THE AMBIGUITY OF NEW REGIONALISM

Annette Kroen
AHURI RMIT Research Centre, Melbourne, Victoria, Australia

INTRODUCTION

The notion of ‘new regionalism’ is used widely in the discussion of metropolitan economic and spatial development in North America, Western Europe and Australia today. However, the term is an ambiguous and controversial one as it is used in different contexts and for several strands of analysis (Gleeson 2003; MacLeod 2001). This paper suggests to distinguish more clearly between the different ‘new regionalisms’, not only to avoid confusion within the planning literature, but also to distinguish the discussion from other ‘new regionalisms’, such as for example new regionalism in an international political economy context where regions are understood as supra-national regions (MacLeod 2001; Allison 2004, Kelly 2007). For this clearer distinction categories and new terms are developed in order to clarify the differences and context of each ‘regionalism’. This has been done through investigating journal articles on new regionalism and exploring the different uses of the term.

As Wheeler (2002) points out, the notion ‘new regionalism’ is not new. Particularly in the American context it has been used for different perspectives and at different times since the late 1930s. However, before the 1990s the term has only been used occasionally and not in reference to a larger movement. It is since the mid-1990s that ‘new regionalism’ has been used as a term more broadly and often, and also outside the US planning literature. The term has become a “popular catchphrase … which is frequently deployed within both academic and journalistic discourses on metropolitan governance” (Brenner 2002: 4), but also on regional economic development (Lovering 1999).

Views on new regionalism can be seen as extremely heterogeneous. The only commonalities are that new regionalists focus on specific territories (‘regions’), that they understand regions as a subnational administrative unit and that spatial planning is a crucial element in their new regionalism. Apart from that three broad strands can be distinguished within the new regionalism literature related to spatial planning: literature with an economic focus, literature with a focus on redistribution and equity and literature with a focus on metropolitan governance. The literature with an economic focus can be divided into two further strands, one that is more concerned with the competitiveness of regions (MacLeod 2001; Norris 2001; Lovering 1999; Keating 1998) and one that is more concerned with regional clusters (Rainnie and Grant 2005; Scott and Storper 2003; Cooke and Morgan 1998; Amin 1999). However, these topics are naturally strongly interrelated and some studies may be concerned with both strands. The literature with a focus on metropolitan governance can also be divided into two different strands, one that is concerned with territorial relations and rescaling (Amin 2004; Brenner 2003; Keating 1998) and one that is concerned with the (institutional) organisation of metropolitan governance (Heinelt and Kübler 2005; Savitch and Vogel 2000). These different strands of analysis will be described in more detail in the following sections in order to distinguish more clearly between them. It is acknowledged that all of these strands are closely interconnected and that new regionalist studies may be looking at several of these strands at the same time. However, a clearer distinction between the different strands is still deemed as useful in order to clarify the central focus of those studies to the reader, but also to avoid confusion of what ‘new regionalism’ stands for.

FIVE STRANDS OF NEW REGIONALISM

The five strands characterised above will be discussed in more detail in the following. For the purpose of this they have been labelled as follows: ‘competitive regionalism’, ‘cluster regionalism’, ‘territorial regionalism’, ‘cooperative regionalism’ and ‘redistributive regionalism’. Furthermore, it is described for each strand to what extent it is currently discussed in Australia and in which context it is important for Australian (metropolitan) regions.

Competitive Regionalism

This strand refers to the competitiveness of regions and is concerned with how regions can be made more competitive in a global economy. It has been developed out of an entrepreneurial and competitive city paradigm which sees world cities and metropolitan regions as important nodes of dense economic, social, and political activity within a globalising world and as determining national economic competitiveness through this (McGuirk 2005; Harrison 2010). In other words, in this strand regions “are trumpeted as the ‘windows of locational opportunity’ for capturing, nurturing, and anchoring wealth creating activity” (Harrison 2010: 18).
This means that in order to stay competitive as a national state, regions need to be rendered more globally competitive. Related to this is the view that capitalist economies are best regulated through a decentralisation of socioeconomic decision-making and policy implementation to regional institutions. The ‘competitive regionalism’ thus concentrates on the globalisation of regional economies and regionally concentrated national policies. This includes for example the promotion of foreign investment in regions, of a new flexibility of the labour force and the development of clusters (see below) (Lovering 1999; Gleeson 2003). However, the strand also emphasises the importance of cooperation within the region for being able to be competitive and to a certain extent the importance of a social dimension, even though this dimension is often not spelled out in more detail (Smyth et al. 2004; Brenner 2003, Keating 1998).

This use of the notion of ‘new regionalism’ is the best known and also the most debated one (see for example Lovering 1999; MacLeod 2001) and it appears to have had a significant influence upon the practice and economic development strategies in city-regions throughout mainly Western Europe, but also North America, Australia, Pacific Asia and Latin America (Herrschel and Newman 2002; Rainnie and Grant 2005; Harrison 2010, Tsukamoto 2011).

In Australia this strand of discussion is the one that is best known, together with the strand concerned with clusters (Gleeson 2003). It has been brought into awareness notably by the State of the Regions report 2001 (National Economics and Australian Local Government Association 2001), even though this report also covers the strand of ‘cluster regionalism’ explained below. The discussion in Australia about this strand also revolves around its use in neoliberal policies or more associational/social policies (Smyth et al. 2004). It is argued that this understanding of new regionalism is used as argument for neo-liberal policies of deregulation and privatisation in the name of regional competitiveness (Lynn 2005), but also a basis for studies that are concerned with how regions interact with or are shaped by globalisation (McGrath-Champ 2005).

**Cluster Regionalism**

The second strand is closely interrelated with the first one and refers to studies about the renaissance of regional economies and new industrial districts. Key words in this context are learning regions, filières and clusters (Kunzmann 1996; Cooke and Morgan 1998; Amin 1999). The strand developed in the context of global economic restructuring and out of research which analysed regions which were economically successful, especially for regions that were not part of a so-called world city. From this standpoint, the notion of “new regionalism refers to the key role of large-scale regional agglomerations … as the crucibles of economic development within contemporary global capitalism” (Brenner 2002: 19).

The main theme of this strand is how the spatial proximity of different companies can lead to specialised economic clusters in certain regions. Its proponents argue that the spatial proximity offers location factor advantages and that for companies that are specialised in related industries it makes sense to be close to each other. Furthermore, when a cluster exists, a specialised labour force is available in the region which means that a knowledge base exists for the specific industry or industries (Morgan 1997; Scott and Storper 2003). Elements that are seen as crucial for the industrial districts are: communication, interaction (usually in person), reciprocity based on familiarity, cooperation as well as routines, norms and conventions which are identifiable by cluster members as ‘their own’ (Storper and Scott 1995; Hadjimichalis 2008). It is argued that local knowledge, relationships and motivation interact to create a milieu conducive to learning, innovation and growth (Morgan 1997). The clusters are furthermore said to develop ‘tacit knowledge’, meaning knowledge that cannot be easily codified or written in a generalised form. "It is embedded in the attitude, behaviour, culture and norms of individuals, institutions and regions. As such it is person embodied, context dependant, spatially sticky and accessible only through direct physical interaction" (Rainnie and Grant 2005 p. 11). With this, assumptions that the importance of spatial proximity will decrease with the gaining influence of information and communication technology are opposed and new regionalists of this strand argue that the significance of face-to-face contacts for tacit knowledge retains the importance of spatial proximity (Kunzmann 1996).

Famous examples of regions where specialised clusters have contributed to a positive economic development are Silicon Valley, Emilia Romagna and Baden-Württemberg (Digiovanna 1996, Sabel 1994; Saxenian 1994). Reports of these and other successful regions which are considered to be competitive in the new global economy enforce the perception that regions play an increasingly important role in capitalist economies (Haughton and Counsell 2004). Those reports and studies have been welcomed in particular by politicians and policy makers who hope that these regions might hold the secret for other/their regions to become more successful.
This selective form of policy transfer for which the ‘cluster regionalism’ has been used and the concentration on the successful regions has motivated considerable academic controversy, with regards to the literature on new industrial districts and clusters (Amin 1994; Lovering 1999). One of the main criticisms is that highly localised and specific forms of development are promoted as being applicable everywhere (Rainnie and Grant 2005, Lovering 1999) and clusters are used as the new ‘silver bullet’ of regional development (Lynn 2005). The counter-argument of the critics against easy applicability is that if the local habits and norms of a region were as crucial as they are presented, then it would be unlikely that they can be applied to any other region.

Furthermore, some of the more recent studies undertaken have not found the interactions and practices promoted in the ‘cluster regionalism’ (Freestone 1996; Amin 2004; McDougall and O’Connor 2005; Searle and De Valence 2005; Giuliani 2007). Some research on small firms even found that proximity can promote hyper competitiveness rather than collaboration and it is argued that cluster theory greatly underestimates outside influences, like competition and conflict with other regions, migration etc. (Hadjimichalis 2006). It is not the purpose of this article to argue for one side or the other. However, it may be possible that both sides are right and some clusters have the described characteristics of cooperation and reciprocity, but that in other regions clusters and proximity lead to hyper competitiveness – probably due to different local histories, governance structures and also social capital.

The Australian discussion on new regionalism concentrates to a high degree on the ‘cluster regionalism’ (Rainnie and Grobbelaar 2005). Many Australian economic development strategies deal with clustering as one if not as the prominent part and “funding for economic development initiatives, is now often couched in the language of clustering” (Rainnie and Grant 2005: 15). Industrial clusters, in particular of the ‘knowledge economy’ are seen as opportunity to enhance regional economies and the fostering of inter-firm networks is regarded as possibility to drive innovation. In this sense new regionalism is associated with the development of call centres in non-metropolitan areas (Burgess, Drinkwater et al. 2005; Dean and Rainnie 2005) or with research centres and biotechnology strategies (Howgrave-Graham and Galvin 2005; Bio21 2007).

**Territorial Regionalism**

This strand refers to the revaluation of regions as a political and economic scale and to the ‘hollowing out’ and ‘rescaling’ of the state (Brenner 2003). In this strand the term new regionalism refers to the idea that the regional scale is gaining importance as a governance level and in particular for economic governance (Beer, Haughton et al. 2003). One of the main arguments is that with the increased level of global economic transactions the nation state “is no longer the appropriate level for the formulation and coordination of economic policy, and has been ‘hollowed out’, or forced to devolve much of its power to 'supra-national bodies above it and to sub-national bodies below” (Rainnie and Grant 2005: 11). This argument is based on studies on the economic importance of so-called world cities and also on successful regions, such as Silicon Valley, as mentioned above. On the grounds of this assumption the region – understood as areas on a subnational scale – is promoted as the fitting level for economic development policies. Furthermore, the notion of new regionalism is used to describe the new sub-national political-economic landscapes that have emerged within a rapidly integrating European Union (Keating 1998) but also within the United States to deal with regional growth problems (Brenner 2002).

The ‘territorial regionalism’ is of particular importance in the UK where the establishment of new regional bodies and authorities, such as the Regional Development Authorities (RDAs) or the Scottish Parliament has led to a discussion about devolution, the rescaling of the state and the importance of the national state (Jones 2001). However, some scholars have criticised that in the new regionalism discussion the role of the state has not been reflected thoroughly enough and that it is necessary to acknowledge that the role of the state has changed rather than diminished. MacLeod (2001) for example stresses the role of states in creating the institutions, habits and norms that are taken to be appropriate at the regional level.

Related to this argument is the point made by some authors that it is not so much the increase in importance of the regional level which causes the devolution but rather central governments using the notion of ‘globalisation’ and ‘regionalism’ as a rationalisation to render difficult responsibilities to lower levels of government – often without giving adequate funding (Lovering 1999, Brenner 2002). Brenner (2002: 4) sees the establishment of new regional structures and bodies furthermore as “place-specific political responses to the new forms of sociospatial polarization and uneven geographical development” caused by recent (neoliberal) urban policies.

In Australia this understanding of new regionalism is virtually non-existent. The main reasons for this are the governance structure and division of political responsibilities. In the last decades the federal state has mostly shown no or only low interest in spatial planning, so that the responsibility for it has mainly been with the
states and territories and to a more local extent with local government (Williams 2007). Therefore, the states and territories are the main actors for spatial and economic planning and even though there exist some regional authorities and bodies (in particular in non-metropolitan areas) it is on the state level where decisions for economic development are made (Collits 2007). In this sense devolution and state rescaling have not happened to a great extent in Australia, as responsibilities for regional economic development and spatial planning have not been rendered to lower levels of government. Furthermore, the states and territories show no interest in developing a further level of governance so that it is also unlikely that state rescaling will gain importance. This means that the regional governance arrangements that do exist are ineffective because of the reluctance of Australian governments to devolve real power and resources to their appointed regional development agencies (Collits 2007).

Cooperative Regionalism

The fourth strand of new regionalism is concerned with the actual governance of regions and/or regional development and to a certain extent with service provision. It has been developed on the grounds of theories on ‘ideal’ governance structures for service provision and political decision-making in metropolitan regions (Feiock 2007, Kübler 2005). As the two main views on metropolitan governance could not be reconciled (Lefèvre 1998) a new wave of researchers set out to explore how metropolitan governance is actually happening in city regions rather than to find the ‘ideal’ way. This research found that metropolitan problems are often dealt with by “purpose-oriented networks of cooperation involving municipalities, governmental agencies from various levels, as well as private service providers” (Kübler 2005: 10). This cooperation is often concerned with particular services, such as economic development, public transport or waste disposal, but sometimes it is also about the strategic, overall development of the region. The networks of cooperation normally are flexible and require no new levels of government, but sometimes there are also regional authorities (Savitch and Vogel 2000).

With such results proponents of this strand of new regionalism argue that effective metropolitan governance is rather a result of cooperative arrangements based on negotiation processes between a variety of policy-relevant actors, than of institutional consolidation, hierarchy or competition. They argue that several paths may lead to effective area-wide governance and there is not the ‘one’ concept that fits every region. They do not express any preference per se for institutional consolidation, multi-tiered authorities, voluntary intergovernmental schemes, regional networks based on public-private partnerships or competition between autonomous localities. In their view negotiation as well as voluntary cooperation is essential to govern a region, and whether this is happening through a regional government or a loose network depends on the factors and constellations of the region (Lefèvre 1998; Norris 2001). With this the new regionalists of this strand have moved away from the concentration on service provision of the preceding discussion towards a concentration on cooperation networks. These networks of cooperation may also be different from the institutional and territorial boundaries existing in the region.

In comparison to the strands described before, this approach is less focused on economic development and more on cooperation and regional growth management as well as to a certain extent on sustainable regional development. Therefore, regional growth policies and regional environmental planning are often related to this strand of new regionalism because the level of the region is seen as most appropriate to deal with growth management, environmental protection, equity, and the quality of life (Brenner 2002; Rainnie and Grant 2005). In the US, for example, the movement for Smart Growth actually has created a wave of support for regional planning and better area-wide strategic planning in metropolitan areas (OECD 2001).

In Australia this understanding of new regionalism is not well established, even though there has been some discussion on metropolitan governance and appropriate structures (Spiller 2006). There has also been one publication concerned with metropolitan governance and ‘new regionalism’ in Sydney, but this has been written by a visiting research fellow from Switzerland (Kübler 2005) and it seems that the discussion has not taken off in a broader sense in Australia. One reason for the low degree of popularity of this strand is that. As mentioned previously, in Australia metropolitan areas are mainly governed by the state, and government levels between the local and state levels do not exist. However, new ‘meso-level’ players, situated between local and state-level institutions, are emerging in regional development and also for other topics of interest. In non-metropolitan areas these players are focused on winning regional funding which is often closely related to the theories of cluster regionalism (see above). In metropolitan areas these players and voluntary cooperation forms are often concentrated on certain areas, but do not cover the whole metropolitan area. Furthermore, these players do not have many rights or powers (Collits 2007).

Current examples of metropolitan planning in Australia can be found in the Metropolitan Plan for Sydney 2036 (NSW Government 2010) and the South East Queensland Regional Plan 2009-2031 (Queensland Government 2009). These strategies, and similar discontinued plans for Melbourne and Perth, have,
however, been formulated by state government agencies (with consultation of stakeholders) and not through ‘networks of cooperation’. Therefore, engagement with regional development and metropolitan governance exists in Australia, but not as described by the ‘cooperative regionalists’ and not with deliberate or cooperative network structures of actors.

**Redistributive Regionalism**

Another important strand of the debate around new regionalism is concerned with socio-economic equity, regional revenue-sharing and redistributive arrangements. In the literature for this strand the socio-economic problems of central cities, such as spatial segregation in relation to race and wealth, decaying infrastructures and spill-over effects are discussed and solutions on a metropolitan level proposed (Orfield 1997; Katz 2000; Brenner 2002; Rusk 2003). The argument for a solution on the metropolitan level is that the central city provides services for the residents of the surrounding suburbs or towns (spill-over effects) and that therefore these towns need to pay for those services somehow. With this argumentation the objective of this strand of new regionalism is less to restore central cities to a position of regional dominance than to release them from ongoing processes of decline and disintegration (Hamilton 1999: 350).

The two important themes of this strand are revenue sharing and the area-wide provision of low income housing. The area-wide provision of affordable housing is often related to quotas of public housing for each municipality, so that not only a few municipalities in the region take the burden of caring for low income households (through welfare etc.) because they have a high number of subsidised or affordable housing while other municipalities have none. Sharing the regional tax base is seen to eliminate wasteful competition for external capital investment among the regional municipalities, to spread the costs of economic growth and public infrastructure investments more evenly throughout a metropolitan region, and to counteract the effects of concentrated urban poverty (Hamilton 1999; Fürst 2005). Not surprisingly, resistance to such redistributive schemes exists particularly in the richer suburbs or municipalities which would have to pay for other communities. Therefore, “even though this redistributive strand of metropolitan regionalism has recently been discussed widely in the media (…), its effects on the everyday realities of urban governance in most US metropolitan areas have so far been relatively limited” (Brenner 2002: 16).

This approach to new regionalism is most notably discussed in the United States where a high polarisation between the central city and the surrounding suburbs exists as well as a high polarisation of wealth and race in the inner cities. However, in Europe there has also been discussion about redistribution on a regional level. In Germany, for example, the redistributive discussion concentrates on regional tax sharing and spill-over effects of public services, such as arts institutions, private and public transport infrastructure but also social welfare payments. Some regions have also started with experiments of regional tax sharing (Fürst 2005).

One of the crucial problems of this strand is that it is very political and implies that some municipalities have to give up political power and/or revenue, and its strategies are therefore very difficult to implement. A good example for this is the city of Hanover, Germany, and its surrounding region which has been the first region in Germany to experiment with regional tax sharing. This experiment only came about when three major players, namely the CEOs of the three different public authorities in the region suggested the regional reform. These CEOs were close to their retirement so that some commentators argue that they were more open to cooperation and not that inclined anymore to stick to existing power structures. Other commentators argue that it was crucial that a new public authority has been established in the experiment instead of one organisation absorbing the other. Furthermore, cooperation between the organisations had already been happening since decades so that mutual trust was existent (Priebs 1999; Kroen 2001, Fürst 2005).

In Australia this understanding of new regionalism is not very widespread. There are several reasons for that. On the one side in Australia the discussion about social equity is more concerned with less favoured/remote regions (Dean and Rainnie 2005) rather than with the difference between a core city and its surroundings (Collits 2007). Furthermore, the discussion about access to homes for poor people and housing affordability is rather linked with car dependency and outer suburbs than with spatial redistribution (Thompson 2007). On the other side local governments do only collect a limited amount of tax so that a discussion about regional tax sharing is not really existent. The only context in which this understanding of new regionalism is discussed to a certain extent in Australia is the discussion on metropolitan jurisdictional fragmentation (Dollery and Crase2004), however, not under the term new regionalism.

**DISCUSSION**

The brief descriptions above have demonstrated that the five strands of new regionalism identified and labelled in this paper have, even though they are all concerned with regions as a sub-national level and their importance in and for spatial planning, have very different foci. In particular, the cooperative regionalism and
Redistributive regionalism are quite different to the other strands as they are not so much concerned with economic development and competitiveness, but more with service provision, social equity, governance structures and cooperation. The territorial regionalism is to a certain extent concerned with economic development, but also with governance structures and in particular the rescaling of the state.

The competitive and cluster regionalisms are the two strands that concentrate the most on economic development and also competitiveness. These two strands are strongly interrelated and it might be possible to merge these two strands into one should it prove to be too difficult to differ between the two. A possible label for this merged strand could be economic new regionalism. However, a deeper discussion and analysis of the two strands is necessary to decide about this; which was not possible in the scope of this paper.

This paper also did not aim to judge whether the different strands of analysis are reasonable and based on sound analysis. Literature which deals in more detail with the strengths and weaknesses of the approaches exists for the different strands and where applicable existing criticisms have been mentioned. However, the discussion and doubts mentioned about economic clusters and their applicability to other regions, may be another reason to merge this strand with the competitive regionalism and treat it as one sub-topic of the competitiveness of regions.

The labels suggested have been drawn from the main focus of each of the strands, but are not meant to be the ‘perfect’ term for those strands. There actually may be other more fitting notions to describe some of them. However, the descriptions have shown that it makes sense to differ between the strands of analysis and that it is actually misleading to have them under the one broad label of new regionalism.

One possibility for different labels which states the connection to the broad term ‘new regionalism’ more clearly is to keep the ‘new’ in the labels, i.e. ‘cooperative new regionalism’, ‘redistributive new regionalism’ etc. These labels may be particularly useful in Australia, as here regionalism is often understood as a top-down federal policy concerned with non-metropolitan or rural areas (Maginn and Rofe 2007). Adding the word ‘new’ may signal that these ‘regionalisms’ are not so much concerned with federal policy and also not solely with non-metropolitan regions.

The discussion of new regionalism in Australia has concentrated to a large part on the economic strands of new regionalism. The other strands are in some ways not as important in the Australian context and have been discussed to a lesser extent because of different governance structures and a minor significance of regions in governance and for social equity. However, it could be valuable to look at those strands in order to reflect the situation in Australia and whether some of the points found in the research for those strands could be useful for the Australian discussion as well. For example, findings of the cooperative regionalism could possibly help to improve metropolitan governance, to improve the acceptance and/or implementation of metropolitan plans and may also be able to explain some of the recent problems with the implementation of metropolitan plans, such as in particular in Melbourne with the implementation of Melbourne 2030. If researched in more detail this strand may help to identify structures which could be constructive for a better regional development and governance (Kroen 2009).

CONCLUSION

This paper has aimed to add to a clearer understanding of what is meant by ‘new regionalism’ and also to initiate a dialogue about the use of the term and to contribute to a clearer discussion of ‘regionalism’ in Australia. It has suggested new labels for five different strands of new regionalism that have been identified and described in more detail, namely: competitive regionalism, cluster regionalism, territorial regionalism, cooperative regionalism and redistributive regionalism. It is argued that by using these labels the focus of the different strands of analysis becomes clearer which makes it easier for other scholars and readers to identify the focus of studies or articles. Furthermore, these labels help to distinguish the strands of analysis concerned with regions as a sub-national area and with spatial planning from other research also labelled new regionalism which is concerned with regions on a supra-national level and/or international political economy. Another positive outcome may be that some strands of analysis which are not well known so far may become more important as their intention and focus is clearer.

REFERENCES


