, including state and non-state actors in *policy networks* (cf. Sørensen 2002, Pierre 2000, Marsh 1998, Rhodes 1997, Marin and Mayntz 1991). Moreover, a transfer of *decision-making competencies* from national to local level, bringing decisions back to those people who are affected by its impacts, seems to be the most promising solution for significant improvement of acceptance. As a result, the *vertical integration of deciders and executers* through *multi-level governance* structures and processes becomes an essential coordination duty for newly designed political institutions (cf. Hooghe and Marks 2001).

While there seems to be a consensus about the importance of horizontal and vertical social integration and the role of policy networks, the positions on how to realise it practically are quite contrary. The debate concentrates, more or less, on the question who should be *involved in decision making* and what kind of *decision rule* should be used. In general, emphasizing the *process of making decisions* implies believing in an impact of decisions on social change. Hence, thinking about governance always means to believe in man's ability to influence its own social, ecological and economical environment. Even if there are serious constraints and restrictions which are framing decision making, steering measures are supposed to be effective – at least in theory.

By setting the focus on decision processes, the *input side of governance* (what people are doing to govern) is the key element of analysis and the *output side* (whereto the governed system is moving) will be addressed as a more or less determined result of human action. This implies some relationship to action theories, particularly to rational-choice approaches (cf. Wiesenthal 1987).[2] Following the key idea of rational-choice theory, every decision is a subjective selection of the best opportunity (due to rational calculation of pros and cons) compared with other (perceived) opportunities. While analysing real decision situations, this assumption can be criticized for 'over-rationalising' decision-making (and, therefore, simplifying the process) – especially if group decisions are in focus. Here, this assumption has been taken as an *idealistic intention* for actors involved in decision-making processes and it is not used for explaining the *outcome of decision making*. From a normative position, finding the best solution should be the goal of decision makers - but this is not necessarily the interest of actors involved in real decision-making processes.

Probably the most important social aspect of 'good governance' is its aim to *balance individual and common interests* in an optimised way. Such kind of perfect outcome of decision-making, reaching common goals with respect to all interests of all stakeholders, is only possible under certain and rare circumstances ('win-win-situations'). Nevertheless, the trial to optimise the balance between individual interests and collective goals should be a remarkable element of 'good governance'. Moreover, 'good governance' assumes to be effective for laying new courses towards the aspired direction, transferring 'good decisions' to *adequate problem solving* by political action. Within the context of regional governance, the 'problems to be solved' are assumed to be commonly shared and perceived efforts of people living in the defined territory – and these problems obviously distinguish them from people living in other regions (giving them social identity) and should be the driving force for building-up a common governance structure.

To sum these normative assumptions up, one can define 'good regional governance' - and therefore the key criteria for evaluating regional governance - as followed:

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[2]   For sure, the opposite viewpoint referring to system theory approaches can be taken, too (cf. Sydow and Windeler 2000).

'Good regional governance' is the durable implementation of social institutions including all stakeholders of a pre-given territory in a common decision-making process to assure rational decisions for those opportunities that are a) optimising common goal-attainment, b) minimizing negative side-effects, c) perfectly reflecting all stakeholder interests, and d) implementable in the most effective and efficient way.

This definition of the general normative goal 'good regional governance' postulates the existence of multi-actor networks which leads us to another very important differentiation of governance. While concentrating on the *impacts of decisions for the region*, the successful steering process for achieving common goals by networks of regional partners is in the focus of interest (*governance through networks*). The main question is how far a regional partnership of governmental and non-governmental organizations is able to develop and to implement commonly shared policy-strategies that are both innovative and effective.

Assuming regional policy networks being *durable implemented institutions* for political steering and not only short-term measures with the limited task of strategy development, the governance of networks must be mentioned as well. *Governance of networks* is the self-regulation of participants' cooperation within a partnership, guaranteeing rational decision-making on behalf of the commonly shared goals. As far as network membership is voluntary, the most important task is the balance of different interests by appropriate communication management and by generally accepted rules leading to common agreements and joint action (cf. Meyer and Baltes 2004). While governance through networks describes the *external effects* of network governance, governance of networks stresses the *internal coordination* of independent actors and the regulation problems associated with this. The same differentiation can also be made by discussing the role of single organisations in governance processes (cf. Meyer 2005).

As a conclusion, eight key fields for evaluation research targeting regional network governance can be identified (Table 1). The four dimensions – institutions, decisions, executions and territory – had been mentioned as the core elements of 'regional governance' in the generalised definition above. Adding the differentiation between internal coordination and external effects ('governance of networks' and 'governance

through networks') leads to framework for evaluation by using the mentioned criteria for 'good governance'.

Table 1: Evaluation Topic for Regional Network Governance

Dimensions (Criteria)	Governance of Networks (internal coordination)	Governance through Networks (external effects)
Institutions (Functionality)	**Membership Rules**	**Social Integration**
Decisions (Rationality)	**Interest Balance**	**Need Orientation**
Executions (Efficacy)	**Management Capacities**	**Steering Ability**
Territory(Acceptance)	**Satisfying Performance**	**Regional Relevance**

Concerning governance of networks, the main institution for internal coordination are *membership rules*, defining the entrance and exit conditions, the duties and rights of each member and sanctions for those who do not obey to this commonly agreed rules. At least implicitly (e.g. as a 'gentlemen agreement'), each group needs such kind of rules for guaranteeing its existence, protecting itself against competitors or cheaters and ensuring collective action for common goal-attainment (cf. Heckelman and Olson 2003; Olson 2000). Making decisions in groups is a complex process of *balancing interests* of group members that influences both seeking and weighting of information available for single opportunities (cf. Schultz-Hardt et al 2002; Christensen and Westenholz 2000; Davis 1992). The execution of decision is, from an internal coordination view, a question of *management capacities* and performances. Getting things done in the way the deciders want it to be done is even in a strictly hierarchical ordered organisation very difficult and several influencing factors have to be taken into account (cf. Cross 2004; Peterson et al 2000; Green and Knippen 1999; March and Olsen 1976). Finally, as a policy network implemented for the wealth of a specific territory, those organisations and people who invest their time (and money) in its governance must be *satisfied by the performance* of the network and believe in its positive outcome.

This believe in outcome is obviously strongly related to the *relevance* of network decisions and their capability to influence regional development, being the key dimension for evaluating the *governance through networks*. By executing their decisions, the policy network proofs its *steering ability* especially for those aspects that

have been recognised as the most pressuring ones for the territory. While depending not only on the cooperation of network members but also on (at least the majority of) the inhabitants, network decisions must meet the needs of the population. Consequently, all network decisions should be *need orientated* for the whole region and not limited to particular interests of the policy network or single network members. Finally, governance through networks as a political institution for a region means to assure *social integration* of all relevant stakeholder groups in all decision situations concerning all kind of problems the region may face. And this also means delimitation against other territories and groups which are not mainly interested in the wealth of the region.

The last point shows, that 'good regional governance' does not necessarily mean 'good national' or 'good global governance'. In contrary, policy network governance may tend to enclosure and separation which leads to new conflicts with higher aggregated administrative units like federal or national states. This aspect has to be mentioned when putting the focus on 'sustainable development'. However, the recommended eight fields are able to guide evaluation studies for investigating 'regional network governance' and we will show its usability by an example in the next chapter.

3. What do we know about impacts of network governance?

Instead of giving an brief and systematic overview on research results, we are using an example for illustrating the effects of regional network governance. The case is a huge political initiative of the German Federal Ministry of Consumer Protection, Food and Agriculture (BMVEL) called 'Regionen Aktiv' (cf. Federal Ministry of Consumer Protection, Food and Agriculture 2002; further information in German language are available both on the website of the ministry www.verbraucherministerium.de and on the project website www.modellregionen.de).[3]

In 2001, a radical change of agrarian policy ("Agrarwende") occurred in Germany as a result of the FMD- and the BSE-crisis and the increasing political pressure caused by the WTO-negotiations, the EU-Enlargement and the mid-term-review of the Agenda 2000/CAP. The new policy is supposed to give the consumer perspective priority over producers` interests and wants to support not only agriculture but rural areas as a whole.[4] In order to support this policy, BMVEL initiated a nation-wide competition, focusing on four main objectives: strengthening rural areas, creating additional sources of income, focussing on creating a consumer perspective and providing nature-friendly and environmentally compatible agriculture.

Eighteen model regions were chosen in a two-tier selection process. During the first stage, regions were encouraged to develop a joint vision for their own future. In December 2001, an independent jury comprising representatives of the key interest groups chose 33 regions out of a total of 206 submissions. In the second stage these regions were asked to formulate an Integrated Development Plan (IDP) and finally 18 model regions were selected for funding the realisation of their IDPs between 2002 and 2005 (2.1 Mio Euro per region on average).

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[3] 'Regionen Aktiv' also serves as a pilot project within the framework of the National Sustainability Strategy and was Germany's contribution to the World Summit on Sustainable Development ('Rio +10') in Johannesburg in Aug/Sept 2002.

[4] In the meantime, the national government changed and so did the name of the ministry. By re-ordering the three issues 'consumer protection', 'food' and 'agriculture', putting 'consumer protection' from the first to the third place, the new government symbolised a change of priorities in November 2005. The new minister is a member of the conservative, agrarian oriented Bavarian party and he replaced a member of the ecological Green Party. For the future, a drawback of the 'Agrarwende' can be assumed.

The administrative and political definitions of these selected regions are diverse: For example, one of the 16 German federal states (Saarland) is participating, while another region (Schwäbische Alb) only represents a single one of the 323 German districts ('Landkreise'). Several participating regions are not identical with administrative definitions and some of them include parts not only from different districts but also from different federal states (Eichsfeld, Lübecker Bucht, Weserland). In sum, the structural diversity of the model regions is as large as possible in Germany. This is demonstrated by many other indicators such as the region's economic structure, labour market development, tourism and income (cf. Elbe and Meyer 2006).

The implementation process of IDP's followed three basic principles:

➢ *Programme-based instead of project-based funding*: The Federal Government's role is limited to setting the goals of the competition and to prescribing a set of minimum requirements as regards decision-making structures and self-assessment mechanisms. The aim is an improvement of funding for rural development without waving control, using 'Management by Objectives' and not the bureaucratic approach of 'Input Controlling'. To assess their achievements and highlight the more detailed aspects of project management, the regions are required to set up a support and self-assessment system.

➢ *Network governance instead of top-down steering*: The regions are free to select and implement the measures they estimate being appropriate for achieving the goals of their IDP. But according the basic agreements with the Federal Ministry, they have to ensure that stakeholder groups are included in planning, implementation and assessment of the regional development process and in the distribution of available funding. Partnership networks must be formed between the actors, municipalities, regions and non-state actors. These regional partnerships are the key actors for the implementation of the new steering approach.

➢ *Durable cooperation instead of temporal partnership*: Regionen Aktiv should not be seen as a support programme in the classical sense, supporting projects whilst in operation, and ceasing to when the programme closes. The partnership structures initiated in the model regions should be continued on a permanent basis so that they

are able to contribute to the development of the regions after Regionen Aktiv has been discontinued.

These basic principles can be analysed by using the following three key determinants for durability and effectiveness of network governance, stated by Mayntz (2003) as a summary of her findings during about twenty years of research on this issue:

- *A strong state to ensure the functionality of self-regulation in policy networks*: Successfully working policy-networks act 'in the shadow of hierarchy' with powerful political authorities serving as 'guardians of public welfare'. The threat of state-intervention as a uniting force to co-operation and self-regulation.

- *A strong, functionally differentiated, and well-organized civil society*: For balancing the interests of different stakeholder groups, those interests must be organised autonomously and represented by corporate actors within negotiations. Without a well-equipped and powerful civil society, multi-actor networks are not able to work sufficiently.

- *A common identity of network members*: Any kind of collective action is in need of 'at least a minimal sense of identification with, and responsibility for, the greater whole, in short, a common identity' (Mayntz 2003: 5).

These determinants can be assigned to the above mentioned implementation principles of Regionen Aktiv, leading to specific conditions of governance that vary more or less between the eighteen model regions (Table 2). Due to the regularities of the competition, all participating regions have to obey to the authority of the Federal Ministry – at least to get the funding for realising their IDP. Therefore, *the regional policy networks are acting in the shadow of the hierarchy*. But as soon as the funding stops, the nation state will loose control and the conditions of regional governance will change. There is yet no idea about the future role of the Federal Ministry and how to assure regional self-regulation and coordination between the regions without the driving force of the national state. In other words: the question of *sustainable vertical integration* is still unanswered.

The competition rules set by the nation state fixed some formal issues according the governance structure. For example, three core elements – the regional partnership (RP), a regional management (RM) and a public completion partner (AP) – had to be installed

in all regions according to the will of the Federal Ministry. Within this framework, the regions were more or less free to create functional institutions for their own partnership. Due to the *huge differences of capacities for organising interests* both within a single region (e.g. the power distribution between ecological and economical interest groups) and between the regions (e.g. the disparity of organisational level of civil society between East and West Germany), the problems and solutions for governance of networks should differ. This raises the question, whether all regions had been able to solve the problem of *horizontal integration* at least for the duration of Regionen Aktiv.

Finally, the new formed regional policy networks are supposed to develop a *common identity* that follows the IDP and assures the sustainability of this institution after the end of national funding. According to different traditions and experiences in co-operation (e.g. some policy networks were formed because of LEADER+ before Regionen Aktiv started), the starting-points for creating identity varied significantly. Without this identity, the *sustainability of horizontal integration* seems to be difficult.

Table 2 Conditions of governance in Regionen Aktiv

Determinants of Network Governance	Implementation Principles Regionen Aktiv	Conditions of Governance in Regionen Aktiv
A strong state to ensure the functionality of self-regulation in policy networks	Programme-based instead of Project-based funding	Federal Ministry control the framework of the competition (Model regions act in the 'shadow of hierarchy')
A strong, functionally differentiated and well-organised civil-society	Network governance instead of top-down steering	Partnerships between state and non-state actors with huge differences between the eighteen regions (concerning the groups involved, their ressources, the decisions for funding and the self-assessment measures)
A common identity of network members	Durable cooperation instead of temporal partnerships	Structures should be durable; IDPs are the common basis, not regional identity (at least in some regions)

While we are not discussing all findings according the governance structure of Regionen Aktiv and variations between the eighteen regions here (for more details see Böcher 2004, Brandt 2004, Elbe et al 2004; Federal Ministry of Consumer Protection, Food and Agriculture 2004; Knickel et al 2004), at least some results concerning the eight fields for evaluating regional network governance should be mentioned.

The implementation of a functional *institutional framework for corporation* was the first aspect in focus of the regional actors in "Regionen Aktiv". Due to LEADER+ and several other programmes, some regions had the possibility to use existing partnership structures, but in most cases multi-actor policy networks and its central instruments for governance had to be developed at the beginning of the process. Institution-building dominated the first two years and in a couple of cases it had been finished only straight before the mid-term report in late 2003 – but none of the regions failed in this task.

The regional policy networks were formally established as associations following the German 'Vereinsrecht'. According to juristically implications, managing committees, governing bodies and *several membership rules* within this organisational framework had to be built up. Due to this implementation, the regional partnerships are 'organisations' from a formal point of view and not 'networks' in the sense of policy network literature (cf. Scharpf 1993; Powell 1990). As a result of this decision, specific problems of network regulation did not occur (cf. Meyer and Baltes 2004).

The results of the mid-term evaluation showed, that the overwhelming majority of participating regional actors was satisfied by the way decisions were made (cf. Brandt 2004; Knickel et al 2004). Especially the important impacts of RP meetings, bringing different regional interests and perspectives together, were emphasised. Most actors stress the learning aspect of their discussions on the development of network institutions, which increased the acceptance of project ideas and the engagement for joint action. Beside *interest balance*, the decentralised concept of governance, the participative process of institutional development and the transparent democratic decision-structures are widely seen as advantages of the 'Regionen Aktiv' process.

This positive feedback is largely an outcome of the work of the RM and its preparation of member meetings. Concerning the *management capacities* of the RM, critics concentrate on the division of labour between different organizational parts of

management (especially between honorary working members of partnership organisation and the employers of regional management) and the communicational process in general. Most of these critiques can be interpreted as a direct outcome of the difficulties in coordinating heterogeneous networks. They are not addressing structural deficits or fundamental management failures.

In general, the participating regional groups are showing themselves *satisfied with the performance* of the political institutions established during the implementation of 'Regionen Aktiv'. The number of actors leaving regional partnerships remained rather small and therefore a selection bias can not explain this positive feedback.

From the perspective of the *outcomes of regional network governance*, the financial support for regional projects is still the most important result and it is also linking the network members together. In total, more than 600 projects are realised and most of them with pronounced grassroots' orientation. Hardly any data about the effects of these projects are available: the decision to leave the task for developing adequate methods of impact assessment to the regions proofed to be an overload for the management capacities of the regional partnerships.[5] Instruments for monitoring project effects were implemented only in some isolated cases (e.g. Weserland, Ostfriesland). This provoked a centralised mid-term evaluation by the BMVEL, whereby the regions had to present a mid-term report based on so-called 'Erfolgsfaktoren'[6] (factors of success). However, this report does not include a systematic investigation of project impacts.

The partnerships should implement *commonly shared policy-strategies* for releasing competition among (for additional funding) and within the regions (for the best projects). While the competition between the selected model regions had been merely limited to the so-called 'performance and quality reserve' (achievement-bound reserve),

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[5]   This is not only a technical problem, it is also caused by the poor state of evaluation culture in most regions and in most partner organisations. Many people recognised the evaluation task as an annoying duty, not as a learning option.

[6]   These factors of success are: Pressure of problems and will to find a solution; Project-design that supports win-win coalitions; Short term success; Manageable structures and opportunities for linkage; Powerful intercedes and partners; Learning aptitude and exchange of information; Transparency, process competence, and flexibility; Participation; Regional promoters as policy entrepreneurs; Critical mass of labour time and money for the regional management; Competent regional management (for details see Böcher 2004).

a small financial incentive, competition for the best projects happened only in nine model regions. Most of the projects run unrivalled because more funding was accessible than project ideas. Moreover, the division of money was in some cases also a political task, following the principle of justice between the network partners instead of competition.

Concerning the crucial principle of *steering the regions towards the goals of their IDPs*, one has to state that the operationalisation of these objectives is only achieved to a very small extent. One main reason for differences and problems by using the agreement on objectives within the framework of regional promotion is to be found in the actor's structure at the implementation level. The resources for implementation are primarily depending on honorary work and the outcome of continuously work on defining a mission statement, deriving objectives, defining products etc. does not result in direct benefit for single actors. According to this, steering abilities of networks are limited and the restricted management competences and capacities hinder goal-oriented collective action of the regional partnerships.

It is also very difficult to judge about the '*need orientation*' of the regional activities because no systematic information on the needs of the inhabitants has been collected. Nevertheless, representation of public needs is primarily bound to interest organisation and civil society groups. Due to the few visible impacts of network decisions for the region, no conflicts concerning these aspects occurred. But this is also a result of successful enclosure of a broad variety of regional groups, hardly missing any relevant stakeholder in each region. Obviously, this is also an indicator for successful social integration that had been initiated by 'Regionen Aktiv'.

What are the general conclusions that can be drawn out of these findings? The first important finding is the *principle possibility to establish regional network governance* under a great variety of circumstances. Bad conditions seem to be no principle barriers but influence the time needed for implementation. Governance of network can be handled within different social environments – but it needs on-going input from external power ('the shadow of the hierarchy') even if there are commonly developed goal systems like the IDPs. The regional networks were stabilised by using well-established formal implementation procedures (founding associations) and almost no problems

occurred in doing so. The continuity and professionalism of network management (governance of networks) is a pre-condition for governance through networks, which significantly *needs much more time* to be established and to reach effective results. Without additional incentives coming from outside the networks, none of the regional partnerships seemed to be able for making their cooperation sustainable. The *lack of visible success*, at least in the first implementation phase, is threatening the existence of regional policy networks and endangers the withdraw of various interest groups which do not have the patience – and the needed resources – to stand a more or less long period of establishing a regional governance system. Therefore, time becomes an important variable that can not been treated adequately within regional network governance. During the 'Regionen Aktiv' competition, the national state took over the task to develop rules and resources to provide the time needed for implementation. The interrelationship of the three variables mentioned here are shown in figure 1.

Figure 1 Lessons Learnt from Regionen Aktiv

Governance of
Networks

Stability

Time

Success

External
Governance

Governance through
Networks
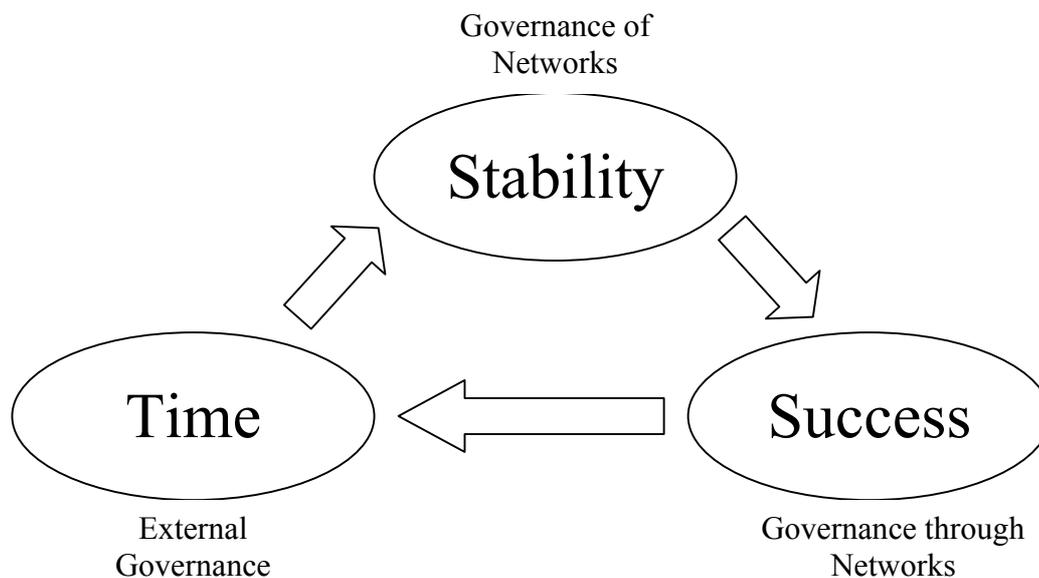
4. How to evaluate governance for sustainable development?

Up to now, this paper concentrated on regional network governance and sustainable development has not been mentioned yet. Concerning a lot of discussion on what sustainable development is (cf. Hopwood et al 2005), at least a short introduction in our own concept is needed. As outlined otherwise in more detail (Meyer 2002, 2006a), sustainable development can be understand as a *global utopian of total social integration* on three different dimensions:

➢ According to the 'Brundtland-Report' of the World Commission on Environment and Development published in 1987, sustainable development should be defined as a development 'that meets the needs of the present without compromising the ability of future generations to meet their own needs' (World Commission 1987: 8). On a non limited *time dimension, social integration of different generations of human beings* should be attempted.

➢ Additionally, by following the above mentioned statements of the World Summit in Rio de Janeiro 1992, a *vertical social integration* on a *territorial scale* should be realised by 'thinking globally and acting locally'. This implies sufficient communication procedures for aggregating and disaggregating both 'thinking' (goal and agenda setting) and 'acting' (coordination and accumulation of impacts) between different levels of governance.

➢ Finally, the *horizontal social integration* of 'three pillars' composed by ecological, economical and social goals must be emphasised. More generally, sustainable development needs the support of different social groups with diverse interests which have to be integrated in a commonly agreed *target system* with respect to the ideals of 'good governance'.

When using this understanding of sustainable development, the German competition ‚Regionen Aktiv' becomes a very interesting example of political steering that addresses all three dimensions. By building up multi-actor policy networks, the horizontal social integration process on regional level is obviously the main focus of the program. Nevertheless, the structure of the whole competition emphasises also the vertical (with financial incentives and some rules set by the Federal Ministry) and the

time dimensions (with the durable implementation governance structures and IDPs). However, both vertical communication problems and the need for 'timing' to secure project and programme impacts and their 'micro-sustainability' have been totally underestimated. This caused some of the trouble described in the previous chapter.

The implementation of a 'multi-level evaluation system' is one of the reasons why at least some of these problems have been recognised relatively early by program management. Hence, the planed monitoring and evaluation system was only partially implemented by 'top-down' steering. The regions significantly had some problems building up evaluation systems on the regional level because of missing experiences, knowledge and traditions in running such kind of information systems. Additionally, the involved experts and consultings are doing evaluations as 'a source of income' and they are not feeling to be part of 'a regional learning system' with the claim to improve systematically the quality of monitoring and to reduce the costs for running the system by transferring knowledge from consultants to program management.

As a conclusion, one can clearly recognise *the regional level as the most problematic area for implementing suitable monitoring and evaluation institutions*. The additional challenges for advanced scientific methods and techniques for evaluating sustainable development are strengthening these difficulties. Each of the three dimensions of social integration implies the use of more sophisticated research methods:

➢ *Evaluation on the Time-dimension* is only possible if appropriate data (e.g. long and comparative time-series), well-established theoretical models for sound predictions (e.g. demographic models for estimation of population development) and well-trained personal for handling difficult statistical analysis are available. Besides the limited abilities of some sciences (e.g. the economics which are not able to forecast economic development for the next few years), the poor quality of local data is one of the most important barriers for implementing 'learning systems' in regions. On the regional level, *developing adequate Monitoring and Evaluation systems* is an important precondition for better governance. In doing so, cultural specifics and regional identities have to be taken into account (cf. Ukaga and Maser 2004: 111ff.).

➢ *Evaluation on the Target-Dimension* requires integrative and interdisciplinary approaches which are still more or less missing (cf. Brandon and Lombardi 2005: 74ff.). However, the increasing complexity of such kind of evaluation needs bigger evaluation teams with skills from different sciences which are not available in each region – even in a well-educated country like Germany. Therefore, *capacity building* for scientifically sound evaluations by using integrative and interdisciplinary research methods is very important on the regional level.

➢ *Evaluation on the Territorial-Dimension* is the demand for joint evaluations on different policy levels and the use of multilevel modelling as an analysis tool. There are a lot of factors hindering the implementation of well-developed impact assessment methods on each level (see for instance the problems for implementing environmental impact assessment mentioned by George 2002: 228ff.). By doing evaluation within a specific cultural framework, regional experts who are used to this specifics are needed. These experts need to work together in *multi-level evaluation networks* which is at least a new challenge for coordinating scientific work and evaluation research.

To communicate the experiences made in programs like 'Regionen Aktiv' is very important for improving the standards for evaluation of sustainable development. If one is really interested in sustainable development, regional governance institutions with appropriate knowledge systems are strongly required all over the world. Hence, support programs for building up international and interdisciplinary evaluation networks and for improving the evaluation capacities on the regional level are necessary to ensure an adequate standard of information for steering complex processes on the regional level.

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