

Multilevel Governance for the Measurement and Achievement of Social Progress

The aim of this fact sheet is to provide some context and common ground for participants at a peer learning workshop to be held in Umea on 18th September 2019. The objective of the workshop is to discuss issues of **policymaking** and **data collection** for measuring and achieving social progress at different territorial levels. It will explore the **multilevel governance challenges** that occur when spatial data frameworks and policy competences do not match across those territorial levels. This should give insights into how, where and under what conditions the EU Social Progress Index (EU-SPI), an indicator that is measured on NUTS 2 level, is relevant for policymaking.

This fact sheet will:

- introduce the key concepts and issues that define the challenge of multilevel governance in the context of measuring and achieving social progress,
- highlight some ideas that are captured in the case studies of different project partners and that can serve as inspiration for more detailed discussion and experience sharing,
- suggest some key questions around which to focus peer discussion.

Context

The acceleration of globalisation processes over the last 30 years has led to a much stronger emphasis on regions, cities and other subnational territories as effective units for analysing and managing economic and social development. In turn, this has provoked the devolution of a range of different policymaking powers from national to subnational levels in many places.

The resulting scenario is one in which **place is complex and multi-scalar**. In some countries the national level maintains most policy competences, while in other countries it is regions, cities and/or municipalities that now control many policy areas that are relevant for social progress. To that we must add the supranational (European) level, where many regulations and policy programmes impacting social progress are also determined.

Consequently, any given administrative territory (municipality, city, region, country) is really a 'policy space' in which policies that are designed and implemented from several different territorial scales impact governance ⁽¹⁾. This creates challenges in terms of coordinating those policies and in terms of the consistency and coverage of the data and monitoring frameworks that accompany them.

What is Multilevel Governance?

Governance itself refers essentially to the processes through which decisions are made. While it is often associated narrowly with government, it is in fact a broader concept that encompasses the different public and private interests that interact in organising and making decisions. Jessop (1998), for example, defines it as "any mode of coordination of interdependent activities", and Bevir (2012) argues:

⁽¹⁾ See, for example: Uyerra, E. and Flanagan, K. (2010).

Typically, governance is a broader concept than government. So it refers to processes more than institutions. It can refer to patterns of ruling, coordination and organisation that arise independently of the state.

As such, the concept of governance can be applied more specifically to different contexts, such as 'corporate governance', 'territorial governance' or 'policy governance'. With regard to the latter, most relevant to this fact sheet, the World Bank (2017) defines it as:

The process through which state and nonstate actors interact to design and implement policies within a given set of formal and informal rules that shape and are shaped by power. (p. 41)

Multilevel governance then refers to governance in the context of the multi-scalar reality of place that was set out above. It is therefore a relatively new concept and has rapidly risen to prominence over the last 30 years as globalisation processes have resulted in greater complexity in the relationships between different territorial administrative levels.

The term multilevel governance was first adopted during the 1990s in the specific context of analysing European integration and its related structures and cohesion policies (Hooghe, 1996; Hooghe & Marks, 2001). It quickly came to be more broadly relevant, reflecting the changing governance relationships between different levels of administration alongside other non-government actors (firms, markets, civil society). In this regard, Bache and Flinders (2004) highlight four strands to a definition of multilevel governance:

First, that decision-making at various territorial levels is characterized by the increased participation of non-state actors. Second, that the identification of discrete or nested territorial levels of decision-making is becoming more difficult in the context of complex overlapping networks. Third, that in this changing context, the role of the state is being transformed as state actors develop new strategies of coordination, steering and networking that may protect and, in some cases, enhance state autonomy. Fourth, that in this changing context, the nature of democratic accountability has been challenged and need to be rethought or at least reviewed.

It has become an influential concept in a whole range of debates related to socioeconomic development. For example, Smart Specialisation Strategies (S3) are the latest framework for place-based innovation policy in Europe. They imply that stakeholders from business, government, research and civil society engage in a process that identifies and pursues region-specific priorities for research and innovation. This implies both the integration of new actors into policy processes and the coordination of policies across a range of territorial levels.

Thus, multilevel governance has been identified as a key challenge when putting into practice S3 (Aranguren, Magro, Navarro, & Wilson, 2019; Larrea, Estensoro, & Pertoldi, 2019). In the specific context of smart specialisation, Larrea et al. (2019) identified four pillars (complexity, emergence, context specificity and reciprocity) of multilevel governance, which may be extended to other areas, such as social progress.

Pillars of Multilevel Governance (MLG) for Smart Specialisation Strategies

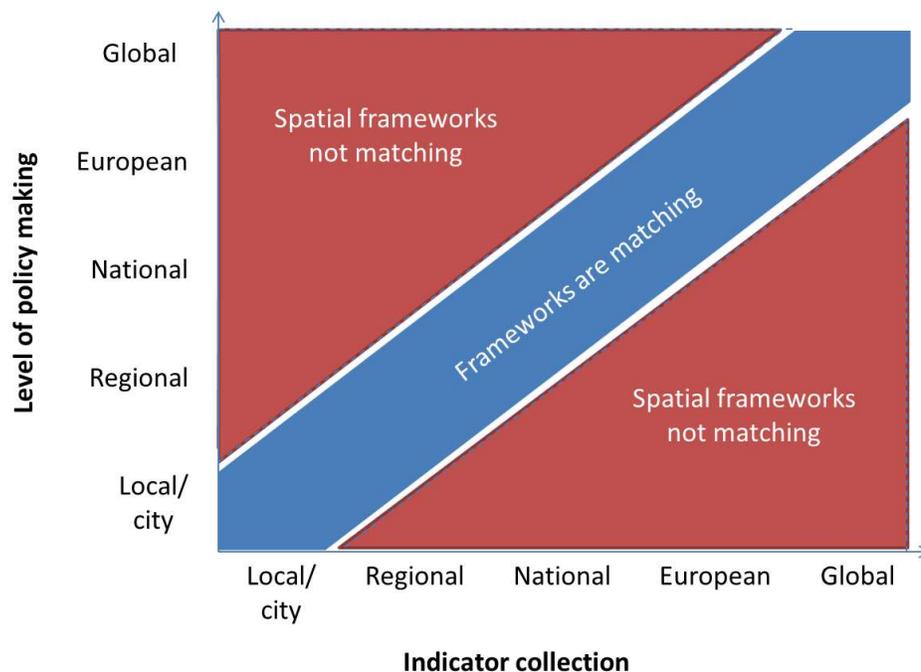


- While there are different definitions of **complexity**, multilevel governance in S3 is described as a situation where there are multiple governments (national and regional governments, city councils, county administrations, etc.) that are autonomous but interdependent, and which might have different perspectives on what the problems are and what the solutions might be; none of them, however, has a hierarchical power to instruct the others on what to do. The concept might be extended to include the interaction with non-governmental actors and different hierarchical settings within the governmental structure.
- Planning must be complemented with **emergent** strategies based on learning and negotiation. Accepting that the process to construct multilevel governance is emergent means accepting that policymakers do not know what the expected outcome of the strategy is. The fact that it is impossible for them to know what the result of the learning and negotiation process will be until they are actually learning and negotiating is not easy for policymakers as they are often pressured to clearly explain the expected outcomes of policies.
- **Context specificity** means that strategies and their multilevel governance arrangements have to be carried out differently in every place. Actors in every territory find solutions tailored for the contextual solutions of every place. Some contextual conditions can be relatively easy to detect, such as the size of countries and regions, their central or peripheral position, their classification as advanced or lagging, etc.
- **Reciprocity** means that among the different governments mutual recognition of each other is necessary as a significant factor in strategic processes. Mutual recognition depends on the role attributed to the different types of governments and on trust. The process to attain reciprocity is thus a process where roles are defined and trust is built.

Multilevel Governance and Social Progress

In the context of the measurement and achievement of social progress, multilevel governance is a critical issue because different administrative levels are responsible for different elements of social progress. When seeking to understand the relevance of the EU-SPI framework for policymaking, therefore, it is critical to be aware of the competences held by different administrative levels in each specific territorial context.

In particular, there is an important distinction between the level of policymaking (where policy competences lie) and the indicator collection (where indicators are collected). As highlighted in the following figure, while in some cases these may match, in many cases they won't. Moreover, it is likely that they will match for some indicators and not for others, and this is likely to vary enormously from place to place.



Understanding the specifics of this multilevel governance context in each different case (which levels are relevant for policymaking and for indicator collection) will be critical to understanding how relevant the EU-SPI currently is for policymaking in each place. It can also be a first step in developing mechanisms to improve multilevel coordination in ways that could make the EU-SPI more relevant for policymaking.

Case Examples

An aim of the peer learning workshop is to share good practices in multilevel coordination to better measure and support social progress. The following bullet points highlight some initial ideas from some of the regional case studies that could serve as inspiration for these discussions.

- The Bratislava Region collaborates with the Ministry of Interior in the context of projects on 'Effective Public Administration' and a national 'data office'. These provide

opportunities to coordinate across the different policy competences that different levels have with regard to EU-SPI indicators and to start collecting data at a local level.

- The general replicability of the EU-SPI at the subregional level has been tested in Catalonia by the Catalan Statistical Agency (Idescat), reaching the conclusion that it is technically very difficult. However, *Fundació Catalunya Europa* has studied social progress in the NUTS 3 regions of Girona and Lleida. They have done this by focusing on the components that were underperforming at the NUTS 2 level, and then finding/computing/proxying the same indicators used in the EU-SPI for those NUTS 3 regions.
- The Development Council for the ‘cohesion region’ of Eastern Slovenia offers opportunities for exploring the coordination of data and actions regarding social progress at different levels through its integration of members from the local level (five members from each of the eight ‘development regions’).
- The Emilia-Romagna Region has set up a multilevel, inclusive and comprehensive governance model to enhance the territory, production, people and employment in the region. This is built around a ‘labour pact’, a common agenda for employment, investments and growth signed by all major stakeholders operating in the territory (institutions, trade unions, chambers of commerce, third-sector organisations, banking associations, employers’ associations and other business organisations, universities and other stakeholders). All parties are committed to contributing to the effective implementation of the joint action plan, thus increasing opportunities for the whole regional system.
- In Hungary the regional level (NUTS2) is only used for statistical purposes; this means that mostly, the decision-making process is concentrated on country-level. Besides that, self-governance can be found on county (NUTS3) and municipal-level. There are no regional authorities for territorial development in Hungary; thus, most operational programmes (OP) are being planned and executed at country-level, with no distinct regional focus. However, there exists a complex index, which is used for measuring the development of territorial units – though these territorial units are not regions, but districts (micro-regions). Districts have been re-introduced to the Hungarian territorial nomenclature in 2013. They are part of the counties, and contain groups of neighbouring settlements. Currently, there are 175 districts, and they are classified by their need of development, using the aforementioned index.

Questions for Reflection

- How, where and under what conditions is the EU-SPI relevant for policymaking?
- In your specific cases, where are the levels of policymaking for different groups of indicators within the EU-SPI?
- If there are mismatches, what could be done to improve measurement and/or policy coordination? Which are the main difficulties for doing so?
- What are the implications of the four pillars for multilevel governance in your region?

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