Regional Competitions in Germany -
Experiments between Hierarchy, Collaboration and Competition

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References
1. Introduction

In the past few years the German government’s spatial development policy has been oriented along two main guidelines: one is intended to give special importance to the region as the implementation level when linking the various spatial planning levels, and the other is intended not to limit spatial planning to the drafting of plans, but to include the seeking out of government, local authority, and private actors as part of a dynamic policy process searching for common solutions while actively reconciling regional conflicts (BBR 2000: 199).

In the scientific debate there is unanimity on the fact that the regional level is of critical importance for spatial development, although the questions of how regions are to be developed, and which methods, processes, and tools should be used, remains undecided (Fürst 1993, Danielzyk 1994, Blotevogel 1999). An approach that is being increasingly used is based on taking advantage of cooperative competitions between regions, or more precisely, between regional networks of actors. One aspect of the thinking behind this approach is the belief that cooperation between various regional actors is a precondition for sustainable development; the other is that the competitive element stimulates performance and ensures quality.

The following paper deals with the question of whether the encouragement of incentive-led regionalisation by regional competitions is an effective method for managing spatial development, and what potentials, obstacles and risks are involved. The empirical basis for the following observations is the research, with which the author was closely involved, carried out as part of the two nationwide competitions “Regions of the Future” (1997-2000) and “InnoRegio” (1999-2005).

2. Incentive-led regionalisation through experimental competitions

2.1 Regional networks as intentional constructs for action

In the last few years there has been a broad consensus in regional science on a number of central assumptions. Thus, nearly all approaches intending to explain or influence regional development focus on the idea of the network. It is therefore justifiable to speak of a paradigm shift, or, as Cooke and Morgan (1998) put it, the “network paradigm”. The key terms used in the relevant debate are “clusters”, “creative milieus”, “learning regions”, “social capital”, and “regional innovation systems”. Regardless of semantic and subject-related differences, the concepts underpinning these terms reveal a high degree of congruence.

- They all emphasise the region as a key socioculturally determined plane of action;
- they emphasise wide-ranging network-style link-ups between economic actors that go beyond traditional market-defined relations, and
- they attach considerable importance to collective learning processes.

It was in the first half of the 1990s that the network paradigm became the point around which numerous efforts to develop a new type of regional policy crystallised, and discussion among political scientists in the last few years has also referred back to cooperative management on a regional level. Generally speaking, the discussion describes a change from the intervening, “providing” state of the fordistic economy, to the entrepreneurial “enabling” state which supports deregulation and

In analogy to the regional science network paradigm, the current spatial planning paradigm is “discourse”. Here, too, the regional network of actors emerges as the standard-bearer of hope, with spatial planning based on both the discussion on “policy networks” (Scharpf / Mayntz 1995, Marin / Mayntz 1991) among political scientists and the regional-economic approaches already mentioned. The debate among planning scientists, too, emphasises that the state can no longer act and intervene alone, but that it must play a cooperative role (Müller 1998, Wiechmann 1998). Spatial development is thus seen less as a governmental responsibility than as a consensus-oriented management function. Networks should bring the critical actors together, use cooperation to produce synergies, and so have a positive influence on regional development.

The rediscovery of the role of cooperation in national, regional and urban development has resulted in a plethora of research papers on cooperative processes in spatial planning. The “communicative turn in planning theory” is discussed in the European planning theory debate. Among the most noticeable results of the changed understanding of the state are the “collaborative planning” and “consensus building” approaches, as well as the renaissance of strategic planning (Healey 1992, 1996, 1997, 1998, Innes 1996, Healey et al. 1997 und Salet / Faludi 2000). They all provide persuasive arguments for the increasing requirement for strategic action and complex, discursive forms of regional management – which basically derive from the collaboration between regional actors, but which also exploit other forms of coordinating actions. The relevant theoretical debate focuses on the central term of “regional governance” (Benz / Fürst 2002, 2003, Pröhl / Adamaschek 2003, Einig / Fürst / Knieling 2003).

The formerly strong state (“Leviathan”) exerts control less than ever through hierarchical intervention but rather through multi-level governance which functions in a number of modes – hierarchical, cooperative, and market-based. The organisation of networks which seek to link a region’s people and institutions flexibly and decentralised, can be seen as the response to the declining capacity of the state authority structures to exercise control (Scharpf 1991). In response to the discrepancy between the increasingly network-like structure of issues and a highly-fragmented power structure, one aspect of the state’s attempts to supplement interventionist, hierarchical control is its intensive use of the market as a control tool. One such approach is the increased use of target agreements, contractual solutions and tax incentives. Another aspect is the development of forms of regional self-management.

Figure 1 shows the different fields of tension in which regional networks exist. The specific groupings of actors correspond to the preferred form of governance in each case, allowing four types of networks to be identified. Government actors tend to apply hierarchical modes of governance, civil actors prefer persuasive and cooperative means, while economic actors rather use polyarchic, market-related types of governance. As a logical consequence, particular types of regional networks with a dominant group of actors tend to favour a particular form of governance. Thus strategic alliances of companies will prefer market-related forms, relationship networks of individuals will focus on cooperative forms, and policy networks made up of public actors will be more inclined to apply hierarchical forms. In regional

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1 Examples for the German-speaking area are the papers of Selle (1996) and Benz (1994) who deals in addition with other government areas of action.
innovation networks, which more than the other types of regional networks favour an intermediary constellation of actors, the tensions between the different types of coordination are particularly high, because here no one type of logic is predominant from the beginning, and a modus vivendi must first be negotiated.

Figure 1: Actor constellation and governance modes of regional networks

Being intentional constructs for action, however, regional networks\(^2\) not only lie in a field of tension as far as governance theory is concerned. They also lie in a field of tension between the functional and territorial approaches to regions. “The network theorist’s approach is from the functional linking of the actors. A relationship to an area is of minor importance, and more a matter of coincidence” (Fürst 2002: 22; translation by the author). Only a small part (the shaded area in figure 1) of the regional network thus conceived can be classed as “territorial” in Fürst’s sense. Only in these few cases is the relationship to an area central to regional networks.

\(^2\) Networks are initially webs of relations. In this narrower sense, a network is not a cooperation but its precondition. In the more extended sense used here, networks are also seen as instruments of, for example, regional development, and understood as plannable intentional structures with a purpose. This means that it is the cooperation itself, and not the links between the players that should be seen as the network (cf. Baitsch / Müller 2001: 231).
In German spatial planning, regional networks have been seen as instruments of implementation-oriented spatial development policy since the beginning of the 1990s. Networks cannot, though, be “prescribed” or “planned”. The most the state can do is to provide suitable structural conditions in the form of incentive structures. Currently there are two spatial planning approaches most notably: regional model projects and regional competitions.

2.2 Experimental regionalism in model projects

In Germany during the 1990s, regional model projects were mainly initiated by federal government action and project-oriented spatial planning policy. 1992 the federal programme “Demonstration projects of spatial planning” (Modellvorhaben der Raumordnung – MORO) was a response to the important changes of the spatial context which followed German reunification and European integration. Influenced by the project-oriented planning paradigm (Siebel / Ibert / Mayer 1999), the aim was to develop reproducible examples of regional cooperation. The model projects, which were supervised by the Federal Office for Building and Regional Planning (Bundesamt für Bauwesen und Raumordnung – BBR), included regional conferences and urban networks. By making participation voluntary, and limiting the lifetimes of the experimental model projects, the German government was able to avoid, on the one hand, further intrusions into the planning autonomy of the federal states (länder), while on other, it was able to bring about a clear reinforcement of the importance of the region as the spatial level of action. In such a context, one could talk of “persuasive interventionism” in which initiatives were developed top down, while at the same time requiring persuasion of and voluntary participation from the regional actors.

Regional model projects were taken up not only at the federal government level, but also by most of the länder, and can thus be said to constitute a general trend in German spatial planning. German top-down regionalisation policy, which relies on voluntarism and the development of good examples, is described by Brenner as “neoliberalism with a technocratic face” (Brenner 2000). Gualini spoke of Germany regionalisation policy during the 1990s as “experimental regionalism” (Gualini 2004). By this, he meant a form of regionalism, which reacts to the increasing interlockedness in the federal political system that seeks to regain freedom of action by reconfiguring spatial levels and political arenas. Both the federal and länder governments are discovering regions as flexible, loosely linked political arenas in which the state can initiate and organise model projects. Implementation is by regional actors on a voluntary basis, and does not limit the prerogatives of established institutions. Instead of “hard” institutional changes, “soft” model projects are intended to reduce the pressure for reform. Strategic selectivity in area and period specific institutional experiments should, nevertheless, lead in the medium to long term, to a shift in the content-related or procedural paradigms of spatial development.

2.3 Regional policy competitions

A second approach, which is often linked with the initiation of model projects, is the initiation of regional competitions by the state. Of decisive importance for the idea of competition is the requirement that regional projects will be supported according to quality criteria and in competition
with the regions taking part. This involves turning away from the German spatial planning tradition of evening-out, toward the British pattern of challenge funding.

Examples are the “Regions of the Future” competition of the Federal Ministry of Transport, Building and Housing, the “Active Regions” competition of the Federal Ministry of Consumer Protection, Food, and Agriculture, and the “InnoRegio” competition of the Federal Ministry of Education and Research. There are similar approaches taking place at municipal policy level, for example the competitions “City 2030” and “Stadtumbau Ost” (Urban Restructuring in East Germany). There are a number of reasons for such competitions (Starke 2001); they focus financial resources in a time when public funds are shrinking, they set performance incentives, and they encourage innovation. The objectives, which are often broadly-formulated from above, leave enough room to allow the regional actors to develop solutions for their region. The competition to produce the best proposals also functions to maintain high quality.

Regional competitions combine different types of governance, which include not only hierarchical top-down intervention through government-formulated targets, but which also range from market-related competition-based and performance incentives to cooperative forms of governance by integrating networks of regional actors in a way hardly any other instrument does. Hence, they can be seen as model examples of modern regional governance in action.

According to Benz (2004b), the mode of governance of policy competitions is characterised by the fact that the organised competition of decentralised units with transparent bases of comparison relies on material and immaterial incentives. For him, the real stimulus derives less from the award of a prize – which is often of only symbolic value – but more from the fact that agreements on policy content can be made following the comparison of different regions’ performances. Because the regions are not limited by rules in their decisions, he follows Scharpf (1993) in speaking of “autonomy friendly multilevel coordination” (autonomieschonende Mehrebenenkoordination), and he feels that this mode represents an effective positive coordination of public and private actors in a multilevel system of spatial planning and regional policies which largely preserves regional autonomy. To date, however, studies of the effects of competitions have not been systematic enough to allow valid, experience-based statements.

3. Incentive-led regionalisation – examples from German regional development

After having considered the theoretical questions, a critical examination of two examples – the “Regions of the Future” and the “InnoRegio” competitions – follow below. Particular attention is given to the question of whether the expectations placed in regional model projects and competitions are justified, and how far these approaches support successful regionalisation policy.

3 Elsewhere (Benz 2004a) he uses the synonymous term “performance competition” (Leistungswettbewerb). He distinguishes the policy (or performance) competition from two other forms of regional governance competition, the provider competition and the location competition.
3.1 The “Regions of the Future” competition

The “Regions of the Future” competition organised by the Federal Office for Building and Regional Planning (BBR) which was held between 1997 and 2000 was intended to promote regional Agenda 21 initiatives in Germany and to develop self-supporting structures for sustainable regional development (BfLr 1997; BBR 1998, 1999, 2001; Adam / Wiechmann 1999a, b; Wiechmann / Löwis / Kaether 2004). Neither the territories involved nor the organisational forms of the regions taking part were specified. The main consideration was to release new sustainable regional development potentials by setting regional discussion and cooperation processes in motion.

Figure 2: „Regions of the Future“

The competition was part of the “Demonstration Projects of Spatial Planning” programme implemented by the BBR. It showed that an up-to-date approach to spatial development could be found. The level of participation was significantly higher than that which the organisers had expected. 26 regional networks were selected by an independent jury of specialists to participate from among 87 applicants. The declared purpose of the competition was to extend the regions’ ranges of action for

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4 See also: www.zukunftsregionen.de
sustainable spatial and settlement development. Projects which qualified were those which aimed at better open area protection, reinforcing regional material flows, or the economic use of fossil energy. A particularly interesting feature of the competition was that although there were only non-material incentives in the form of an award from the German government, the consequent improved image of the region, and advice and services from research bodies associated with the competition, there was no direct financial support for competitors. Expenses arising in the regions had to be borne there. Altogether, the competition led to the initiation of over one hundred projects, as well as the modification of organisational structures.

In Berlin in July 2000, the competition closed after almost three years with the presentation of awards (see Figure 2) to 25 regions at the URBAN 21 world conference. Varying opinions were expressed in the review of the results (BBR 2001, Löwis / Wiechmann / Müller 2004). The wide range of regional networks – which, because of the conscious openness of the competition were all very differently structured and organised – resulted in a wide range of different processes. While sceptical voices emphasised that the “soft” approach of a temporary, open, minimally-funded competition was unable to resolve “hard” conflict-rich themes such as transport and open space protection successfully, supporters of the competition’s approach countered that the mobilisation effect of the competition alone, and its effect as a catalyst in the regions taking part should be seen as valuable. Particularly in those networks which had existed – albeit in a looser form – before the competition, networking was reinforced. Networks which already had firm structures were able to take advantage of a good opportunity to test their structures by taking part.

3.2 The “InnoRegio” competition

The “InnoRegio” project initiated by the Federal Ministry of Education and Research in April 1999 was intended to begin a process of dialogue at the regional level on the concepts and projects needed to open up potentials for innovation (BMBF 1999, Müller et al. 2002, Wiechmann 2002, Beier / Wiechmann 2005). The aim of the project was to make sustainable improvements to economic development in eastern Germany, to improve regional competitiveness, and to improve the employment situation. The intention was to bring actors from business, educational and research institutions, politics, local administration, associations, other organisations, and the social partners together in regional networks to generate important preconditions for innovation such as motivation, creativity and competence.

The guidelines for support in the competition were consciously left open. Neither specific groups of actors were addressed, nor were stipulations made concerning the size or the organisation of the regions. Regions were to be defined on the basis of spatial and functional contexts. Entire länder were, though, specifically not recognised as regions from the point of view of the competition. The chief incentives for participants were, in addition to the improved image accruing from recognition as an innovative region, inclusion in a strategic alliance in regionally significant areas of the economy, and a total of € 250 million support funding.

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5 See also: www.innoregio.de
The 444 entries went through a two-stage process ending in the selection of 23 regions which received financial support of €4 - 20 million for their studies and projects (see Figure 3). The entries were a wide range of regional networks focussing on manufacturing businesses and manufacturing-oriented services in the areas of biotechnology, new materials, mechanical engineering, and renewable energies. During the implementation stage from autumn 2000 to end 2005, the winning regions were to implement their studies and projects. Solely the implementation of precompetitive development activities were eligible, not investment projects. Such measures were to include the development or extension of communications platforms; precompetitive research and development on new products or production processes; the development and implementation of a regional marketing strategy; or the development of new models of cooperation, transfer and communication between businesses, educational and research institutions in the region.

4. Comparison of both competitions

Evidently, the two competitions have a number of common features. The intensification of regional dialogue and cooperation processes is intended to release new potentials for regional development. Both examples involved a federal ministry organising a competition involving networks of regional actors; the intention was to develop self-supporting structures by promoting regional initiatives in
Germany; territorial limitations and organisational forms were largely left undefined for the regions themselves to specify.

These similarities are not merely coincidental. Both competitions are part of the trend to implementation-oriented spatial development policy, and are manifestations of the network paradigm. Although there was no inter-ministerial coordination during the preparation phase, “InnoRegio” included a number of significant elements of the “Regions of the Future” competition. In both cases, too, the same agency organised the competitions.

Nevertheless there are significant differences. For example, concerning the goals: in one case sustainable environmentally sound regional development, and in the other, improvement of regional competitiveness; concerning the incentives: in one, “only” image and advisory services, in the other, as well as image and advisory services, support funding of €250 million. Both are closely related to the different responsibilities of the ministries and their policy fields, which lead to the involvement of different groups of actors. While “Regions of the Future” is concerned with territorial policy networks, “InnoRegio” is concerned with intermediate innovation networks, and places more emphasis on business and research institutions.

A comparative analysis based on the author’s research performed during both competitions follows. It pays particular attention to those potential restraints and risks which the literature ascribes to experimental incentive-led regionalisation.

4.1 Potentials

Among the benefits of experimental incentive-led regionalisation in the form of regional competitions which are regularly cited are the potential for strengthening regional cooperation, the ability to stimulate innovation, and that they are a particularly effective form of exerting guidance in the interconnected, multi-level structure of the German state.

*Strengthening regional cooperation*

Regional networks do not suddenly emerge from nowhere. They are based on existing cooperative approaches involving regional networks of actors and groups of actors. They can have very different characteristics, ranging from comparatively loose, mainly informal, contacts to tight networks organised as associations. Support programmes and competitions can, in some exceptional cases, have an initiating function, and lead to new, or mainly new, cooperation and networks, but usually they encourage a deepening and energisation of pre-existing regional cooperation and network approaches. This proved to be true for both competitions, “Regions of the Future” and “InnoRegio”. The competitions “put more wind in the sails of the existing regional endeavours” (Adam 1998: 13; *translation by the author*). Above all, they had the intrinsic attraction of competitions (Benz 2004a: 7): being better than all the other competitors – with the resultant improved image – motivates. The mobilisation effect resulting from the competitions continued, strengthening regional cooperation in most of the regions involved after the actual period of the competition. It must, however, be said that the mobilisation effect in the “Regions of the Future” competition was largely restricted to public actors, while “InnoRegio” mobilised mainly other actors, namely small and medium-sized businesses, and research institutions.
Promotion of innovation and quality assurance

“Regions of the Future” and “InnoRegio” were ideas competitions which were intended to bring about innovation. This expectation harmonises with the economic theory which sees competition as the ideal way to discover new solutions to old problems. But the development of innovation is hard to measure. In this connection Benz (2004a: 8, 2004b: 128) correctly remarks that regional competitions do not always lead to innovative effects. Selectivity and conservative groupthink of intraregional networks can lead to “lock in” effects and to the development of interregional cartels, mutual aid fraternities, which defeat the purpose of the competition. In the competitions in question there were signs of such phenomena. However, when assessing the innovative effect of competitions a quite different aspect must be considered, the time factor. In both “Regions of the Future” and “InnoRegio”, the period allowed was hardly long enough to permit the development and implementation of completely new ideas. The period during which entries had to be prepared was three to four months, and the phase during which the entry was to be further developed until it was practically applicable was twelve months in the former competition, and ten in the latter. Considering the heterogeneous origins of the different groups of actors and the procedural and technical problems, it seems likely that in the time allowed all that could be done was, basically, to bundle existing ideas together and make them ready for implementation – this was particularly so for “Regions of the Future”. “InnoRegio” was utilised in a similar way; here to modify and implement pre-existing projects. The competitions were not so much procedures for discovering new solutions, but catalysts for their implementation.

Effective governance

The question of whether competitions such as “Regions of the Future” and “InnoRegio” are a particularly effective form of governance in the intertwined multilevel governance system in a federal state will not be dealt with here, but in the final chapter. First follows a survey of the characteristics of the supposed restraints and threats of experimental incentive-led regionalisation as reflected in the literature.

4.2 Restraints and threats

In the debate among regional scientists, a debate that is often a normative one, it is above all the benefits deriving from regional networks that are emphasised. When networks are criticised, the argumentation is that usually they are nothing new (“old wine in new bottles”) or that networks are inefficient (“white elephant”, “talking shops”). The dangers to society arising from networks are hardly a matter for discussion (Wiechmann 2001). They are very difficult to define precisely, because of the variable and diffuse terms used; they can include describing the transfer of government authority to intermediate networks as the retreat of the welfare state or the state’s refusal to accept its responsibilities. Some say that networks play a role in the withdrawal of the state from its social and political duties. Below follows a discussion of four aspects – exclusivity, hierarchies, lack of supervision and incentive inflation – selected from the multitude of possible restraints and threats associated with the two competitions.
Exclusiveness and institutional sclerosis

There is agreement in the literature that networks can be both exclusive and inclusive (Kilper 1994). On the one hand, being open pools, they have no definite boundaries. One of the principal characteristics of networks is their openness. On the other hand, in all networks there is a point of crystallisation, an insider group, which not merely concentrates power in the network, but also decides on the integration of new actors. Membership of the network is difficult to define: there is not any formal institutionalisation. To this extent membership in a network is not easy to demand, and cannot enforced by legal action.

In both competitions it was apparent that almost all networks developed from “old” relationships which had already existed for a number of years. Most “InnoRegios” were based on relationships characterised by mutual trust, experience and reliability, which were established before the political changes in 1989 (Müller et al. 2002: 81). Openness towards new actors was encouraged by the organisers of both competitions, and actually put into practice in “Regions of the Future”. At the same time, “InnoRegio” limited itself far more to the exclusive core of the network, by which the members of the network hoped to avoid having to share the expected support funding with new actors, whereas the lack of any material incentives for “Regions of the Future” encouraged its networks to be inclusive.

It is recognised that there is a risk that networks can be so integrated into existing power structures that “lock in” effects, “sclerotic milieus” or “blockade alliances” can develop (Grabher 1993, Lawson/Lorenz 1999: 306 f). This risk increases when the members of a network cooperate to develop a cartel and prevent the entry of new actors. Against this background it is obvious that there is a danger of institutional sclerosis, particularly in the case of some of the “InnoRegio” entries. However, it must be appreciated that the formal requirements for the release of support funds mean that pre-competition networks are forced to become more open, and that the competition cannot be itself be seen as causing the closed shop to develop.

Hierarchies

By definition, networks have a low level of institutionalisation; they are organisationally open. Therefore they are not organised with formal hierarchies; the relationships between the actors in a network are, rather, characterised by mutual autonomy and interdependence. As the informal organisational structure is, however, always related to the powers of the actors concerned, the assumption generally made in the literature that networks are not very hierarchical – or even non-hierarchical – structures is a mistaken one. The question is not whether networks are hierarchical or not, but what is the nature of the hierarchies.

Hierarchical structures were also found in “Regions of the Future” and in the “InnoRegios”. It was usually possible to identify an inner circle of three or four central actors having important influence on the control of the network (see Figure 4). Unequal distribution of power in a network should not of itself be assessed negatively; rather power asymmetries facilitate an organised, motivating management and the orientation of the networks. Particularly in the “InnoRegios” this was experienced by the actors as both necessary and advantageous (Müller et al. 2002). A substantial
proportion of the actors wanted firm leadership in the network with clear responsibilities. This was because the actors were seriously pressed for time and were quite happy to see the network management taking on a large portion of the tasks. Authoritarian leadership contradicts the basic idea of a network when it reflects mainly individual interests, which reduces the actors’ readiness to cooperate. Hierarchies thus become barriers to cooperation and innovation. Here comparison of the two competitions shows differences. While it is true that in “Regions of the Future” too, the coordinators and other members of the network steering groups had disproportionately large powers of decision and control, the asymmetric distribution of powers in the “InnoRegios” was far more pronounced. It showed itself, for example, in far more, and more targeted, control; a one-sided flow of information; and limited areas for actors’ action and decision-making.

**Lack of control and low degree of transparency**

Networks are based on trust and cannot be scrutinised in detail. This includes both internal control by the steering group and external control by the government and the public. Systems of scrutiny and sanction can only function when there is a minimum degree of formalisation – something which cannot be assumed in the case of a network. Responsibilities and liabilities are neither transparently nor legally specified. Neither can mutual scrutiny of the actors prevent the formation of cartels which operate to the disadvantage of individuals or the public interest. Benz’s (2004a: 8) assumption that competitions stimulate public debate, thus providing transparency in regional policy and improving the quality of democracy, therefore appears to be hardly plausible. Networks seem, rather, to be “black boxes” which receive inputs, while no-one knows just what the outputs will be. Inevitably, the informal structures of “Regions of the Future” and the “InnoRegio” entries, were not subject to formal control or scrutiny. Neither was a broad section of the public involved. Targets and yardsticks of success were not defined transparently by the government or the members of the independent juries. Outside actors were sporadically given information by the networks, information that, as it originated from key actors, was filtered. Information gathered by government actors and participatory observation by the researchers most involved only reflected part of the reality and complexity of the networks.7

**Self-inhibiting incentive inflation**

It has been stated above that in particular the immaterial incentive to be better than the other competitors and the increased prestige resulting from an official award is of decisive importance for its mobilising effect, and thus for the success of regional competitions. In recent years there has been an increase in the number of competitions and awards, which has thus put the governance mechanism itself into question (Benz 2004a: 7, 2004b: 128). The increased prestige depends on the relative prominence of those receiving the award, and the more often comparable awards are made the less

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6 Elsewhere Benz (2004b: 131) is sceptical about whether policy competitions can lead to a democratisation of regional governance.

7 Thus, for example, neither the federal nor Länder governments funding the support nor the scientists carrying out research during the project were aware of the problems facing the Thuringian InnoRegio “Barrier Free Model Region” leading to the organising body’s application for insolvency in January 2001 (Wiechmann 2001: 15).
attractive it becomes. The predictable fatigue effect has certainly been observed in the networks where research has been carried out; in particular the actors in “Regions of the Future” were particularly sceptical. All the participants excluded the repetition of a similar competition without material incentives in the foreseeable future.

Table 1 shows the central features of the comparative assessment of both the competitions.

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<thead>
<tr>
<th></th>
<th>“Regions of the Future”</th>
<th>“InnoRegio”</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Initiator</strong></td>
<td>Federal Ministry of Transport, Building and Housing / BBR</td>
<td>Federal Ministry of Education and Research</td>
</tr>
<tr>
<td><strong>Network Type</strong></td>
<td>policy network</td>
<td>innovation network</td>
</tr>
<tr>
<td><strong>Territoriality</strong></td>
<td>high</td>
<td>weak</td>
</tr>
<tr>
<td><strong>Organisation</strong></td>
<td>variable</td>
<td>variable (mostly associations)</td>
</tr>
<tr>
<td><strong>Objective</strong></td>
<td>sustainable regional development</td>
<td>regional competitiveness</td>
</tr>
<tr>
<td><strong>Tasks</strong></td>
<td>regional agenda, projects</td>
<td>regional innovation concepts, projects</td>
</tr>
<tr>
<td><strong>Incentives</strong></td>
<td>image, advice</td>
<td>€250 million, alliances, image</td>
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<td><strong>Mobilisation</strong></td>
<td>high for public actors</td>
<td>high for SMEs and science</td>
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<td><strong>Innovation</strong></td>
<td>weak to medium</td>
<td>medium to high</td>
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<tr>
<td><strong>Exclusiveness</strong></td>
<td>inclusive</td>
<td>exclusive</td>
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<td><strong>Power</strong></td>
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<td>very asymmetric</td>
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<tr>
<td><strong>Transparency</strong></td>
<td>moderate</td>
<td>very low</td>
</tr>
<tr>
<td><strong>Control</strong></td>
<td>low</td>
<td>low</td>
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*Table 1: Comparison between “Regions of the Future” and “InnoRegio”*

5. Can incentive-led regionalisation direct regional development effectively?

In the introduction the question was raised whether incentive-led regionalisation in regional competitions is an effective way of managing spatial development. The observations reported above concerning the potentials, restraints, and threats of this approach as exemplified in the “Regions of the Future” (1997-2000) and “InnoRegio” (1999-2005) competitions demonstrate that it is their value as catalysts that is most important. The high level of mobilisation has strengthened pre-existing regional initiatives and stimulated the implementation of pre-existing ideas.

At the same time it also became clear that when both restraints and threats are considered, together they constitute a lack of legitimacy and democracy in network-based decision-making processes. The utilisation of negotiation systems to integrate networks entails the danger of supporting specific interests to the detriment of the public interest; this would not be disputed by the supporters of the network theory who argue that the foundations of the alternative – the traditional strong state “Leviathan” – have disappeared, as modern society becomes increasingly differentiated. Today,
society can, less than ever before, be shaped using hierarchical and legalistic modes. In spite of the evident threats, an increasing use of the horizontal and discursive modes will continue to be essential in the future.

While the question of the effectiveness of political governance is therefore only answerable when alternative approaches are taken into account, the incentive-led approach to regionalisation must be judged on its own premises. According to Gualini (2004) a decisive point is whether the “soft” selective model projects lead, over the medium and long terms, to changes in the content- and process-related paradigms of spatial development, and whether the learning processes actually amount to anything more than adaptive single-loop-learning according to Argyris and Schön (1978) and support double-loop-learning which involves the questioning of accepted theories, behaviour patterns and orientations that is necessary for a paradigm shift.

It is just this that is, seen against the background of experiences made with model projects and regional competitions so far, questionable, to say the least. The “soft” autonomy-friendly policy approach has hitherto not been able to bring about significant structural changes. “Experimental regionalism” needs voluntary commitment and the readiness to change. Its wide-scale effect is, though, left to the propaganda of the good deed. Previously-established power structures are largely ignored. To this extent regional competitions should not be seen as substitutes for the traditional hierarchical governance by legally-binding plans and programmes. They represent at best a flexible, development-oriented supplement to government action.

References


