



Project no.: 727058

Project full title: Inequality, urbanization and Territorial Cohesion: Developing the European Social Model of economic growth and democratic capacity

Project Acronym: COHSMO (Former Hans Thor Andersen)

Deliverable no.: D4.6

Title of the deliverable: Report on policy analysis

Contractual Date of Delivery to the CEC:	31.12.2019
Actual Date of Delivery to the CEC:	20.12.2019, 01.07.2020, 11.11.2021
Organisation name of lead contractor for this deliverable:	Aalborg University (AAU) Uniwersytet Warszawski (UW)
Author(s):	Cf. individual front page for each national report
Participants(s):	P1, P2, P3, P4, P5, P6, P7
Work package contributing to the deliverable:	WP4
Nature:	RE
Dissemination level:	PU
Version:	1.2
Total number of pages:	693
Start date of project:	01.05.2017
Duration of project:	54 months

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Title of the deliverable: Report on policy analysis - Denmark

Contractual Date of Delivery to the CEC:	31.12.2019
Actual Date of Delivery to the CEC:	20.12.2019, 01.07.2020
Organisation name of lead contractor for this deliverable:	Aalborg University (AAU) Uniwersytet Warszawski (UW)
Author(s):	Mia Arp Fallov, Anja Jørgensen, Rikke Skovgaard Nielsen, Maja de Neergaard, and Lene Tølbøll
Participants(s):	P1, P2, P3, P4, P5, P6, P7
Work package contributing to the deliverable:	WP4
Nature:	RE
Dissemination level:	PU
Version:	1.0
Total number of pages:	119
Start date of project:	01.05.2017
Duration of project:	54 months

Abstract:

The present report draws together the three elements of WP4, overall policy review, interviews with stakeholders, discourse analysis of policy documents and interviews with policy actors. In this delivery, the work involves striking a balance between the particular and the general. The COHSMO-case studies in D4.6 is to provide closure on work package 4 as well as provide foundation for upcoming work in WP5, 6 and 7. Focus is how location matters in the relation between policies aimed at promoting economic growth and social well-being and the context of local territorial cohesion based on the hypothesis that local conditions such as territorial cohesion are often neglected conditions influencing the way that policy programmes are able to alleviate inequalities and generate economic growth and social well-being. The report consists of 6 chapters. Chapter 1 is a framing of the national context, chapter 2 is a presentation of the three national cases (Aarhus,

Horsens and Lemvig), Chapter 3, 4 and 5 dive into the central dimensions of the case study territorial capital, collective efficacy and territorial governance. Chapter 6 draws the analysis together and conclude how patterns of collective efficacy, governance and territorial capital are intertwined in the different case-locations.

Keyword list: Territorial cohesion, social inclusion, territorial capital, collective efficacy, territorial governance, welfare, neo-liberal planning and social investment.

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Abbreviations

ALMP – Active Labour Market Policy

BRAA- Business Region Aarhus

BRMV – Business Region MidtVest

CSR – Corporate Social Responsibility

KKR – Kommunekontaktråd /Municipal Contact Council

RUP – Regional Udviklingsplan /Regional Development Plan

SME – Small and medium sized enterprises

STAR – Styrelsen for Arbejdsmarked og Rekruttering /The Danish Agency for Labour Market and Recruitment

VET – Vocational and Educational Training

WISE – Work Integration Social Enterprises

Executive summary

The report brings together previous deliverables of WP4 with the aim of synthesising previous work and develop the analysis further. Chapter one briefly outlines the purpose with the report, the national context of the case study and the methods employed in WP4. The methods are: statistics, documents analysis and qualitative interviews. The operationalisation of the research questions and the key theoretical concepts are discussed. The report is structured around the following three questions:

- How does urbanization and inequality (demographic change, life chances) affect the mobilization of territorial capital?
- What is the level of collective efficacy and how does it serve as a protective factor against territorial problems and lack of mobilization or of territorial capital?
- How can territorial governance, collaboration and coordination utilize collective efficacy and the mobilization of territorial capital? And how are the sectors child care, labour market, regeneration, VET and growth involved?

Chapter 2 presents the three Danish cases: the urban case of Aarhus, the suburban case of Horsens and the rural case of Lemvig. Some general characteristics of the cases are outlined together with maps of their location and of the dispersion of income within the municipality.

The following three chapters are the substantial analytical chapters in the report. They are designed to bring out interesting aspects of previous deliverables and cut across cases in a synthetic manner. Each chapter is led by one of the research questions outlined in chapter one – each of them operationalising one of the three key concepts of the project. Chapter 3 addresses the notion of *territorial capital*. It begins by outlining the assets and dilemmas in each of the three cases and continues to discuss experiences and preconditions of their mobilisation. Some examples from previous deliverables are highlighted and discussed. The examples point at the importance of networks (which is further explored in chapter 4) and at the role of scale as a strategic element in the mobilisation process. Chapter 4 addresses the notion of *collective efficacy*. It begins by describing the general level of collective efficacy in each of the three case areas. The chapter then focuses on examples of tight knit initiatives from previous deliverables and reflects on their innovative potential. The chapter emphasises the role of a spatial foundation for the initiatives consolidating collective efficacy, the role of collective efficacy in urban regeneration and the role of collective efficacy in relation to corporate social responsibility. Chapter 5 focus on the notion of *territorial governance* and reflects on relations between different levels of government. The chapter begins by outlining the general characteristics of territorial governance in each of the case areas. It then discusses examples of coordination of territorial governance across cases emphasising the role of stakeholder involvements and creating ‘policy bundles’. Finally, the chapter discusses the relation to other scales of government focusing mostly on the relations to regional government and the recent upsurge in ‘soft spaces’.

Chapter 6 concludes the report and provide an overview of the main findings:

- The articulation of territorial problems and advantages in policy discourses and local narratives among stakeholders conditions the possibilities for developing territorial cohesion.
- Each case area aim to mobilize particular bundles of territorial assets and transform them into territorial capital. In Lemvig, this is a bundle between environmental, economic and social capital. In Horsens, the strategy is to mobilize relations between economic, antropoc and cultural capital, while in Aarhus the aim is to mobilize assets through relations between economic, antropoc and human capital. These different bundles all, albeit in different ways enable an interdependent relation between strategies for growth and strategies developing liveability.

- In all three case areas, we find a high level of collective efficacy. This high level of collective efficacy is crucial for the capacity to balance growth and liveability, and delivering on balanced welfare and thus sustainable growth.
- The dimensions of how collective efficacy levels are high varies with local conditions and specificities. To utilize collective efficacy we have to move beyond binary categories of distinguishing between social relatedness in places, e.g. formal and informal, top-down and bottom up.
- Collective efficacy can only to a certain degree be orchestrated from above.
- All three municipalities demonstrate focused welfare approaches to uneven development. Their focused approach builds on ‘policy bundles’. For example, in Aarhus and Horsens between active labour market policies and urban regeneration policies and in Lemvig between vocational and educational training policies and welfare services in order to hold on to the young populations.
- The weakening of regional governance and the increase of inter-municipal collaboration and competition during the past decade has resulted in a number of de-politicized local ‘soft spaces’. Examples were Business Region Aarhus and Business Region MidtWest.
- The Danish cases demonstrate a particular variant of neo-liberalism that we call ‘a managerial form of urban entrepreneurialism’. The essence is that the facilitation of entrepreneurial growth is continuously mitigated by a focus on balanced development ensuring liveability and inclusive territorial development. While the use of strategic ‘soft spaces’ have increased in local governance in all three cases, they all demonstrate action and responsibility in insisting on social inclusion in growth initiatives. The latest example of this was the strength of the union of Danish municipalities.
- That what matters in the locality is not only a question of assets and their mobilization but also the institutional infrastructure and the strategic use of size and scale and location. Small scale can be an advantage in terms of generating fruitful interplay between territorial capital, collective efficacy and territorial governance that facilitate the increase of territorial cohesion without hindering growth.
- The autonomy of local authorities is crucial for innovation and agility in territorial governance, while national systems of compensations play a key role in hindering growth of inequality.
- Local authorities play key role in facilitating collective efficacy in all three case areas. When looking in a cross-national comparative perspective we find that this role rests on a long tradition for collaborative and democratic territorial governance, which despite imperfections is characterized by inclusiveness and strategic use of stakeholder resources.
- We see a particular Danish variety where the spread of soft neoliberal spaces of planning for territorial development is coupled with a strong tradition for public private partnerships and corporate social responsibility, which enable balance between growth and liveability.

1 Introduction

The main purpose of this report is to synthesise the main findings of WP4 in the Danish case study. The report addresses the research questions of the COHSMO project and analyses the case studies with reference to the theoretical concepts from earlier deliveries. The report builds on D4.3, D4.4 and D4.5 and aims at integrating these into a coherent analysis. As outlined below, the COHSMO project had developed around three key concepts: territorial capital, collective efficacy and territorial governance. Empirically, the study has concentrated on five policy areas: area regeneration, economic growth, preschool childcare (for 0-5 years), vocational- and educational training and active labour market policy. In this and the following chapter the Danish case and the methods are outlined. Following this, chapter 3 focus on territorial capital, chapter 4 focus on collective efficacy and chapter 5 treats the notion of territorial governance. In the final chapter 6, the findings are summarised together with some concluding remarks on how locality matters for a place based approach to social cohesion. The present report, then, pulls together the case studies from our three locations analysing results within and across the three cases, which are the rural case of Lemvig, the suburban case of Horsens and the urban case of Aarhus.

In **Lemvig**, the main impact of urbanization is depopulation. Young people move away to get an education and do not return. This reduces the mobilization of territorial capital considerably as jobs within the primary sector (fishing, farming and energy) are not mirrored by jobs within education, service, science and care which are traditionally more attractive to women. Lemvig has the advantage of a high and varied level of collective efficacy with a lot of activities run by volunteers and a short distance between different sectors and between central local actors. Residents, public authorities and businesses seem to be intertwined in relations with each other. The dense web of local affiliations makes Lemvig very liable to change and adaption to new structures and demands.

Horsens is changing and growing. The population influx of Horsens is related to the low housing prices in the area. The municipality is not a rich area and has an overrepresentation of vulnerable families. They are concentrated in two areas that are both on the national “ghetto list”. The municipality is working hard to change the image of Horsens from a working class town to a cultural centre. The purpose is increased liveability and increased potential for attracting the middle and the creative classes. The Horsens Alliance, a network for business, government and community actors, has played a crucial part in the rebranding of Horsens. It becomes a territorial advantage; constituting a form of social capital which the municipal governance can draw on.

In many ways, the **Aarhus** case exemplifies how the same dimensions can be both challenges and advantages. Aarhus is a young city with a vibrant urban life and experiencing substantial growth in the number of jobs and inhabitants. However, the municipality is also challenged by growth dynamics, making transformation of mobility patterns and infrastructure necessary. In disadvantaged social housing areas, the broad strategic alliances between housing organisations and the municipality create a potent framework for collective efficacy and the strategic capacity for job-creation and upskilling. The housing organisations are non-government and non-profit providers of social housing in Denmark. The overall impression is that municipal administrations of business, urban development, educational institutions (universities), day-care and social affairs are increasingly able to work together, especially when it comes to disadvantaged areas and business parks. This collaboration does not, however, extend to all sectors yet.

1.1 National context

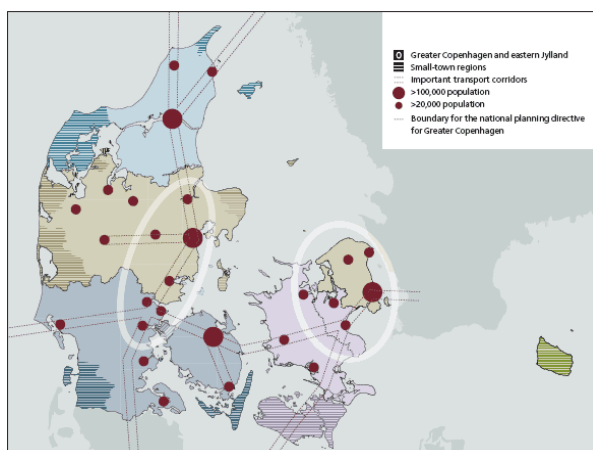
In order to set the context for the studies in this report, we start by outlining some of the Danish background that affect the case areas. With the focus of COHSMO on inequality and territorial cohesion, it is imperative to understand the findings of the report in light of the Danish welfare system being built on principles of universality and solidarity. This means that universal benefits prevent the worst effects of uneven economic growth and long-time unemployment. Moreover, it means that education is free and that childcare services are universal, subsidised and based on fees depending on income levels for the least affluent citizens. This secures childcare in all areas of the country and for all social groups. Municipalities have autonomy in setting tax rates and prioritizing welfare services, and a complex municipal reimbursement system ensures good quality welfare services even in more remote areas of the country, such as Lemvig. Nevertheless, as will be apparent below, political alliances and lobbyism play a role in securing welfare and infrastructure to specific locations. The extensive municipal responsibility for welfare results in voluntary organisations and NGOs playing a less central role in delivering services compared to many other European countries, despite an increasing strategic focus on co-creation and public-private partnerships. This tendency is especially pregnant in the areas of active labour market and regeneration policy (as well as services for elderly).

Overall, Denmark is one of the most equal countries of Europe. However, inequality is rising, reflected in all the key indicators of inequality (Plough 2017). Even more significantly, the spatial patterns of inequality map unto each other. This means that the regions with the lowest incomes show the greatest disparities from the national average when it comes to health and educational attainment. Denmark's capital, Copenhagen, stands out in several ways. It is the most unequal when it comes to income disparities, life expectancy, health and education. It is moreover the youngest region and the place with the highest educational level. It is also the region with the highest levels of people living in poverty and the highest risk of poverty. It is a region of concentrated wealth and concentrated deprivation. When zooming in on municipal level the disparities in income, health and educational attainment becomes even more visible as some of the richest neighbourhoods are adjacent to some of the poorest. It has been convincingly demonstrated that growing up in one of the poorest neighbourhoods dominated by social housing severely diminishes life chances later in life (AE 2017). This is true despite the free education, free health service and comparatively high levels of income security of Denmark. Furthermore, recently introduced lower benefit rates in particular for immigrants and refugees have resulted in rising child poverty levels and concentration of poverty in the most vulnerable housing areas (Plough 2017).

Demographically, Denmark mirrors the patterns of the rest of Europe in terms of increasing urbanization and density. However, residential patterns are more rural and more people live in smaller towns and villages than the European average. The population is older in the rural municipalities and on the islands. Especially, the 65+ single households are more frequent in some areas. These areas can be facing the potential challenges of an aging population in terms of e.g. ensuing depopulation, decreasing tax income and declining numbers of pupils in public schools. Spatial demographic differences are most pronounced when looking at households with children. This is not equally common in the different regions, which mirrors the age differences: in some areas, the population is getting older and diminishing due to natural change, while in other areas the population is growing and getting younger. The spatial patterns of inequality appears on an axis from the top of North Jutland over Djursland to Western and Southern Zealand, and Bornholm. Here we find the extreme disparities in relation to the national average on employment rates, unemployment rates, income, and poverty, children living in poverty, health, life expectancy, educational attainment and regional development.

Structurally, Denmark has an evolved decentralization of power to especially municipalities, but also to regions. Along with changing policies on regional development, a range of centralising reforms have taken place with the aim of consolidating functions and institutions in terms of schools and other educational institutions, police and military as well as municipalities. Most important is the Danish administrative reform implemented in 2007, which reduced the number of municipalities from 275 to 98. This reform is described in detail in chapter 2. Figure 1 shows the current, five administrative regions: 1) The North Denmark Region (light blue), 2) The Central Denmark Region (brown), 3) the Southern Denmark Region (dark blue), 4) Region Zealand (light purple) and 5) the Capital Region of Denmark. The figure further displays major transport corridors as well as cities with more than 100,000 respectively 20,000 inhabitants. The outskirt areas, called small town regions, are marked by horizontal lines and are located in the periphery of the large and growing city regions of Copenhagen and Aarhus.

Fig. 1. Map of Denmark



Source: Danish Ministry of the Environment, 2006.

In general, Danish local communities have no official role in national policy articulation. They are, however, heard through different forms of organizations working to promote their interest in relation to housing or local and rural development. Two policy areas do, however, involve stakeholders as part of their governance setup and policy programme: area regeneration and economic growth.

Within area regeneration, a key actor in the Danish context is the social housing associations. The housing associations produce so-called social-housing masterplans for regeneration and residents are represented in the boards of the local departments of the individual housing organisation. Any major renovation work as well as the housing-social masterplans have to pass a vote by the residents through the so-called resident's democracy that is a unique feature of the Danish social housing sector and a democratic right that is part of the legal framework for housing associations. Therefore, residents have more of a say in the implementation of regeneration policies than in any other of the policy areas in focus in the COHSMO-project; at least in social housing areas. More generally, it is an important criterion in the urban renovation act that local communities should be actively involved in the development of regeneration plans and their implementation in local areas. In relation to the area of urban and rural regeneration, implementation of policies are built around committing partnerships between local NGOs, housing associations, municipalities and local authorities (school and police, youth clubs etc.). These are partnerships, which commit resources in the form of time and money to the renovation

and the social activities around the regeneration programmes. Local businesses are usually also involved. The Urban Renovation Act from 2016 states that “*municipalities must engage in a committed cooperation with stakeholders influenced by the regeneration project*”. Within rural regeneration, programmes are organized as pools of funds, and stakeholders and local communities have to actively apply and through this become engaged in the implementation of local projects. This is formally organised in the “local action groups” (LAG) for each funding period of the rural development programme. The LAG covers several municipalities. In the programme 2014-2020 they cover 57 municipalities and 27 islands; covering more or less all of Denmark apart from municipalities, which include major urban areas. They are organised as not-for-profit organizations with a board consisting of members from local business interests, local residents, local NGOs, and local politicians. They have to develop a strategy plan, and they administer the implementation of the EU-funds and funds from the Agency of Agriculture distributed to this particular local area. LAGs focus not on concrete agricultural or fishing projects but rather on projects initiated to generate innovation and growth as well as creating attractive living conditions in local rural areas.

Economic growth policies have a strong local and regional connection by means of the Regional Growth Forums. These forums consist of representatives elected by the Regional Council (3), regional and municipal politicians (6), business representatives (6, elected by the Regional Council), education and innovation institutions (3, elected by the Regional council) as well as employee and employer organizations (3). The Growth Forums are responsible for contributing to regional growth and development strategies and for suggesting how EU’s regional and social funds are to be deployed.

Within the area of active labour market policies there are no interaction with local communities in the articulation of policies. Local communities are mainly involved in implementation in the instances where instruments are locally-based WISE or projects related to the renovation of the housing associations. Here, there is an overlap between active labour market policies, vocational training and urban regeneration in that all physical regenerations now have to adhere to principles of corporate responsibility and include local youth and long-term unemployed in job training and internships.

1.2 Purpose

The purpose of this report is to understand how location matters in the relation between policies aimed at promoting economic growth and social well-being and the context of local territorial cohesion. The project is based on the hypothesis that local conditions (such as territorial cohesion, here broken down into patterns of collective efficacy, governance and the capacity of the community sector to engage) are often neglected conditions impacting on the way that policy programmes are able to alleviate inequalities and generate economic growth and social well-being. The claim guiding this part of the overall project is that the elements of territorial cohesion could impact both in a positive sense by boosting local innovation and ownership of forms of intervention, and in a more problematic sense by creating local inertia and resistance to local development and sustainable change. A cross-national comparison of territorial cohesion in different types of areas and related to different scales will allow for the development of knowledge about these relations that will form the basis of policy recommendations (WP6, WP7 and WP8).

As outlined in the GA, the overall research question of the COHSMO project is:

How can we understand the relation between socio-economic structures of inequality, urbanisation and territorial governance, and how does territorial cohesion at different European scales affects growth, spatial justice and democratic capacities?

The additional sub-questions also are:

1. How do processes of urbanization/de-urbanization and demographic changes affect territorial cohesion?
2. What is the relation between territorial cohesion and spatial development policies and economic strategies at supra-national, national and regional levels, and how does territorial cohesion impact on the consequences of these policies for spatial justice and democratic capacities?
3. How does territorial cohesion mediate on economic strategies of austerity by boosting local entrepreneurialism and social innovation?

WP2 and D4.3¹ jointly contributed with three concepts that analytically capture the dimensions of territorial cohesion:

- Territorial capital: place-specific endowments and resources that can be mobilised strategically
- Collective efficacy: civil-society and citizen capacity building, specifically targeting spatial attachment and the mitigation of life-chances and inequality structures
- Territorial governance: the multi-level (vertical) and horizontal coordination as well as governance and collaboration mechanisms of policies, with a special emphasis on the spatial aspects of such governance, policy and collaboration structures. Captures also the cross-sector/policy bundle approach.

These concepts are the analytical focal points of applied to the operationalisation of the work in this report. Furthermore, in order to operationalise the concepts of territorial capital, collective efficacy and territorial governance in relation to the above sub-questions from the GA, the following research questions were designed in preparation of the interview guidelines:

- How does urbanization and inequality (demographic change, life chances) affect the mobilization of territorial capital?
- What is the level of collective efficacy and how does it serve as a protective factor against territorial problems and lack of mobilization or of territorial capital?
- How can territorial governance, collaboration and coordination utilize collective efficacy and the mobilization of territorial capital? And how are the sectors child care, labour market, regeneration, VET and growth involved?

In this report, the layout is designed to account for, discuss and answer these three questions. Chapter 3 aims at the first question focusing on territorial capital. Chapter 4 addresses collective efficacy and chapter 5 treats the question that addresses territorial governance. The layout with a problem based

¹ Via the Appendix that accompanied the first version of D4.3; the reason for this late development was, as explained in this Appendix, that WP2 did touch on several issues on how to understand the governance- and policy perspective of 'territorial cohesion' and 'the place-based approach'; but WP2 did not identify a unifying theoretical framework for capturing the policy-and governance dimensions. As explained in the Appendix, the most suitable framework identified was the 'territorial governance' concept most fully developed in the ESPON TANGO project: <https://www.espon.eu/programme/projects/espon-2013/applied-research/tango-territorial-approaches-new-governance->

focus allows for both summarising the work of previous deliveries in WP4 as well as to emphasise the analysis and move beyond description.

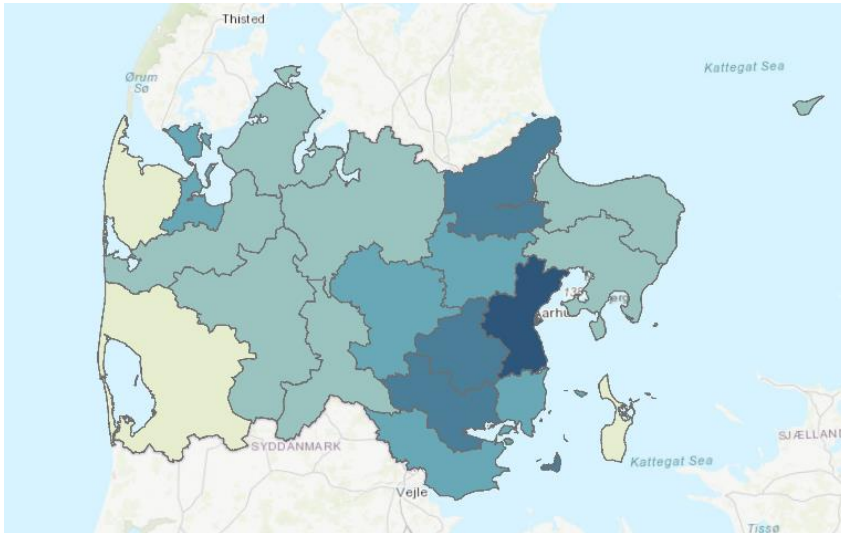
1.3 Methods

The COHSMO case study focus on a specific case region and, within this, three case municipalities. Selecting three municipal cases within the same region secures that the municipalities are embedded in the same context of regional policies and allows for the analysis of multi-level governance policies. While the regions are not strong governance actors in Denmark, a shared regional context is crucial for understanding the different positions of respectively the urban, suburban and rural cases within the same regional context, in terms of governance as well as location and position within the country. Therefore, a two-step selection process was employed, initially choosing a region and then subsequently three municipalities within the region. The selection of the region was based on two conditions with the region having: 1) a clear metropolitan centre within its territory and 2) considerable variation of socio-economic conditions within the region.

In Denmark, main responsibility for governance is located at the national and municipal level while the regional level has more limited responsibility. With the municipal structural reform of 2007 (see chapter 2), the authority and role of regions have diminished. They are now mainly responsible for health care, some specialised social care, infrastructure and regional development in terms of nature and environment, business, tourism, employment, education, culture as well as developing the rural districts. By choosing a region and municipalities as cases, the cases will correspond to statistical and administrative units. This also means that in relation to statistics, the rich register data of Denmark can be utilised.

The main discussion regarding the Danish case selection related to whether to choose the Capital Region or the Central Denmark Region, since these regions host the two biggest cities in Denmark. These cities are located in and define the two only urban regions in Denmark. The main growth region is the Capital Region. However, based on extensive deliberations, the Central Denmark Region was chosen. The final argument for selecting the ‘secondary’ growth region of Denmark is that the region is more representative and less radical than the functional region of the capital, and that the Central Denmark Region demonstrates more innovative cases in terms of collaboration across civil society, business and municipality. If the capital region had been selected, it would have been necessary to combine the Capital Region with the Region Zealand in a functional Capital Region in order to have a relevant rural case corresponding to the requirements of case selection. This would break with the principle of one region with three municipalities within it. Furthermore, the functional region of the capital is more extreme and may represent less innovativeness in terms of how to make place-based growth strategies in challenged rural settings. Due to being the ‘secondary’ urban region in Denmark, Central Denmark Region has to fight more for investments than the capital region. This makes the region interesting in terms of innovativeness. Further, the region is in contrast to the capital region less consolidated and more fragmented across municipalities, being part of a less functionally integrated urban region, and to some extent more polycentric than the capital region. Accordingly, the region is interesting as a case of how the individual municipalities, despite being in internal competition, still display loyalty towards the common aim of being one joint, competitive urban region.

Figure 2. Population density, January 2017 (Denmark: 133.9)



In selecting the three cases within the region, the requirement was for the cases to be a local jurisdiction (local government unit) responsible for the key policy areas in focus in the COHSMO project (childcare, vocational- and educational training, active labour market policy, area regeneration and economic growth). While the Danish municipalities are not responsible for all five policy areas, they are the key government unit due to the decentralisation to municipal level and the mentioned structural reform that limited the role of the regions. For the urban case, the aim was to select municipalities, which covered core cities of the country, which were centres of the mono-centric agglomeration and which had a population size between 400,000 and 1,000,000. For the suburban case, the aim was to select a case that lived up to the following (or most of them): recent experience of population growth related to suburbanization and/or urban sprawl; significant commuting to the core city of the agglomeration; domination of non-agriculture functions; internal diversification; and presence of social challenges. In terms of size, the aim was for a municipality of 25-70,000 inhabitants. Finally, the rural location was to be characterised by low population density, a tendency for out-migration and agriculture playing a central role for employment and economy. The aim was for the municipality to have a population between 5-15,000 inhabitants and it was to have a clear “centre” and “periphery” to allow for studying intra-local dimension of territorial cohesion.

The urban case was a given as there is only one metropolitan municipality in the region, namely Aarhus. Aarhus Municipality (just below 350,000 inhabitants) is the second largest in Denmark and interesting precisely for the reason of not being the main, capital region as described above. The operationalisation of the study of Aarhus was approached through focusing on particular neighbourhoods in order to get around the research questions while not being able to cover the municipality in its entirety. The five locations are central in relation to the focus points of COHSMO and are listed below:

- *Aarhus Ø*, a prestigious, dense housing area for the upper-middle class, a case example of a municipal objective of transforming a former industrial port area into attractive, middle-class housing.
- *Sydhavnen*, a mixed business area close to the city-centre and the central station. Sydhavnen is an inner-harbour neighbourhood hosting upstart-companies, creative businesses, traditional industry and homeless-related organizations. The municipality aims to densify the area with

business domiciles, boosting entrepreneurship and making the area more accessible and ‘urbanized’, emphasising the public-space value and contributions from existing creative artists and industry.

- *Gellerup-Toveshøj* (known as Gellerup), the most disadvantaged area of Aarhus, with predominantly social housing. It is iconic in a Danish context for illustrating a joint strategic development plan made by the social housing associations and the municipality. The municipality has invested in the area (1000 municipal jobs; a light rail way and a station). The housing association has sold land to private developers. The aim is to increase the integration of Gellerup and the city.
- *Business Park Skejby*, located in a development district planned to include also housing and the establishment of an innovative community house concept. The case shows how municipal emphasis on social cohesion forces developers to include non-profit organisations in their business model, generating opportunities for flexible and inclusive jobs; further, that the Park’s management is aware of the competitive advantage of increasing the park’s place-based qualities.
- *The Agro Food Park*, a food-innovation site under development, in which cross-level ambitions of making an international food cluster is given much attention by region, municipality and national food-industry actors.

In choosing the suburban case, more choices existed. Overall, the suburbs close to Aarhus Municipality are performing quite well and seem to have retained an independent identity rather than being merely suburbs of Aarhus. However, these suburbs do still demonstrate a history of hardship, segregation and residential tensions. To some extent, they have managed to converse past hardship, representing today a less dense and challenged group of suburbs. Of the Aarhus suburbs, Horsens was selected as the suburban case, despite being slightly larger than the aim (with 90,000 inhabitants). Horsens represents a case of growth and spatial inequality. It is marked by overall population growth; according to the municipal website, Horsens is among the top growth municipalities in Denmark and among the top three municipalities in terms of population growth. The municipality has active policies for securing financial growth. At the same time, however, some parishes experience population decline and a concentration of challenges in specific social housing areas has led to two areas being on the government’s list of vulnerable areas, one of them being amongst the 15 so-called hard ghettos of Denmark. The overall growth thus seems not to benefit all inhabitants and all areas of Horsens. Furthermore, Horsens is a typical case of the suburban paradox of benefitting from the location near an urban centre, Aarhus, while at the same time establishing the city as an attractive alternative to Aarhus, offering educational opportunities and attractive residential areas.

The rural case, Lemvig, represents a peripheral municipality with challenges related to demography and local economy. At the same time, it is a case of potentials in the sense of a high number of start-ups and of business potentials within the primary sector (fishery) and the wind-power market. The municipality experiences a shrinking population but at the same time boasts a diverse and active civil society and a solid ability to break educational reproduction compared to municipalities with similar socio-economic status but situated in other geographical locations. The municipality has a vision of developing its west coast to a recreational area with a focus on more summerhouses and a thematic focus on surfing, the geological history and the nature in general. All in all, a story of challenges as well as potentials of rural localities. It is slightly above the aim in terms of inhabitants (with 20,000 inhabitants) but apart from a small island municipality (with less than 4,000 inhabitants), it is the smallest in the region in terms of population.

The cases are chosen because they represent extensive variety in terms of key parameters such as: size, location, demographic turbulence (growth and/or de-population) a.o. as outlined in the Grant Agreement (GA). At the same time, the cases represent possible ‘proto-types’ demonstrating possible ways of managing territorial development. They all face challenges but at the same time offer potentials and identifiable routes for future development. The challenges and potentials differ however. For the urban and suburban case, main challenges relate to spatial segregation and specific social housing areas marked by concentrated deprivation. For Horsens, a main aspiration of importance for its future is to become a thriving educational centre that can hold on to and even attract students, offering an alternative to education in the main educational cities such as Aarhus. The suburban case and the rural case are interesting with respect to growth policies; both trying to some extent to reinvent themselves. Horsens by a transformation of the city from a traditional industrial city to a city of mixed economy connected to the knowledge economy. Lemvig through developing the west coast of the municipality to a recreational area with a focus on more summerhouses and a thematic focus on surfing, the geological history and nature in general.

The empirical material for the cases study consist of mainly interviews and documents.

1.3.1 The interviews

In each of the three localities, interviews were made with 20 stakeholders in each of the three case municipalities. The stakeholders was defined in three categories of actors:

- Governance actors (10): municipal officials involved in planning, business relations, municipal officials from each of the three welfare areas, regional officials.
- Community actors (5): representatives from community organizations, NGOs, resident organizations.
- Business actors (5): representatives from business organizations, large local business and/or liaisons with government.

The selection of stakeholders was based on getting around the five policy areas. Furthermore, the selection strived at achieving variation in the stakeholders’ social background, gender, ethnicity and degree of public engagement. In most instances, recruitment was carried out by using the “snowball-method” i.e. asking interviewees to point to other relevant interviewees that fit the criteria.

On the basis of the above operationalisation of the research questions, three different interview guides were developed to fit the three types of informants (see below). Where relevant, specific research questions were used to lay out each overall research question, adapted to the specific type of actor.

For Aarhus and Horsens, special attention was paid to the multilevel character of growth strategies as these municipalities are located within a newly established ‘Business Region Aarhus’: a collaboration between 12 municipalities in a business region denoting the urbanised, Eastern part of the region. To explore multi-level effects, the policy fields of mobility/infrastructure and business promotion in relation to foodies was selected as focus points in both cases, as these are cross-cutting territorial challenges and advantages mentioned in policy documents across levels (national, regional, business regional, municipal and district level). Furthermore, additional similar themes (disadvantaged neighbourhoods and harbour revitalization) were selected across the two cases. Consequently, it can be compared how the central growth driver in the business region (i.e. Aarhus) experience the

cross-municipal collaboration in contrast with Horsens, who presumably may experience trickle-down effects but also a functional redefinition within this business region.

Besides snowballing, special emphasis and document studies were undertaken to identify relevant policies and projects, making the selection of interviewees as informed as possible. Public authority interviewees were selected to represent the policy areas of economic growth, regeneration policy, VET, labour market and childcare. In Lemvig, the interviewees generally belong to a higher executive level than in the other two case areas. This is a consequence of the small size of the municipality and of the executive level being considered by the interviewees as the legitimate entry point to the municipality (which in itself disclose the different administrative culture in Lemvig). Overall, we did not experience any great difficulty in recruiting interviewees. The only exception was in Aarhus where it was difficult to recruit interviewees from the most vulnerable areas, as they are somewhat over-researched at present (due to the recently passed ‘ghetto’ legislation, see chapter 2).

The interviews were conducted in most cases by one and in some case by two researchers from the Danish research team. The vast majority of interviews were done face-to-face in the three case localities. A few were conducted over the telephone as it was impossible to match dates with physical presence in the case areas. The interviews were conducted on the basis of interview guides directed at the different types of actors, phrased in accordance with the criteria set out in the guidelines for operationalization for COHSMO and on the basis of a common interview guide for all the seven countries of COHSMO. The aim was to cover the main themes broadly rather than going in-depth on all themes. The specific work field of the interviewee affected highly the themes that were covered most in-depth, as to be expected. The interviews lasted between 1 hour and 2 hours, most no longer than an hour. All interviews were transcribed and coded in the coding program Nvivo. The interview guide provided the central nodes; giving the possibility for analysis across all interviews within one case area or across two or three case areas. All interview transcripts were summarised in analytical notes in English, following a common COHSMO-template to allow the whole COHSMO-team to have a shared empirical knowledge across countries and languages. As all interviews are anonymised we use in the following a code, designated Urb, Sub, and Rur for urban, suburban and rural cases, and PA, BA and COMM for public authority actors, business actors and community actors respectively (see appendix 2).

Table 1: Interview themes for the three types of actors

Theme 1	Exploring the level and role of collective efficacy		
Theme 2	Exploring how collective efficacy relate to local life chances		
	Governance actors	Community actors	Business actors
Theme 3	How are place-based/territorial specificities and characteristics made part of territorial governance and policies?	Exploring the role of territorial capital in relation to collective efficacy	Exploring the role of territorial capital in relation to collective efficacy – how can territorial assets boost collective efficacy and community organisation?

Theme 4	How do the various actors and institutions coordinate their actions among different governance levels – the vertical, multilevel dimension?	What is the role of citizens and NGO's in place-making strategies?	How is business involved in area-based growth/development policies and governance and what are the benefits?
Theme 5	To what extent are stakeholders being integrated into territorial governance processes and how are they mobilised to this task – the horizontal dimension?	Coordination and integration related to territorial objectives: Are citizens and NGOs experiencing more efficient and coordinated public (-private) interventions?	Interaction and coordination between business and governance: what is the role of coordination, organising and leadership?
Theme 6	To what extent and how is territorial governance, policies and strategies adaptive to changing contexts (historical and current in-process external and internal stimuli)?	Social improvements: on the basis of growth and development governance/policies: have citizens and NGOs access to services, jobs and public offerings of an improved quality or increased and accessible supply?	What are the social gains (broadly speaking) of growth/development policies and governance for citizens in the affected area/region?

1.3.2 The documents

The discourse analysis of policy documents was conducted subsequently to the interview analysis. The aim of the discourse analysis was to provide a critical overview of current discourses that inform local policy strategies applied to solve the territorial problems of the three case areas. Focus was in particular on how territorial cohesion is constructed or not constructed as a relevant object (i.e. silenced) and at which scale. Focus was on locating policy documents and strategies as well as identifying symbolic, innovative spearhead projects and approaches and analysing key documents. Therefore, the outcome of the policy analysis was to be an understanding of the relation between local contexts and policy strategies.

Key documents were identified before the interview study, during the interview study based on recommendations from the interviewees and finally supplemented after the interview study. The document analysis was based on desk research. Most documents were procured at websites of municipalities, regional forums, national forums and key local organisations. In some cases, newly written documents were unpublished and thus not available online and in others only few documents were available online. In these cases, documents were procured through personal contacts with key municipal staff; often interviewees from the previous interview study.

There are considerable differences between the three cases in the quantity and type of available documents. In the rural case of Lemvig, there are few official political strategy documents. There are two main reasons for this: the relatively small size of the municipality and the 'pragmatic political culture' demonstrated in the interview study (see later analysis). Consequently, the policy analysis for Lemvig is based on the newest documents; some of which were neither published nor finished at the time of collection but have later been made public. In the urban case of Aarhus, policy documents are abundant and in the suburban case of Horsens, policy documents are plentiful; in both cases covering a

range of topics. In selecting and categorising the documents, the focus was on strategic documents that set out the political aims, goals and means in the respective policy field. We have aimed for a balance between documents that comply with the central discourses that emerged from the interview study and documents that testify to alternate discourses following an inductive curiosity towards the written texts themselves. We have also focused on policy documents that contain a territorial element. Where relevant (and possible) the policy discourses were followed further as they move into documents concerning specific projects, notes from political committees, quality reports and other types of documentation and monitoring. Finally, to get an impression of the extent and durability of the individual discourses, political speeches and news reports were collected. To avoid a much too extensive document analysis, such documents were not included in the policy archive but have rather been given status as ‘supporting’ documents.

The discourse analysis followed a process of five steps:

1. Securing a policy archive of strategic policy documents to the extent that these exist in relation to the five policy areas. The archive was, where relevant, combined with descriptions of governance set-up, internal evaluations, statistics and assessments, responses to public hearing notice, key public debates, research having already analysed certain aspects of policy developments, significant projects and webpage descriptions.
2. Identifying and analysing the overall policy narrative of the case locality.
3. Analysing the main strategic documents: a selection of a few documents that exemplify the local policy strategy to solve the identified territorial problems was made and these were analysed, focusing on the following themes:
 - a. Territorial capital: in what way does the policy area identify territorial problems and territorial resources that can be mobilised?
 - b. Collective efficacy: In what way are local communities and citizens involved?
 - c. Territorial governance: In what way is the governance of the policy area articulated, e.g. formal and informal organisations, the roles, competences and tasks of collaborators and strategic actors, collaboration with other policy areas and sectors and scales?
4. Critically assessing how the policy strategies construe the local performance of territorial cohesions, focusing on whether particular discourses dominating local policy strategies; how local strategies translate regional, national and supranational strategies into local contexts; whether the local communities and stakeholders are envisioned to be involved in achieving policy goals; and whether the documents call on particular techniques in the legitimization of policy strategies.
5. Discussing and synthesising the policy articulation of territorial cohesion, based on the findings from the previous steps.

1.3.3 Additional interviews

Based on the combined knowledge from the interview study and the document analysis a collective topic list was produced identifying general findings and cross-cutting themes in the empirical material. To supplement these, and explore them in more detail, another 16 interviews were conducted

with key policy actors (4 in Horsens, 4 in Lemvig, 4 in Aarhus and 4 policy actors on regional scale). The collective topic list (see Appendix 1) was produced by the Danish team after revision of deliveries 4.4 and 4.5. The topics represent crosscutting themes based on key empirical findings from the work so far and the additional guiding questions were designed to be further explored and adapted by each country into concrete interview questions for the additional round of interviews.

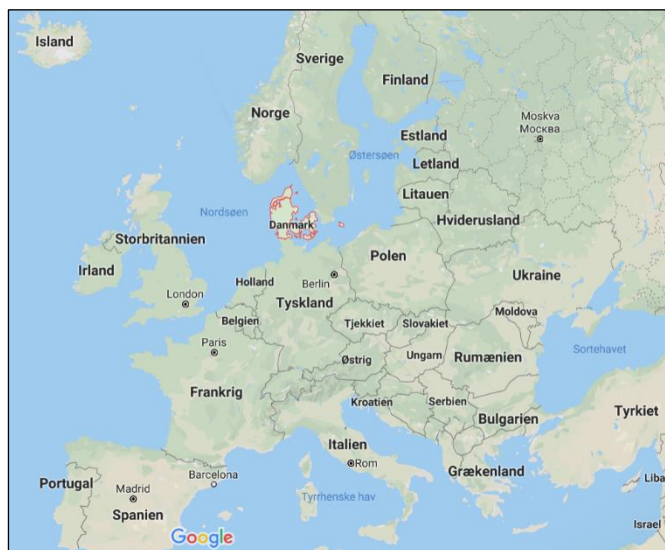
The collective topic list was intended to be adapted to each national context and used to formulate the concrete interview questions in each country's interview guide. Secondly, to strike a balance between national contexts and cross-national discussion the interview guides were designed in two sections covering questions that pursue case specific or national specific topics (section A) and questions that pursue the cross-national topics and questions outlined in the collective topic list (section B).

The selection of key policy actors for the additional 16 interviews was based on their capacity of representing a strategic policy level responsible for territorial development and their anticipated ability to cover both some section a and b questions. The general dispersal of informants was designed as to have five interviews in each of the three case areas. As no single informant could be expected to cover all questions the criteria of selection was to select stakeholders that between them would cover the entire list of topics. In the Danish team, during the selection process, we diverged slightly from the original idea. As it were, some regional themes remained uncovered and we re-designed the dispersal so that we selected four stakeholders in each case area and four stakeholders placed at regional and national political levels. These were key actors with responsibilities for regional coordination, EU funding and LEADER respectively. All interviews were recorded and transcribed. See Appendix 2.

2 Presentation of cases

Denmark is located in the northern part of Europe, as the southernmost country of Scandinavia to the north of Germany. It is a small country of 42,937.8 km² with 5,814,461 residents.

The welfare state is a defining characteristic of Denmark. It builds on principles of universality and solidarity. This means that universal benefits prevent the worst effects of uneven economic growth and long-time unemployment. Moreover, it means that education is free and that childcare services are universal, subsidised and based on fees depending on income levels for the least affluent citizens. This secures childcare in all areas of the country and for all social groups. However, recently introduced lower benefit rates in particular for immigrants and refugees have resulted in rising child poverty and concentration of poverty in the most vulnerable housing areas.



Information sheet DENMARK	
Number of inhabitants, 3 rd quarter 2019	5,814,461
Size in km2, 2019	42,937.8
Name of largest city, 2019	Copenhagen Municipality
Number of inhabitants in largest city, 3 rd quarter 2019	626,508
Size of largest city in km ²	86.20
Proportion living in settlement with less than 1,000 inhabitants, 2019	18.8%

Sources: Statistics Denmark

The main governance levels in Denmark are the state, the regions and the municipalities. With the structural reform of 2007, the authority and role of the regions have diminished. The five regions are now mainly responsible for health care, some specialised social care, infrastructure and regional development in terms of nature and environment, business, tourism, employment, education, culture as well as developing the rural districts. Municipalities, in contrast, have a high degree of self-governance as a consequence of a decentralisation of power. This has become even more pronounced since the structural reform of 2007 which reduced the number of municipalities from 275 to 98 thereby enlarging the number of inhabitants and widening municipal planning responsibility and their possibility for strategic spatial planning. The administrative reform also changed the regional level by replacing the 14 counties with five regions, moving responsibility to the now larger and more powerful municipalities. Regional growth and development plans along with government policy and national planning goals serve as the framework for municipal planning, for example in relation to rural development plans and area regeneration (we will return to this in chapter 5). The structural and administrative reform is part of a complex of reforms, which have been unfolded in the period 2006-2011 namely restructuring of the police force and enlarging police districts, re-organizing hospital services and closing down local hospitals.

Municipalities have a high degree of autonomy and authority in terms of policy making and long-term strategies, especially the financial responsibility for municipal economy, delivering of core wel-

fare services in accordance with national law, administering the planning act and maintaining democratic dialogue with citizens. However, vocational and educational training policies are decided on a national level and coordinated in regional educational boards, leaving little influence for municipalities on this policy field. The same goes for child care, where targets and quality criteria are decided on a national level and municipal authorities mainly have authority to decide on the level of services locally within a nationally decided framework. Both municipalities and regions have the option of prioritising investments, developing business strategies, creating jobs, delivering services and ensuring an efficient and coordinated educational system at all levels. However, roles and relations vary depending on what kind of policies and strategies are pursued. For instance, when currently developing cross-municipal tourism strategies, regions play the role of implementing state policy by means of cross-regional, strategic tourist organisations in which the municipalities are members. Here, regions are facilitators, coordinators and implementers. In other instances, regions play the role as a sort of external investor of public facilities: e.g., when a new urban area is laid out for residential growth by a municipality, the municipality might try to get the region to partly finance new infrastructure or to attract jobs by lobbying for a hospital being located in the municipality. Here, the municipality is the policy developer and the region an external party that can help make such a policy a success by carrying some of the financial burden and locating attractive public facilities in accordance with municipal policy objectives.

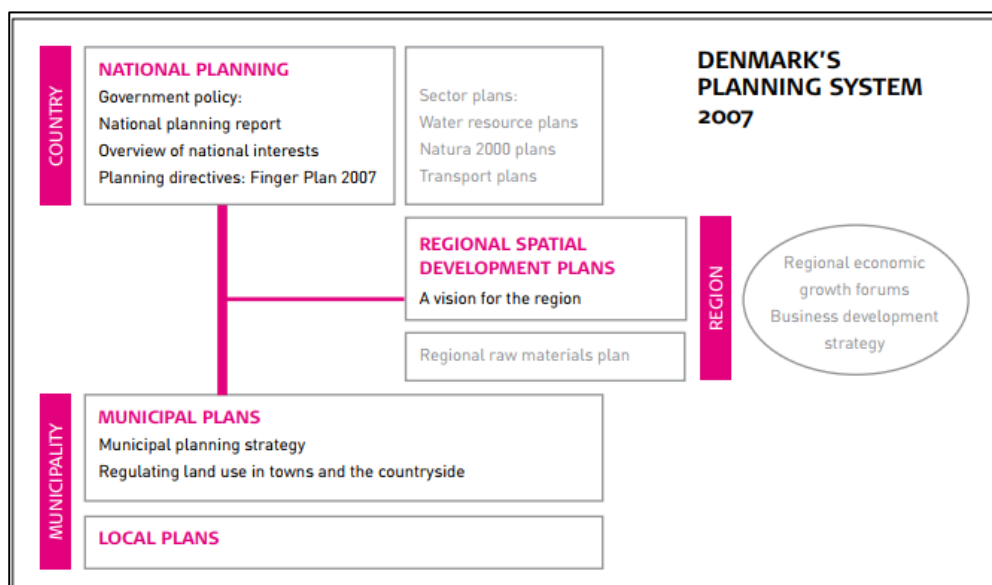


Figure 3 Source: Ministry of Environment (2007): Spatial Planning in Denmark, p.9

Municipalities have autonomy in setting tax rates and prioritizing welfare services within the yearly agreed national framework for local authority economy. A complex municipal reimbursement system ensures good quality welfare services even in more remote areas of the country, such as Lemvig. This means that the territorial aspects of childcare are reduced to a question of securing services even in sparsely populated areas such as Lemvig or in areas with population growth such as Horsens. Nevertheless, as the analysis will show, political alliances and lobbyism play a role in securing welfare and infrastructure to specific locations. The extensive municipal responsibility for welfare results in voluntary organisations and NGOs being less important for delivering services compared to many other European countries, despite an increasing strategic focus on co-creation and public-private partnerships in the Danish context. This is especially pregnant in active labour market and regeneration policy (and services for the elderly). Municipalities have full autonomy to decide the level of services;

however, there is at present national political debates on introducing national minimum levels of childcare.

In terms of ensuring a balanced service provision across municipalities, a municipal equalization system (in Danish: Den kommunale udligningsordning) is in place. The system transfers money on two levels: on the national scale from better-off municipalities to worse-off ones, enabling the latter to provide the legally-defined minimum service requirements, but within national agreements and municipal responsibility; on the metropolitan-regional level, transferring money between municipalities in the capital region.

The recently passed ghetto legislation is the exception to the rule of self-governance as it is a case of much more direct governance by the state. Officially, the strategy is called ‘The National Strategy to fight Parallel Societies’ (Regeringen, 2018), but collegially it is known as the ghetto strategy. It is based on a political agreement across the political spectrum. Vulnerable areas are divided into three groups according to national Danish policy: “Vulnerable neighbourhoods”, “ghettos” and “hard ghettos”. Vulnerable neighbourhoods meet at least two of the following four criteria:

1. The proportion of residents aged 18-64 without relation to either the labour market or educational system exceeds an average of 40% over the past two years.
2. The proportion of residents convicted of violation of *the Penal Code*, *the Gun Law* or *the Act on Euphoriant Substances* amounts to at least 3 times the national average when calculated as the average over the past 2 years.
3. The proportion of residents aged 30-59 that only has a basic education exceeds 60% of all residents in the same age-group.
4. The average gross income for residents aged 15-64 in the area (excluding students in further education) is less than 55% of the average gross income of the same group within the region.

A “ghetto” is listed as a vulnerable neighbourhood and has at least 1,000 residents, out of which the proportion of immigrants and descendants from non-western countries exceeds 50%. A ghetto is a “hard ghetto” if it has been listed as a “ghetto” for four consecutive years (for the years 2018-2020 it is five consecutive years).

The strategy specifies 22 different initiatives to combat parallel societies, covering five themes: 1) Physical demolition and restructuring of vulnerable neighbourhoods; 2) Firmer control of newcomers in vulnerable neighbourhoods; 3) Strengthened police efforts and higher penalties in order to fight crime and increase safety; 4) A good start for children and youth; and 5) The government follows up on the efforts to combat parallel societies. The physical dimension is strong in that the strategy requires a physical restructuring of the so-called ghetto areas, including a reduction of social housing in so-called hard ghettos to a maximum of 40% of current numbers. Consequently, local municipalities and social housing associations have to tear down thousands of social housing units or sell them as owner-occupied flats or private rental. This national strategy impedes on the autonomy of local municipal planning as municipalities have to make a development plan for these areas in accordance with the national strategy. Moreover, the social dimensions of the strategy implies that parents in the ‘hard ghettos’ are forced to send their children to pre-school child care, and that municipalities have to have an advanced job centre effort in the areas. This strategy and the following amendments to existing legal regulation are in the implementation process. The strategy represents a national concern

with failing cohesion as a territorial problem but it is also a policy answer that is enmeshed in tendencies towards the punitive state focusing on neighbourhood effects while structural problems on an urban-regional scale are neglected.

2.1 The Central Denmark Region

The Central Denmark Region consists of 19 municipalities: Favrskov, Hedensted, Herning, Holstebro, Horsens, Ikast-Brande, Lemvig, Norddjurs, Odder, Randers, Ringkøbing-Skjern, Samsø, Silkeborg, Skanderborg, Skive, Struer, Syddjurs, Viborg and Aarhus (see map in figure 4). It has a total population of 1,320,678, equal to 22.7% of the Danish population. Geographically, it covers an area of 13,000 square kilometres, equal to 30.3% of the country. With Aarhus, the second biggest city as its centre and with its central location, it is key region in a Danish context; to some extent however standing in the shadow of the Capital region of Copenhagen.



Figure 4. Map of Denmark with the Central Denmark Region marked in red (left) and of the region with the three municipalities indicated (right).

From 2010 to 2017, the population of the region increased with 4%, equal to the overall increase in Denmark. The largest population growth occurred in Aarhus Municipality (9%) and the smallest at the island of Samsø and in Lemvig Municipality where population growth was negative (-7%). In Horsens, the population increased with almost 9%, second to Aarhus within the region. The region thus exemplifies the urbanisation challenge of growing cities and depopulating rural areas. Within the bigger cities of the region, there are 12 disadvantaged areas on the government list (three of these in Aarhus and two in Horsens). Of these 12, six are categorised as ‘ghettos’ (three in Aarhus and one in Horsens) and of these three are so-called ‘hard ghettos’ (two in Aarhus and one in Horsens). The most disadvantaged areas are thus to be found in the municipalities chosen as respectively urban and suburban case for COHSMO. However, disadvantagedness is found in rural locations as well; albeit less concentrated and therefore at risk of being overlooked.

The age structure within the region is similar to that of Denmark as a whole but again with substantial differences within the region. In Aarhus, the population is younger than elsewhere in the region. Approximately 50,000 students reside in Aarhus where one finds e.g. Aarhus University, Aarhus

Business School, Aarhus School of Architecture, Danish School of Media and Journalism, The Jutland Art Academy, Green Academy Aarhus, Aarhus Tech, The Royal Academy of Music and VIA University College. Aarhus is attracting students through being an educational centre while in contrast Lemvig is losing its young people when they leave for studying and do not return.

Table 2: Information sheet The Central Denmark Region, Aarhus, Horsens and Lemvig

	The Central Denmark Region	Aarhus	Horsens	Lemvig
Number of inhabitants, 2019	1,320,678	345,332	90,370	19,998
Size in km ² , 2019	13,007.3	467.9	519.4	508.80
Proportion of 0-17 years, 2019	20.62%	18.42%	21.34%	18.50%
Proportion of 18-64 years, 2019	60.37%	67.02%	60.51%	55.97%
Proportion of 65 years or older, 2019	19.01%	14.57%	18.15%	25.53%
Proportion of women, 2019	49.93%	50.83%	49.45%	49.02%
Old age dependency ratio, 2017	28.6	20.4	27.3	40.1
Net-migration, 2016		7.9%	11.6%	-2.4%
Natural population change, 2016		7.3%	3.1%	-2.9%
Population density, 2017	115.3	717.5	171.4	39.9
Average disposable family income, 2017, EUR	49,986	46,316	48,977	50,284
Proportion of employed individuals working in the primary sector, 2018	3.3%	0.6%	2.2%	9.9%
Proportion of employed individuals working in the secondary sector, 2018	20.1%	11.0%	23.7%	29.1%
Proportion of employed individuals working in the tertiary sector, 2018	76.5%	88.3%	74.0%	61.0%
Full-time unemployed persons in per cent of the labour force, 2 nd quarter 2019	3.9	4.8	3.7	3.4
Proportion of people living in poverty,	Not available	Not available	Not available	Not available
Proportion aged 15-69 with master's degree as highest attained level of education, 2019	8.94%	16.65%	6.01%	3.68%
Proportion of men, aged 30-69 with primary education as highest level of education, 2019	19.59%	14.36%	20.54%	25.06%
Proportion of women aged 30-69 with primary education as highest level of education, 2019	17.87%	13.33%	20.67%	22.18%
Pre-school enrollment rate (%), 2017	73.9%	76.0%	71.5%	67.6%
Name of largest city, 2019	Aarhus	Aarhus	Horsens	Lemvig
Number of inhabitants in largest city, 2019	277,086	277,086	59,181	6,959
Size of largest city in km ² , 2019	91	91		
Proportion living in settlement with less than 1,000 inhabitants, 2019	23.18	3.84%	14.21%	47.79%

Sources: Eurostat, Statistics Denmark

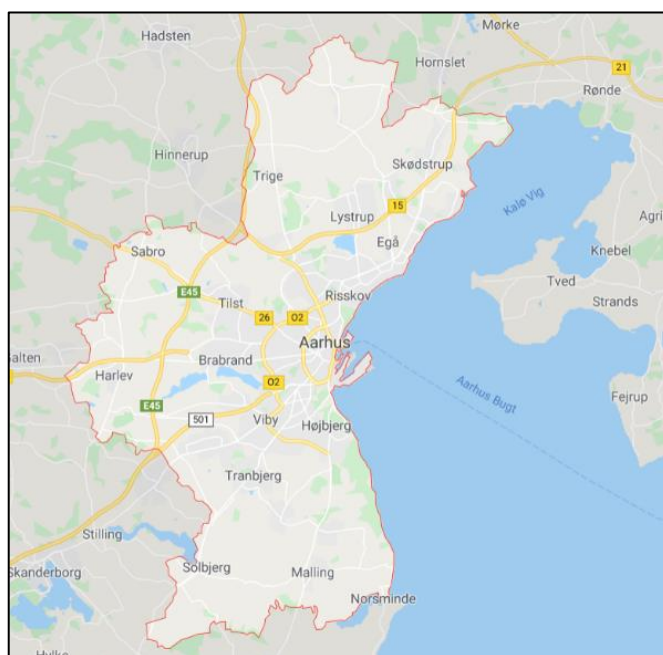
The Central Denmark Region has existed since the structural reform of 2007. The bigger regions can be seen as causing a more distant and centralized way of running the political and administrative processes but also as a way of securing relatively high levels of service and infrastructure across the regions i.e. from rural coastal areas as Lemvig to metropolises as Aarhus. Lemvig is described by some interviewees as having achieved a position in the new region as an outsider/outlier that must be met with sympathy and resources. In that sense, the structural reform of 2007 plays a more significant role for the municipality of Lemvig than it does for Horsens and Aarhus, although for both Horsens and Lemvig the reforms created closer dependencies on Aarhus.

With the creation of bigger regions, a need has in some cases arisen for other types of collaborations between municipalities of closer geographical distance and thus of more similar contextual situations. The distance – geographically, socially, culturally etc. – between Lemvig and Aarhus is significant. Business Regions have been created as a driver for strategic development across municipalities of greater closeness. Aarhus and Horsens are part of Business Region Aarhus (BRAA) with Aarhus as the growth driver and Lemvig is part of Business Region MidtVest; an extension of long-lasting inter-municipal relations between the West-coast municipalities.

The Central Denmark Region deploy EU-funding in many of its projects, using these to develop businesses and facilitate cross-sectoral collaboration in municipalities through linking together actors within the areas of infrastructure, environment and health. Aarhus seems less dependent on these development projects than the smaller municipalities of Horsens and Lemvig who have less capacity and funding for development.

2.2 The urban case

Aarhus Municipality is located on the East coast of Jutland with a harbour into the sea Kattegat. It is the largest city of Jutland, the second biggest of Denmark and offers a number of high-ranking service functions such as higher education, media, advanced services and a broad supply of entertainment. It has a small, international airport for destinations in Europe. Germany is reached by a two-hour car ride and Copenhagen in 3.5 hours by either car or train.



Apart from five years in the early 2000's, The Social Democrats have been in power in Aarhus for the last 100 years. The rule of Aarhus is historical and unique as it is the only city with a magistrate rule, a variant of a cabinet rule known from England, Belgium and the Netherlands, which was abandoned in the other three large Danish cities in the 1990s. The Magistrate consists of the mayor and five aldermen/councilmen and three additional magistrate members. The City Council has 31 seats. The magistrate-members have responsibility for a sector-divided administration. For each administration, the city council selects a committee to advise the councilman. The magistrate has the coordinating responsibility as well as the responsibility of preparing larger cases of decision for the city council. The composition of the magistrate follows a principle of proportionality, meaning that the composition reflects the city council. The mayor is chair for both city council and magistrate (Berg, 2004)).

Aarhus has been in constant growth since urbanisation began in the mid-19th century; from being a small town with around 8,000 inhabitants in 1850, it reached 51,000 in 1901. A number of large factories made Aarhus the second largest city in terms of population. The city grew fast compared to other cities in Denmark and after a minor stagnation in the 1970s, the growth has picked up again. Today, Aarhus houses 345,000 inhabitants.

The industrial structure of Aarhus differs from that of the well-known ‘global-city’ (Sassen, 2005). Although the city region of Aarhus has benefitted from the substantial growth in the knowledge and service industries, the region resembles a Danish industrial infrastructure whereas the capital region has maintained the service and business service functions (Kalsø Hansen & Winther, 2012). Eastern Jutland maintains a strong position within manufacturing industry although the importance in Aarhus is reduced. The main defining characteristics of Aarhus is that it is young, second biggest and a growth motor but also segregated. These will be described in more detail below.

Aarhus is a young city; in fact, is the youngest city of Denmark due to the many students in the city; in relative terms more than in any other city in Denmark. The city’s growth comes from all the people moving to the city to study. This means that businesses and organisations have a highly skilled work force to pick from when the students graduate. It also creates a vibrant urban life. The city being a university city means that it is a city of knowledge, a young city and home to a range of major companies. Being a university city also means that the city has a higher level of educational attainment than the region overall. The policy field of VET does not represent a field on its own. Rather it is a patchwork composed of initiatives from national and municipal levels as well as from LO Aarhus (an umbrella organisation from the labour movement comprising 21 different trade unions).

Aarhus is second biggest in Denmark. On the one hand, this means that it is perceived as the little brother of Copenhagen, being of less importance and being given less attention, nationally as well as globally. On the other hand, it is perceived by interviewees as an advantage of Aarhus that the municipality is big but not too big. First, strategic actors know one another, a fact which facilitates dialogue, coordination and decision-making. Second, the size of the city means that Aarhus Municipality, in comparison with Copenhagen Municipality, covers both the central city of Aarhus and surrounding suburban areas. Therefore, the municipality can plan transportation and mobility from the surrounding area into the city internally in the municipality, whereas in Copenhagen several municipalities would have to be involved to discuss transport links.

Aarhus is a growth motor for the region and defines itself as such. Aarhus has a strong competitive position in that it is experiencing substantial growth in terms of number of jobs and number of inhabitants and is home to a great variety in the types of businesses, which makes it less vulnerable to changes within specific sectors. This in combination with being the second biggest city of Denmark makes it a growth driver of the whole region and the key actor in the novel 12-municipality cooperation, Business Region Aarhus (BRAA). BRAA is a collaboration of 12 municipalities of Eastern Jutland, run by a chairmanship of three mayors where the Mayor of Aarhus is a permanent member. Also within the municipality, substantial development is taking place with the development of business parks such as the Agro Food Park and Business Park Skejby. The physical proximity of different businesses that are all within the same professional field provides the possibility of new collaborations and synergy between the different actors. Policies on economic growth testify to a municipality in progress with a strong will to pursue further growth in joint collaboration with the aim of becoming a growth centre with international impact (Business plan 2018-2019). Growth is expected to come from education and talent recruitment as well as through maintaining and increasing a green, sustainable profile. ALM policies are centred on increasing employment with a specific focus on youngsters and immigrants. The layout and timing of the two latest job strategies/policies is the result of the municipality’s effort to be in correspondence with a national agreement from 2018 that aims at ‘simplifying’ employment and labour markets policies. This is to be implemented during 2019 and the documents from Aarhus voice a hope that the new agreement will secure greater freedom in planning municipal labour market initiatives.

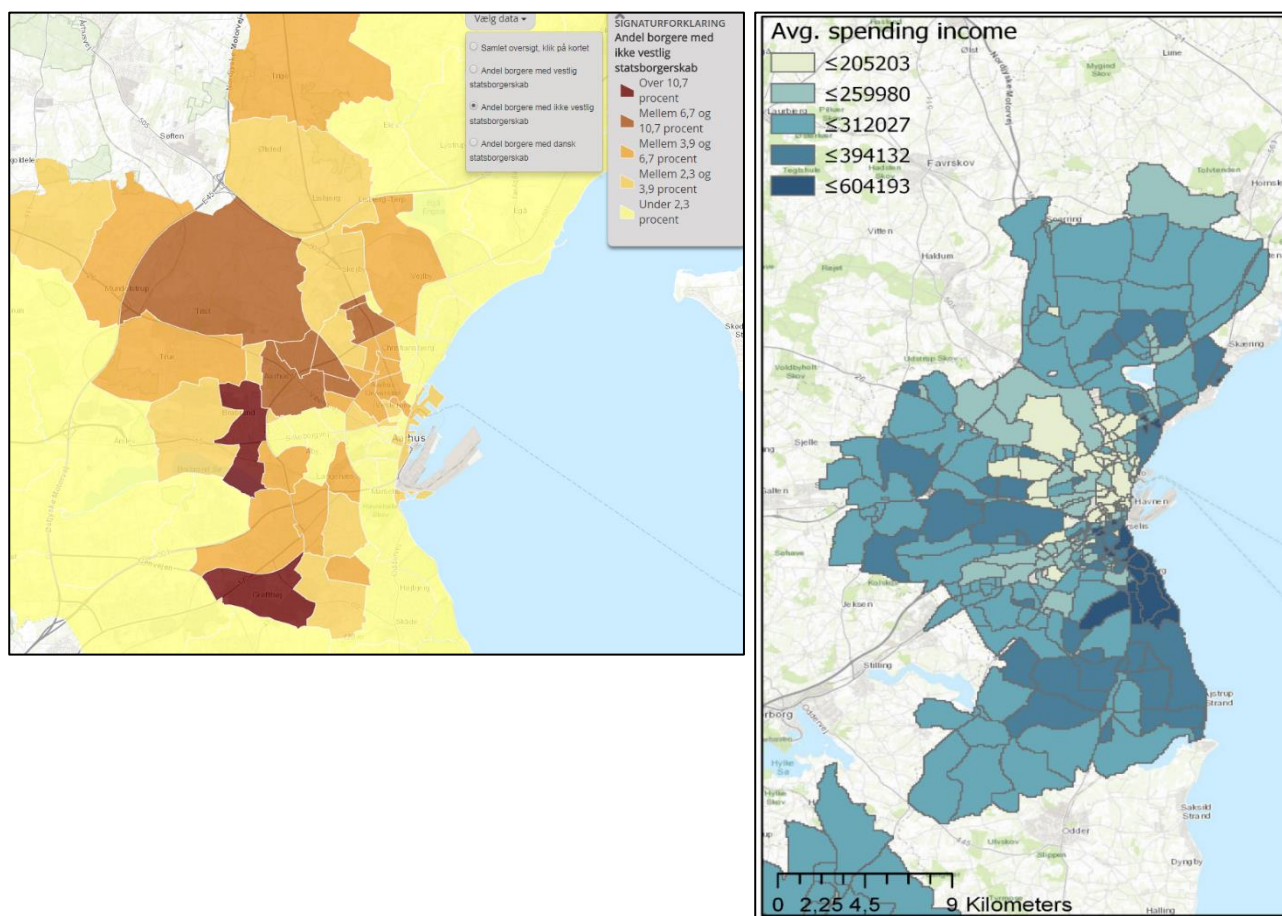


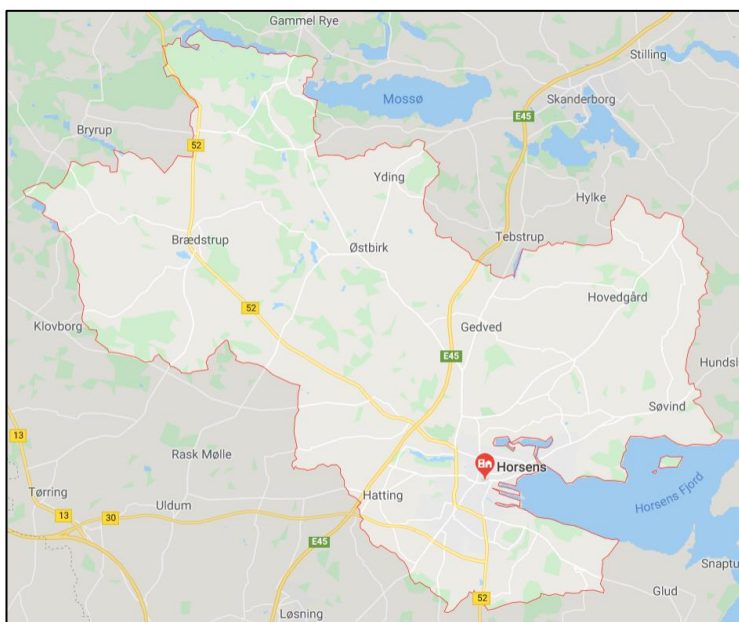
Figure 5. Left: Citizens with non-western citizenship. The darker the colour, the more citizens with a non-western citizenship. Source: Aarhus Municipality. Right: Average spending income, in DDK, Aarhus Municipality. The darker the blue, the higher the spending income. Source: (Statistikbanken, DST)

But Aarhus is also segregated both in ethnic and socioeconomic terms (see figure 5). Not all areas are benefiting from the overall growth of the city. While Aarhus is mixed on a larger scale and has residents of very different socioeconomic situations, they reside in very homogenous residential areas within the municipality. As described above, Aarhus has three areas on the so-called ghetto list. Of these, two are defined as ‘hard ghettos’. While some improvement over time is identified, the deprived areas are still lagging behind in terms of e.g. educational level, the feeling of safety, unemployment rate and poverty rate. Thus, fighting segregation is a top-priority of the city and has been for a while; leading to the development of urban regeneration policies. In fact, the national ghetto legislation is to some extent built on the approach Aarhus Municipality has had for some years in relation to deprived social housing areas: a broad, comprehensive approach combining extensive social and physical measures that Aarhus has been a first-mover in employing. In this case, a policy approach has moved from the local, municipal level to the national level, leading to a close correspondence between the national legislation and the Aarhus approach. A key element of the Aarhus approach has previously been a close collaboration between the municipality and the social housing organisations of the deprived areas. However, Aarhus Municipality seem to have broken off from this long-lived course of tight collaboration with the social housing sector during the course of the adaptation of the Aarhus approach to a national approach (see chapter 2).

2.3 The suburban case

Horsens Municipality is located centrally in Jutland, along the East coast. It is well placed along the main motorway going up through Jutland with access to the sea and 40 minutes to Billund airport. It is located along nature sites and an inlet to one side and close to the motorway E45 on the other side. It is near other big cities such as Aarhus, Vejle and Silkeborg. This means that it is easy to live in Horsens and work in any of the nearby big cities. Coupled with the low housing prices of Horsens, this has led to population growth.

The municipality has a population of 90,000 inhabitants, of which two-thirds live in the city of Horsens. Just under one fifth lives in cities with 1,000-1,999 inhabitants and 10% in rural areas. Horsens is predicted to have had an increase in the population of 15,700 people by 2030. The focus of childcare policies in Horsens is thus to expand the number of childcare places to match the population growth.



The level of educational training within the workforce (aged 15-69) is slightly lower in Horsens than in the region as a whole. The largest differences are found with regard to master's degree (6% in Horsens, 9% in the region and 17% in Aarhus). Horsens has a technical school and an agricultural college as well as a number of further education centres for nursing, teachers, production engineers and technicians in VIA Horsens. The plan is to develop a CAMPUS Horsens with room for 8000 students. Horsens has formed an educational alliance with representatives of the main educational centres, which together with The Horsens Alliance (see below) are to develop the new areas for education in the centre of Horsens and the vision of Horsens as an educational centre.

Horsens has a Social Democratic Mayor, elected by the Council for the period 2018-2021 and mayor since 2012. There is a broad political coalition behind the Mayor consisting of the Social Democrats, Socialist Folk Party, Liberal Party (Venstre), Liberal Alliance and Conservative Folk Party. The Social Democrats have been in power since the new Horsens Municipality was formed in the structural reform of 2007, where Horsens was joined with two other municipalities. The Horsens Alliance formed in 2013 holds a central position in the development of Horsens. The alliance consists of members of municipal departments within labour market, education and social services, union representatives and representatives of local businesses. The alliance is a key actor of territorial development in Horsens as it unites different interests, pools local resources and make it possible to drive the development of Horsens forward despite a tight economic budget. The alliance has played a crucial part in the rebranding of Horsens during the last 20 years and works, amongst other things, for job creation and raising the educational attainment. The alliance is thus crucial in realising the employment strategy of Horsens that aims to deal with three main challenges: 1) increase in the number of people on sickness benefit or under which fall under the category of being in the process of being job-ready clarified in relation to illnesses 2) too many young people on educational benefits, and 3) a too high unemployment rate for people referred to protected jobs (flexjob). The focus of the strategy

is on tailoring interventions in relation to the needs of local businesses, which means that resources are focused on interviews with unemployed, mentor arrangements and business contacts.

Horsens is struggling with its history as a rough blue-collar town that used to house one of the largest prisons in Denmark. The municipality is not a rich area, and they have traditionally lacked the big family industries that would bring in bigger tax revenues. The main narrative of Horsens is thus centred on attempting to change the image of Horsens from being primarily an industrial town with resident of low education to an educational and cultural town that benefits not only from its infrastructural location near major motorways but from its lively cultural life supported by voluntary activity. This change is very much a work in progress and is reflected in the vision for Horsens. The vision is that Horsens should be 1) a city of colour – attracting and sustaining culture and experiences, 2) a power centre – attracting growth and turning Horsens into an education city, and 3) a modern welfare city – to sustain resources for welfare services and cooperate with local communities and activists (Byrådet Horsens 2018). This vision is transformed into the Plan strategy 2017 (Horsens Kommune 2018a), which is conditioned by the plan-strategy of the Business Region Aarhus. Horsens has two explicit territorial strategies: one is related to enhancing economic and population growth and the other to developing Horsens as an environmentally sustainable city. According to the Municipal Plan 2017 (Horsens Kommune 2018a), a challenge for Horsens is that the municipality has a low average income compared to many of the other municipalities in the region. The territorial answer is articulated in the plan as facilitating growth and developing the inner-city areas to make Horsens an attractive city to live in.

Growth as a narrative is central in Horsens. The municipal website states that Horsens are among the top growth municipalities in Denmark, and among the top three municipalities in terms of population growth. The population increases with around a 1000 on a yearly basis (expected to increase with 10% over the next ten years). Based on the number of people employed in different fields, Horsens is a city of industry (food, energy, clean-tech, logistics, and housing construction), commerce and a growing educational sector (Business Horsens website 2018). The municipal website claims that a growing number of industries settle in the municipality. While the number of people employed in this sector has gone down, this does not exclude the number of industries going up. However, Horsens struggle in attracting the skilled labour and labour with specialized qualifications or higher education necessary to sustain economic growth. At the same time, population growth has led to a need for building more housing units. This changes the character of the city as it is forced to densify and build vertically with high rises in the new areas along the harbour. Moreover, densification decreases the green spaces and increases problems with traffic in the city. The municipality is working to create a ring road around the town and towards the expansion of the motorway system.

A major strand in the comprehensive plans of Horsens is to develop the inner city and a new area of the city Nørrestrand where there will be a combination of a green area and sustainable new housing. Another is to turn previous industrial buildings into businesses, residences, and venues for cultural events. Examples of this strategy are the previous brewery and the prison, which now hosts a museum, a hotel and office rental space for entrepreneurs. The municipality has a set of what they call territorial comprehensive plans for the revitalization of the harbour, the inner city and the creation of a campus for further education in the centre of Horsens. All plans are made in collaboration with businesses, voluntary organisations and stakeholder groups.

As Aarhus, Horsens is a segregated city. The maps in figure 6 indicate that wealth is concentrated in particular neighbourhoods. This is supported by the results from the Health Profile for the region, which shows that Horsens is a heterogeneous municipality with over 40% of the population in parishes with a low socio-economic status (group 4 and 5) and 39% in parishes that are more well-off

(group 2). This is a position Horsens share with Aarhus, while Lemvig is in the middle group with a more homogenous composition of their population (Larsen et al 2014). Both Aarhus and Horsens show signs of being municipalities divided in two in terms of the socio-geographic allocation of social groups. In Horsens, the parishes with the lowest socioeconomic status are concentrated in the centre of the city, while the most well-off parishes are in the middle of the municipality and at the coast north of Horsens city (see Figure 6).

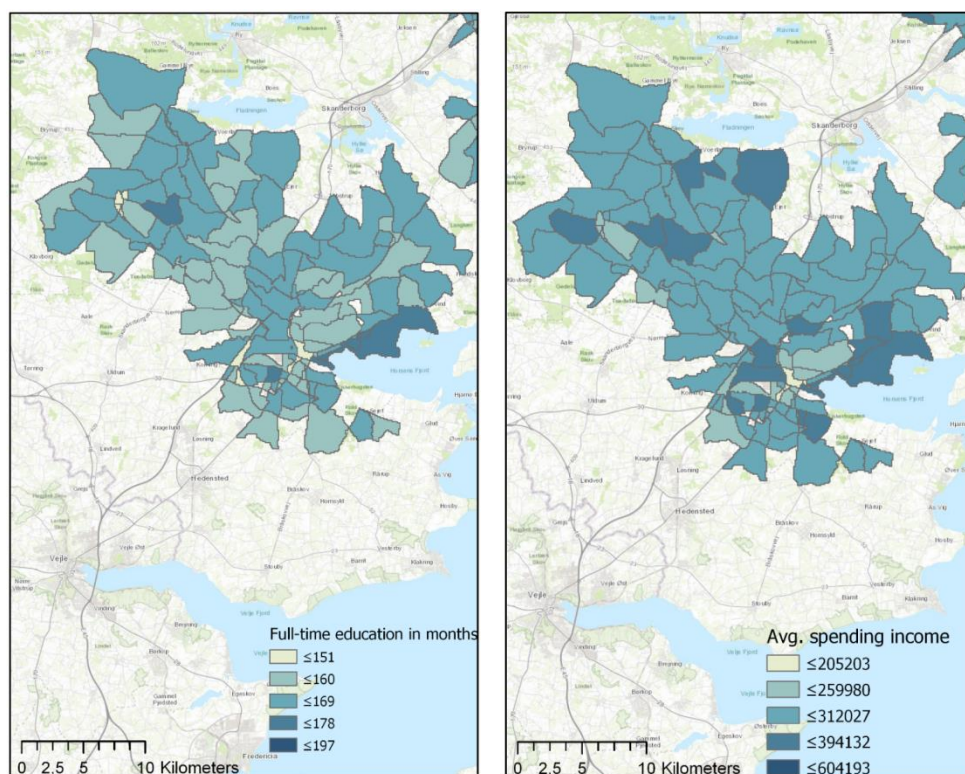


Figure 6 Average spending income in DKK and educational attainment in months, Horsens Municipality (source Statistikbanken, DST)

As Aarhus, Horsens is home to areas on the government list of deprived areas. Horsens has two areas on this list; both of which are categorised as ‘ghettos’; one of them even as a ‘hard ghetto’. The legislation is still in its early stages of implementation, and thus far, a development plan for the ‘hard ghetto’ area has been approved by the ministry but has yet to be implemented. However, the challenges of the deprived areas are not new. Thus, Horsens has a comprehensive regeneration plan for 2016-2019, a so-called housing-social master plan. It is based on the cooperation between eight housing associations² and the municipality and geographically covers four areas of Horsens: Sundparken, Triangeln, Axelpark and Beringsvænget (Helhedsplanen 2016-2019, BoTrivsel). In comparison to the municipal average, the four areas have considerably larger concentration of ethnic minorities, lone mothers, people outside of the labour market and people with low income. Thematically, the plan covers the five focus areas 1) children and family, 2) work, education, and business, 3) collaboration and engagement of residents, 4) Health, 5) image and communication.

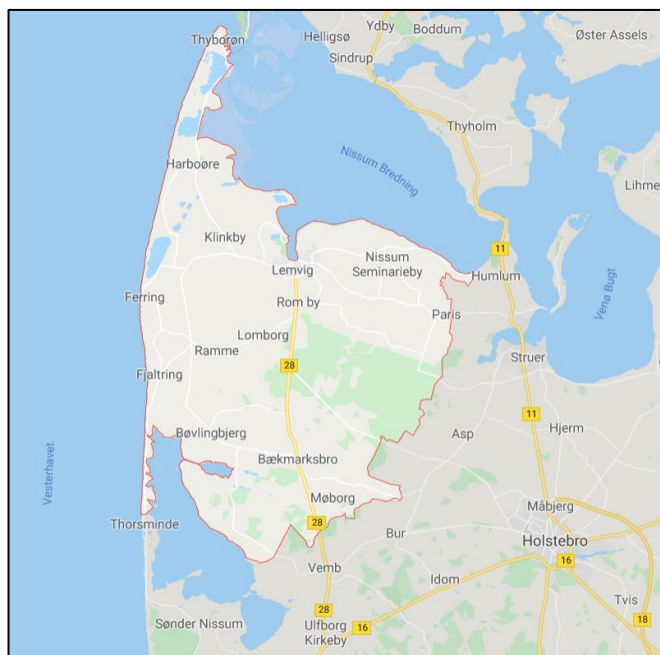
² Arbejderenes Andelsboligforening af 1938, Andelsboligforeningen Odinngaard, BoligHorsens v/ Andelsboligforeningen ”Beringsgaard” og Horsens Andelsboligforening af 1954, Horsens Sociale Boligselskab, Boligselskabet Lejerbo, DOMEA og Midtjysk Boligselskab.

Compared to other partnerships engaged in tackling vulnerable areas, the partnership behind the housing-social masterplan in Horsens is special in that the eight housing associations cover the whole municipality. Thus, it enables interaction between interventions tackling the neighbourhood scale and interventions covering the municipality. More than in other regeneration organizations, BoTrivsel in Horsens employ staff, which has a dual employment in both the masterplan and the municipality, enabling a better coordination and integration between the neighbourhood regeneration plans and the municipal policies. Interestingly, however, the comprehensive plans for the most vulnerable areas are not included in the Municipality plan 2017.

2.4 The rural case

Lemvig is located on the west coast of Jutland with the town of Lemvig located at the entry to the fjord named Limfjorden. By water, Lemvig is well connected to both the North Sea and Limfjorden. By land, Lemvig is peripherally located with approximately 50 km to the nearest motorway, 70 km to the nearest domestic airport and 150 km to an international airport.

The municipality Lemvig has a population of 20,000 individuals. One third of the population in the municipality lives in the city of Lemvig, and 30% live in rural areas. Lemvig is the only town in the municipality with more than 2,500 inhabitants. The population here is expected to decrease with 3% until 2026. In rural areas, the decrease is anticipated to reach 7% by 2021 and 15% by 2026. Overall, it is expected that the population will decrease with 9% during the next ten years. While a large increase of 50% is expected for the population aged 80 and above, the population in the working ages is expected to decrease by 13%. The largest decrease is anticipated amongst the youngest inhabitants. Both geographically and in terms of age, the population change is thus unevenly distributed.



The level of educational training within the workforce (aged 15-69) is lower in Lemvig than in the region. Less than 4% have a master's degree (9% in the region). Disposable income is slightly higher than for the region as a whole and noticeably higher than in Aarhus (see table 2). VET policies are implemented via educational institutions such as Lemvig Gymnasium, Lemvig Business College and Lemvig Production School. Furthermore, the municipality has a relatively remotely located teachers' college but all other types of vocational schools and university education is located outside the municipality. Childcare policies focus solely on how the pedagogical work within the municipal kindergartens and nurseries should be carried out. There is no territorial dimension related to these policies.

The occupational structure of the municipality differs from that of other municipalities in Denmark. First and foremost, this is seen in the higher proportion of jobs in the so-called primary sector such as farming, forestry and fishery as well as in jobs within industry, raw materials, and utility companies. In terms of productivity, Lemvig has a high score measured as value added per man-years. While the average is 531.715 DKR for the region, and 591.170 DKR for the whole country, it is but 606.541 DKR for Lemvig (Statistikbanken). This tendency is mirrored when it comes to start-up companies

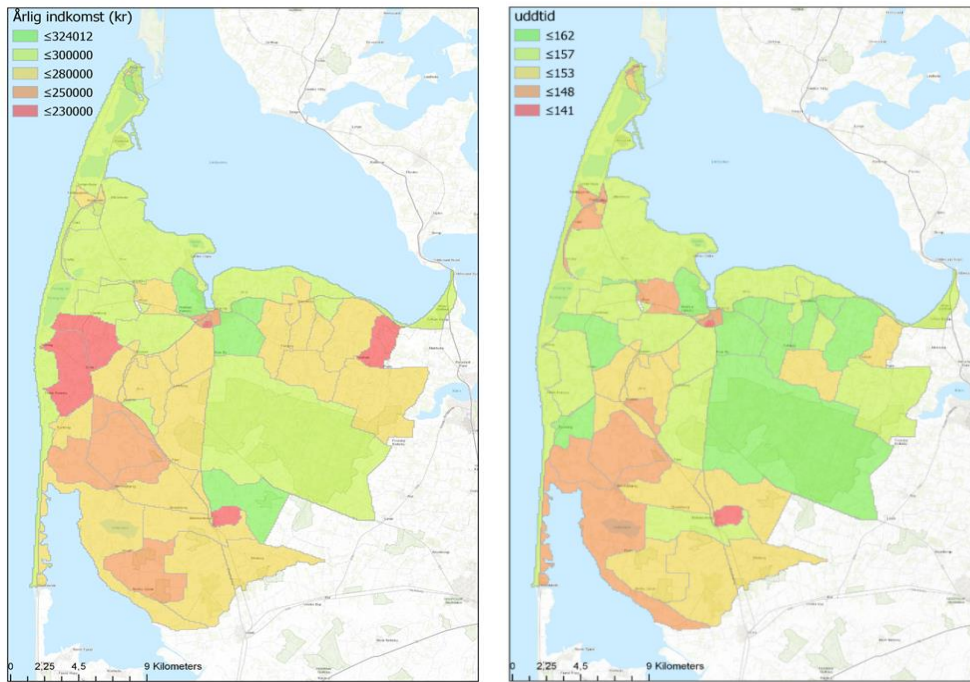
with employees and export. The number of new companies increased by 28% in 2014, whereas for the rest of the region and Denmark in total it decreased with 5% and 1% respectively. Lemvig is struggling with a paradoxical problem of being a very well run municipality with a good local economy, sufficient jobs and substantial service deliveries on the one hand and on the other hand experience a decline in population. This means that there is a great number of immigrant workers coming to the municipality of Lemvig in order to supply the demands for workforce. Especially this need is seen within the fishing industry, farming and the production of energy. Despite the need for labour, the municipality does not have a specific labour market policy. In general, policy documents are scarce.

Lemvig has a historical connection to the communities and circles that formed the basis for the modern Danish wind power industry as it was developed in the 1970's in the town called Ulfborg, close to the municipality of Lemvig. This connection has grown into a local market. Hence, there are wind power parks with wind mills up to 150 meters in the Limfjord, in the North Sea off Lemvig and on dry land. The municipality is planning to develop these parks until 2025. This development is a great part of the explanation behind the growth in industry, raw materials and utility companies as mentioned above. The wind power economy of Lemvig also includes five national (government driven) test-sites.

Segregation and socioeconomic inequality is limited in Lemvig. Compared to the other municipalities in the region Lemvig has a socioeconomic profile characterised by having very few inhabitants belonging to both the social group with the highest socio-economic status social group 1 and those with the lowest socio-economic status social group 5 (Larsen et al 2014). The largest proportion of the population belongs to social group 2 and social group 4. Socio-spatial segregation is present within the municipality but not very pronounced (see figure 7). This could be due to the limited range of social differences. Comparing the maps of figure 7, the expected convergence between education and income appears for most of the municipality with higher incomes coinciding with longer education. Supporting the picture of a municipality of relative equality is the fact that Lemvig is amongst the quartile of municipalities where the inhabitants are most likely to break educational reproduction (AE 2015).³

Figure 7. Left: Average spending income in DKK. Right: educational attainment in months. Lemvig Municipality. Source: (Statistikbanken, DST)

³ https://www.ae.dk/sites/www.ae.dk/files/dokumenter/analyse/ae_flere-unge-monsterbrydere_0.pdf



The Mayor of Lemvig, Erik Flyvholm, is elected for the Liberal Party, Venstre. Venstre is the largest party in the municipal council with 12 out of 21 mandates. There is a strong right-wing orientation among local voters which means that 15 mandates out of 21 are right-wing. The Liberal Party has been in power ever since the municipality was formed in 1970. It was expanded to its current size in the structural reform of 2007.

The municipal council of Lemvig is highly engaged in territorial development of the municipality based on increasing tourism and different types of leisure activities. Hence, they are partitioning more land and thereby opening up for an increased number of summerhouses (Lemvig Kommune 2016). The west coast of the municipality offers a spectacular nature with wide and white sandy beaches, dramatically steep cliffs and an unobstructed view of The North Sea. Part of this coastline, if partitioned, will be sold to private owners and part of it to larger projects and financially strong developers with the aim of developing a holiday resort focused on surfing in the little town on the west coast called Fjaltring. The municipality has applied for dispensation from the national planning legislation in order to develop the area around the groyne Q, Breakwater Q, which is a well-known surf spot for members of the Danish as well as the international surf-community. Part the dispensation application as well is the development of a geo-park and a nature-park.

A final key characteristic of Lemvig is that it has a high level of social associations and organized civil society compared to the number of inhabitants and Lemvig ranges among the municipalities with the highest share of locally active residents (Jakobsen, Yding, & Johansen, 2014). There is a strong and historic tradition for participation in local associations and in non-profit organisations and relatively many local attractions and cultural institutions are mainly run by volunteers.

3 Territorial capital

In this chapter, we focus on how urbanization and inequality (demography and lifechances) affect mobilization of territorial capital. Territorial capital depend on a range of different types of characteristics of a given place. To identify these, Sevillo, Atkinson, and Russo (2012) have developed a conceptualisation of territorial capital which we take point of departure in. They argue that territorial capital relate to the assets available in a given territory and the mobilisation of these assets; pointing to six different groups of territorial capital. As their analytical framework is developed with the intent of studying territorial attractiveness rather than territorial cohesion, we have adapted the framework slightly to fit our present purposes. This leads to the following six groups of territorial capital:

- Environmental capital: natural resources, landscapes and climate.
- Antropic capital: man-made buildings and urban structure.
- Economic capital: level of economic activity, firms and sectors, employment, clusters.
- Human and social capital: education, diversity, gender and ethnicity, tolerance, networks.
- Institutional capital: democratic structures, autonomy, tax structures, participative structures/inclusiveness.
- Cultural capital: history, place identity, cultural inheritance.

To create territorial development, focus can not only to be on the static stock of assets but also on the utilisation of these stocks and the political strategies involved in this utilisation (Camagni 2017). This is similar to the point made by Bourdieu (1990) that it is the meeting between different constellations and stocks of capital and their materialization, institutionalisation and incorporation in the specific social spaces that matters. Since we base the present report on qualitative fieldwork it is the narratives of these meetings that are relayed, more so than a discussion of real and intended forms of capital. Thus, even though we have interviewed actors from different sectors aiming to map different perspectives and sets of demands, assets can lie dormant and potentially play a limited role for the way that patterns of territorial cohesion play out in actual cases. In the COHSMO project, territorial cohesion is conceptualized as the interplay between territorial capital, collective efficacy and territorial governance. This conceptualization indicates that territorial cohesion is the dynamic result of relations between assets, the political strategies for utilizing them and the webs of social relatedness generating both specific demands and emphasis on solutions. There is not only a dynamic relation between potential assets and their utilization (Sevillo, Atkinson and Russo 2012), but also different relationships between the different groups of potential assets. This means, that there are different sets of relations between the different groups in each of the three cases, and that this calls for different mobilization strategies.

3.1 Territorial problems and advantages in each case

The three cases of the case study are characterised by different territorial problems and advantages. While some of these are recognisable as typical characteristics of respectively urban, suburban and rural places, they take on a local character and define the situation of the specific place. This section focus on the interviewees' perceptions of the most important territorial advantages and problems of the place, focusing on those that had an impact on the development of territorial cohesion. These

territorial problems and advantages can be identified in the analysed documents as well and form key development narratives that frame the mobilisation strategies for territorial capital in each area. Note that the policy field of childcare is close to non-existing in the discussion of problems and advantages as coverage is generally high and as it is a policy field of limited relevance at municipal level as described previously.

3.1.1 Problems and advantages in Aarhus

Aarhus is, despite being small in international terms, the second biggest city in Denmark, it is a city in growth and it experiences both the advantages and the challenges involved in being a big city in growth. Looking across the interviews, the following advantages stand out: 1) business collaboration and growth, 2) education, 3) city size and scale, 4) strategic planning and 5) active citizenship and volunteering.

Business collaboration and growth are defining characteristics of Aarhus at present; building on a strong urbanisation trend. Aarhus is experiencing substantial growth in inhabitants and employment and it represents substantial variety in types of business and employment making the municipality less vulnerable to changes within individual sectors (Urb_Pa_6). Economic capital is thus high in Aarhus. The City is highly focused on facilitating the best possible conditions for businesses. They collaborate extensively with external actors and continuously maintain close relations which serves as the basis for easy contact whenever needed and for getting different actors quickly involved. One example is how the City has established a Business Contact Committee, which represents a range of the most influential strategic actors from local business life, the university and other educational institutions, the labour union and more. This is to secure that actors are working in the same direction but the committee function also as a direct advisory organ to the City's business and strategic development plans. A second example is the private initiative Agro Food Park, a regional innovation and growth centre that enjoys strong support from Aarhus Municipality, BRAA as well as from the Region. The food park is based on the understanding, that the physical proximity of different businesses that are all within the same professional field provides the possibility for new collaborations and synergy between the different actors. As it were, the centre is in contact with both the Mayor's office and the Technical and Environmental Department on a weekly basis and as one interviewee describes it, the Municipality is 'the centre's best friend' (Urb_Ba_2).

Education is a cornerstone of the growth and development of Aarhus. Aarhus is 'the youngest city' of Denmark due to the many students in the city; in relative terms more than in any other city in Denmark. Thus, the human capital of Aarhus is high. The city's growth emanates from being an educational centre that attracts people to the city to study. This is an advantage as it means that they have a highly skilled work force to pick from when the students graduate. It also creates life in the city (Urb_Pa_6). The city being a university city means that it is a city of knowledge, a young city and home to a range of major companies.

The city's size and scale is an advantage for the city as well. There is a recurring emphasis on how Aarhus is 'big, but not too big'. On the one hand, the municipality is sufficiently small for strategic actors to know one another, which enables and supports dialogue, coordination and decision-making. On the other hand, the municipality is sufficiently big to function as the driver for growth in the entire region as the key actor in the novel 12-municipality cooperation, Business Region Aarhus. As mentioned, Aarhus is the second largest city in Denmark, but its geography differs in important ways from that of the Copenhagen capital. In contrast to Copenhagen Municipality, Aarhus Municipality covers both the central city and the surrounding suburban areas. This makes general planning easier especially within transport/mobility planning and infrastructure development, as they do not need to

coordinate with surrounding suburban municipalities (Urb_Pa_7). This can be seen as a form of institutional capital that allows for better coordination and autonomy in infrastructural planning.

Strategic planning is central to several policy sectors in Aarhus. Firstly, the municipality invests in areas in the city by buying up land and developing them; making strategic investments with an aim to densify the growth areas of the city. This investment model makes it possible to shape the development of the municipality even further than only through regulative means such as local plans (Urb_Pa_8). You might say that economic capital and institutional capital is employed in building up the antropic capital of Aarhus in the form of urban structures. Secondly, strategic planning is utilised in the development of the disadvantaged areas of the city, such as Gellerup. The municipality strives to identify the commercial potentials of the deprived areas in order to make commercial development the driver for change, in collaboration with social housing organisations. One focus of this strategy is to convince private developers to build housing in the deprived areas. In relation to this, an advantage of Aarhus and the deprived areas in particular is available land, offering the possibility for densification. Adding to the potential is that the deprived areas are relatively close to the city centre where prices are much higher (Urb_Pa_10; Urb Ba 3). A third aspect of strategic planning is, according to one interviewee with knowledge of Business Park Skejby, that the municipality has an increased focus on social cohesion in negotiations with privately driven property development. This focus allows non-profit organisations to provide activities for both the Business Park and future residents in terms of community-house facilities as well as to include a museum that employs mentally ill and citizens with reduced work capability, providing arts and a creative atmosphere to the district of Skejby (Urb Comm 3).

Lastly, **active citizenship and volunteering** is perceived as a democratic advantage of Aarhus; offering human and social capital as well as institutional capital in the form of the participatory structures. One key resource is the great number of voluntary associations, many affluent people and a lot of developers and entrepreneurs. Aarhus is a “small big city”, “having everything it takes” to engage citizens in growth-related initiatives, especially urban development. Citizens themselves strive to develop the city, which in turn inspires the municipality to engage citizens in different ways (Urb_Pa_11). Within the social housing sector, the residents have the right to influence decisions and changes in their neighbourhood as opposed to within the private rental sector (Urb Comm 2). All in all, Aarhus municipality seems to acknowledge the importance of citizen involvement. Hence, although the process is complicated and the road towards a successful involvement of citizen is long and far from fully developed, there is a general political will to invite the residents to engage in the development of their neighbourhood (Urb_Comm_1).

Turning to the challenges, it becomes clear that many of the aforementioned advantages of the city and policies also entail challenges and potential problems, especially mobility, emerging tensions between strategic planning and business promotion, segregation, VET-problems and expenditures related to education. Concerning **mobility**, Aarhus and the business region is in a process of transition, as existing infrastructure cannot keep up with the demand. There is a need for bigger roads and parking spaces and these are not easily incorporated into the urban fabric. Consequently, it leads to discussions on how many cars to make room for, and how to incite commuters to travel by bike or the public transportation system. This has led to mobility becoming a growing contentious issue with a focus on changing the car-based mind-set of citizens and commuters (Urb_Pa_7). The need for infrastructure is, however, still pertinent.

Growth priorities and strategic planning have created tensions around land ownership and the municipality has had to prioritise which businesses to support, and what business fields to focus on. Central parts of Aarhus have substantial shares of empty plots that cannot be built upon due to issues

with ground water. Consequently, the city is in a process of densification in order to sustain growth but at the same time avoiding urban sprawl. However, the City's priorities are not always in correspondence with the wishes of citizens, as a substantial number of families with children prefer single-family housing. In a sense, building on the economic capital (i.e. growth) can challenge the institutional capital of participative institutional structures.

Fighting segregation is a top-priority of the city. While Aarhus is mixed on a larger scale and has residents of very different socioeconomic situations, they reside in very homogenous residential areas within the municipality (Urb_Pa_8). The municipality is trying to change this, amongst other things through a mix in tenure, building social housing in affluent areas and owner-occupied housing in deprived areas. However, both physical and social structures are not easily changed. Interviewees mention that other 'ground rules' apply in the disadvantaged areas than in the rest of society and that even though the educational level and the feeling of safety is mentioned as having gotten slightly better, it has still not improved enough. Furthermore, the unemployment and poverty rates are too high in comparison to the city as a whole (Urb_Pa_10). Thus, territorial capital in the form of economic, human, social and cultural capital is not equally distributed across the municipality. The same is true for antropic capital. Current focus is on changing this through both the measures of the 'ghetto' legislation, that focus both on antropic capital by building housing, cultural institutions and workplaces in the so-called hard ghettos and on economic, human, social and cultural capital through changing the residential mix of the areas and through securing additional funding for the areas.

In relation to **VET**, there is a growing demand for increased labour and increased competencies in the industry-profiled region. At the same time, a growing group of in particular young people are having problems in getting started on an education and gaining a foothold at the labour market according to an interviewee from a labour organisation (Urb_Ba_4). A key focus is thus on supporting the further development of human capital, specifically in relation to increasing the supply of skilled workers.

3.1.2 Problems and advantages in Horsens

Turning to Horsens, both challenges and advantages are of a distinctive suburban character and are in several ways linked to Horsens proximity to Aarhus. The main advantages highlighted by the interviewees relate to the geographical location, low housing prices, population increase, a changed reputation and the Horsens Alliance. Main territorial problems are a lacking ability to attract needed labour, the relative poverty of the inhabitants of the municipality, segregation and concentrated deprivation as well as densification processes.

The geographical location of Horsens is a territorial advantage according to several of the interviewees. The municipality is located along nature sites and lies with an inlet to the one side and close to the motorway E45 on the other. This thus relates to a combination of environmental capital and antropic capital in the form of infrastructure. It is close to larger cities such as Aarhus, Vejle and Silkeborg and therefore, it is possible to live in Horsens and work in one of the nearby cities. A second advantage is the relatively **low housing prices**. These are partly the result of historically low tax rates in the Horsens catchment area, which, in turn, have made the municipality interesting for housing developers. The mentioned advantages – nature, proximity and low cost housing – are the main reasons for the recent years' **population increase**, a third advantage of Horsens. This increases the municipality's economic and human capital. Young families with an education from Aarhus (or Copenhagen) choose to settle in Horsens as they can get a big house for the same price as a small flat in the city. Besides housing prices, also retail prices and salaries are low in Horsens. One interviewee says

that for him and his business within the construction sector, the low prices make Horsens a laboratory for trying out new things saying that:

If you can build houses in Horsens, then you can build in the rest of the country, in the rest of the growth areas of the country. If you can make it work here, then it will work there. (...) when we got the prize and everything else to add up here, then it became a giant success when we came outside [or Horsens] as we could charge more there. (Sub_Ba_6).

Overall, the housing prices is a potential for development and growth and at the same time a challenge to the ambitions of the municipality to develop the harbour area and attract the growing population of elderly residents with big savings.

Another advantage is the relative success of the Municipality's strategy to **change Horsens' reputation**. The municipality has been working intensively on changing its image from a blue-collar working town into a middle-class cultural centre, increasing the cultural capital of Horsens. Horsens was one of the first provincial towns in Denmark that actively rebranded itself as a cultural hot spot through concerts and other mega events (e.g. the kick-off of Giro d'Italia, the prison museum with 100.000 visitors a year and a national event for gymnastics). Furthermore, the municipality has hired a former leading figure a major Danish music festival to improve Horsens' role as a cultural city. The strategy has paid off in that all interviewees refer to this when asked about potentials and advantages. In their view, Horsens' image has changed both amongst inhabitants as well as in the eyes of outsiders who have begun to see Horsens as a place of activity and "city-culture" (the prioritisation of culture to attract the middle-classes is also discussed in chapter 4). In this way, Horsens has retained its individual identity as a town in its own right rather than merely a suburban appendix to Aarhus. Community organizations and voluntary activities have played a huge role in making the cultural events involved in the rebranding process possible. Several community actors explain how their associations are mobilized to perform particular jobs (e.g. parking and selling tickets) at the events (Sub_Comm_14, Sub_Comm_17). Another important path to the development of a strong voluntary sector in Horsens is the Healthy City initiative.¹ Today it works as the hub for voluntary activities and is driven by the municipality. Human and social capital is thus a cornerstone in building up the economic and cultural capital of Horsens.

The rebranding of Horsens during the past twenty years has happened through close collaboration between the Municipality and the local alliance between business interests and local authority developers called **the Horsens Alliance**. The alliance, therefore, is also a substantial territorial advantage in Horsens in the shape of social capital that the Municipality can draw on. As a means of supporting its current growth, much of the municipal planning focus is on developing urban spaces for different leisure activities and increased livability in order to attract more of the creative/academic middle classes. Examples are renovating shopping areas with focus on activities, including a swimming and activity facility in the harbour renovation, and increasing the number of cafés and shops. The newest component in this development is the building of a campus for educational facilities on a site near the main station. These will house a university college offering further education of medium length, e.g. teachers and nurses. As part of its' branding, Horsens has in recent years, also branded itself as an educational city and have succeeded in attracting students from especially Eastern Europe. All in all, the aim is to increase the human and social capital of Horsens.

One of the major territorial issues in Horsens is the **lacking ability to attract needed labour**, in particular skilled labour and labour with specialized qualifications and/or higher education. Statistically, there are more people commuting to work outside of Horsens (approx. 1000 people) than people commuting into Horsens. Changing this pattern is a key focus of both the Municipality and local

businesses, among others through a campaign called Horsens Works (Sub_Ba_8). There is a need for increasing the human and social capital of Horsens to secure economic growth.

A second challenge is **the relative poverty of the inhabitants of the municipality**. Horsens is one of Denmark's most segregated towns, housing many very poor people that bring down the average income of the municipality. Economic capital is thus relatively low. One of the explanations for this is the historical lack of any big (family) industries providing substantial tax revenues. In addition, even though Horsens succeeded in rebranding from prison town to event city there remains to be an over-representation of vulnerable families in the municipality compared to the national average. Several interviewees refer to the prison past of Horsens as an explanation:

... when dad was imprisoned in the state prison here, mum would follow with the children, and then they stayed on when dad came out of prison. ...my impression is that we have a group of relatively marginalized families who we have a hard time getting back on track (Sub_Pa_19).

Another challenge for Horsens is **segregation and concentrated deprivation** in specific areas. Overall, Horsens is a residentially mixed town with expensive villas, flats where Polish workers live cramped in temporary housing and large areas of developments. There are some very rich areas along the inlet (for example Stensballe) and new single-family housing is constantly being added to the town. One of the interviewees uses the metaphor of a Michelin man when she refers to the rings of single-family houses built all around Horsens. Income is not generally low in the municipality, but low income is concentrated in particular areas of the city. Interviewees relay that Horsens is performing under the national average when it comes to health and educational attainment. Especially the two areas; Sundparken and Axelborg are mentioned by interviewees as areas with a high concentration of poverty, low educational attainment and a high share of people outside of the labour market. The two areas are categorized as vulnerable housing areas on the national "ghetto list", and the new national strategy for tackling parallel societies (the ghetto strategy in popular language) is mentioned by several interviewees. The two areas are relatively small compared with vulnerable housing areas in Aarhus, for example. If the municipality is forced to tear down 60% of the units in Sundparken, which could be a consequence of the ghetto plan, it will have dramatic effects on the area and the city. It would equal 330 flats with approx. 800 residents. The displaced residents will not be able to get new homes in the same areas and there are no other cheap rental apartment areas in Horsens. Moreover, if these units are torn down it will bring a spill-over effect on the institutional coverage and the social projects that are underway in the areas. In an interview from the last round of interviews the chief executive for the area explains that they have succeeded in getting a dispensation from the national strategy. The plan is to change the density of social housing in the area by moving a school and making room for new owner occupied housing (Sub_PA_21).

The situation of the vulnerable areas in Horsens is compounded by the **densification processes**. The population increases with around a 1000 on a yearly basis [expected to increase with 10% over the next ten years], and everywhere housing is being built. This changes the character of the city as it is forced to densify and built vertically with high rises in the new areas along the harbour. A few interviewees mention that this densification will change the soul of the town, as the new housing is primarily built to cater for the middle-classes. Moreover, densification decreases the green spaces and increases problems with traffic in the city. The municipality is working to create a ring road around the town and towards the expansion of the motorway system, increasing the antropiccapiatal to match the population growth. The densification increase the need to expand on child care and schools to match population growth, and the recent loosening of an otherwise very tight local authority budget is directed to a large part to making the infrastructure fit the population size in Horsens (Sub_PA_22).

3.1.3 Problems and advantages in Lemvig

Lemvig with its remote location is an example of both the key challenge of many rural places, namely depopulation, and of co-existing territorial capital that in many ways utilised in the attempt to secure a viable future for the municipality. Overall, Lemvig is well-functioning in terms of local economy, jobs and public service delivery. Territorial capital, collective efficacy and territorial governance is reported to be efficient but the remoteness of the area is a source of different problems related mainly to demographic outflux and to preferences of globally rooted businesses. Main advantages of Lemvig are the natural resources and a high level of collective efficacy. Main challenges are demographic decline and depopulation, labour shortage and a lack of suitable and attractive job for women.

A key advantage of Lemvig is the wide range of **natural resources** of the area that constitute the basis of different kinds of businesses within the primary sector. Environmental capital is thus high in Lemvig. First, the farm land is of very high quality. Second, fishery is very good in particular on the west coast around the area of Thyborøn and partly also in the fiord that constitutes the northern border of the municipality. Third, the wind atlas of Lemvig contains the highest wind speed in the country. The coast line of the western part of the municipality is called ‘the iron coast’ because of its very difficult ocean current and the harsh wind. The wind is usually blowing from west and north-west, which, added to high speed, constitutes supreme conditions for wind turbines.

The second main advantage of Lemvig is related to a **high level of collective efficacy**. A great number of voluntary organizations are located in Lemvig and there is a strong tradition for collaboration between engaged residents, businesses and local authorities. There is a high degree of interlocking and interdependent relations between entrepreneurs, business stakeholders, community stakeholders, NGO’s and local public authorities. Distances between all categories of local stakeholders are short and communication is easy and effective. There is a mentality of taking care of problems in these varied and local webs of social relations – a mentality that is described as having been built on “the mentality of being self-employed farmers or fishermen located in a remote part of the country where you are not used to getting help” (Rur_Comm_17). Historically, the inhabitants of Lemvig were free farmers instead of serving the aristocracy and local manors, which was otherwise normal in Denmark until 1800. This historical identity of the area is articulated as a reason for the mentality of taking responsibility and for participating in all sorts of local affairs. This explanation is linked to a certain “culture of necessity” originating in the geographical remoteness of the municipality: they have to manage things themselves as no one will come and help because the municipality is too small and too remotely located.

Demographic decline and depopulation is pointed out as the overall challenge of Lemvig Municipality. It is mentioned by all interviewees, indicating a shared understanding of the main territorial problem. Young people move from Lemvig to larger cities of Denmark where the educational institutions providing education beyond upper secondary school are situated. When they finish education, they do not tend to return to Lemvig. The lack of population is the source of a range of other problems such as **labour shortage** and stagnation in the housing market, which causes loss of private capital and physical decay of the housing stock. Furthermore, there is a **lack of suitable and attractive job for women**.

If there are no jobs for women in the area, men will be pulled away. It is undoubtedly that the lack of job possibilities for women is the main reason why it is very difficult to acquire sufficient fishers. It is a major challenge. (Rur_Ba_4)

A large local chemistry factory Cheminova was sold to the American FMC Corporation in 2014. After taking over, they moved the administration and the research department of the factory to the area north of Copenhagen. Consequently, of the 800 jobs in the area prior to the take-over, only 400 are left and of these only 50 are jobs for people with a university degree (as opposed to 300 out of the earlier 800 jobs). This caused a dramatic drop in the number of academic jobs in Lemvig and is by locals perceived as one of the major reasons why Lemvig has difficulties in attracting high-skilled residents. In relation to public service deliveries, depopulation has resulted in the closing or merging of schools. In relation to other types of welfare-deliveries, however, the level of service is described by interviewees as sufficient and high.

The different forms of territorial capital and narratives of territorial problems are summarised in the below table.

Table 3: Summary of forms of territorial capital and narratives of territorial problems

		Aarhus	Horsens	Lemvig
Territorial capital	Environ-mental capital	Available land offering opportunities for development	The geographical location in relation to nature and proximity to Aarhus	Natural resources, strong wind, land and sea
	Antropic-capital	Agro food park, Skejby business park Aarhus Ø and harbour renovations	Harbour renovations Infrastructural expansions Campus	Klimatorium Bovbjerg Lighthouse
	Economic capital	Economic growth Growth in employment and access of highly skilled labour A broad variety of types of businesses and employment Business clusters Strategic municipal planning through buying and developing land	Low housing prices Population increase leading to economic capital	Entrepreneurialism Economic capital among selected groups
	Human and social capital	Business collaboration Collaboration between businesses and municipality Growth in inhabitants Educational centre Highly skilled workforce	Wants to be an educational city. Population increase leading to human capital A strong voluntary sector	Close collaboration between all categories of local stakeholders
	Institutional capital	Policy on citizen involvement Focus by the municipality on securing social cohesion in privately driven property development	The Horsens Alliance	Interlocking networks Proactive and pragmatic local government High service level
	Cultural capital	Active citizenship and volunteering	A changed reputation for Horsens Horsens as Event city	A high share of active citizens and voluntary organisations A mentality of taking care of problems
Territorial problems		Mobility and infrastructure challenged by growth Growth priorities and strategic planning creating tensions re. land ownership between different actors	Lacking ability to attract needed labour The relative poverty of the inhabitants of the municipality	Demographic decline and depopulation Labour shortage Lack of jobs for people with a university degree

	Segregation, in particular in the ‘hard ghettos’ Lack of skilled workers	Segregation and concentrated deprivation Densification processes	Lack of jobs for women
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3.2 Mobilisation of territorial capital across cases

The role of territorial capital vis-à-vis developing territorial cohesion depends, as stated above, on the utilisation and mobilization of territorial capital. Sevillo, Atkinson and Russo (2012) argue that mobilization of territorial capital depends on the capacity of public authorities to instigate and direct the mobilization process, as well as on the involvement of different kinds of other stakeholders in a multilevel governance framework. In the COHSMO project, we focus on active local community agents and businesses as stakeholder groups in mobilizing territorial capital. In the first sections of the analysis below, we compare similarities and differences in the main narratives of territorial assets and problems and subsequently describe the main strategies for mobilizing these. Following on from this, we focus on the role of networks in the mobilization of territorial capital. Finally, we discuss how the three case municipalities have become strategic in their mobilization of territorial capital in order to improve territorial cohesion and we argue that a specific Danish take on coupling growth and liveability appears.

3.2.1 Key ways that territorial capital is mobilised in the policy documents

The overall vision of **Aarhus** is a prospering city that is growing in both size and importance. It represents a case of finding one's place in the national (and international) 'urban hierarchy' and developing an identity and a narrative around this. The city aims at being a diverse city with 'room for everyone', as it reads in the documents. However, the policy analysis indicates different perspectives as to the fulfilment of this vision. The policy documents reflect a municipality with great social concern as well as a very 'agile' municipality eager to be front-runners and to respond to national policies quickly. Politically, the documents reflect a traditional social-democratic inclusion and social awareness approach as well as a fairly liberalist and business-oriented approach. This ambivalence is strengthened by the changed relationship between social housing associations and the municipality in the collaboration around vulnerable social housing areas. The efforts in deprived housing areas had until 2018 been undertaken in a close collaboration between the municipality and the housing organisations. The national legislation passed in November 2018 has damaged this good working relationship. Aarhus City Council passed an agreement in June 2018 proposing further reduction of social housing after the national legislation was proposed but before it was eventually passed. Hitherto, they had involved the housing organisations in such agreements, basing them on negotiations and discussions between the two actors. Furthermore, the 2018-agreement states explicitly that the parties behind the agreement have noted that the national parliament is expected to give the municipal council "*explicit authority to order the housing organisations to carry out efforts against parallel societies*" (Aarhus Municipality 2018: 17). The additional interviews conducted in 2019 show that both municipality and the housing organisation of Gellerup acknowledge the changed relationship, stating that they have had a period of not having any contact but will have to find a way back to working with each other to live up to the 'ghetto-legislation'.

Aarhus has an official focus on citizenship and citizen involvement but also shows tendencies for reality being less collaborative. Citizen involvement is described as crucial to the development of Aarhus and even as a duty of the residents of the municipality. While an admirable goal, this could

also be a way of legitimising the current development of the municipality. The scale and scope of citizens' involvement is unclear, and there are indications in the material of the municipal approach being less collaborative than officially indicated. The most manifest examples of how urbanisation affects the municipality's mobilisation of territorial capital in Aarhus is through its collaborative focus and citizen involvement approaches.

Horsens has gone from a policy strategy focused on developing territorial capital to developing the relation between territorial governance and collective efficacy. If we think of territorial capital, collective efficacy and territorial governance as a three-pronged relation that depicts how territorial cohesion is developed, we can characterize it as a change from aiming to develop Horsens mainly through growth and territorial governance to developing territorial cohesion through the relation between territorial governance and collective efficacy. The Horsens Alliance is a primary actor in developing this relation, as it becomes an institutionalised form of coordination and a legitimisation of how communities are mobilized in the development of Horsens. Collective efficacy and the idea of "pulling together as a unit" are formalised in Horsens and thought of as the DNA of the municipality, allowing for change and development. It is, moreover, clear that Horsens has gone from primarily focusing on generating economic growth to now working to establish better relations between economic growth and welfare and thus a more explicit focus on the importance of inclusion. Territorial cohesion is understood in this case as a question of 1) balanced development ensuring welfare services in a municipality with consistent population growth and consequently increased density and 2) social inclusion ensuring that the more marginal social groups also benefit from the development.

Handling the different challenges posed by a declining population has led **Lemvig** to have a strong focus on collaboration between actors and organisations within the fields of local businesses (working with utilizing territorial capital), public service delivery (territorial government supporting needs and demands of public service delivery) and the local associations and non-profit activities (collective efficacy that is intertwined in all types of activities in Lemvig). In the policies passed in 2019, the challenges and threats explicitly addressed in previous municipal policies are downplayed in favour of positive statements about what the municipality wants to be like. In an introductory sentence, the problems and issues of depopulation are stated, and in the following Strategy of settlement only things that can "cure" the problem are emphasised. Whether this change of rhetoric is a wise strategy is difficult to determine but it is obvious that there is a consensus on paying attention to resources and possibilities instead of focusing on problems, lack of resources, obstacles and constraints. Standing on common ground and working in the same direction in relation to this challenge can be essential for turning the development around. Having an overruling territorial challenge in Lemvig seems to lead to the establishment of common ground across political differences and across types of actors.

3.2.2 Similarities and differences across cases in the mobilization of territorial capital

All three cases experience demographic challenges, but they are of very different nature. In Aarhus the challenge is that the population is relatively young with too many students for Aarhus to absorb. In Horsens, the population is growing but the growth is concentrated in the town of Horsens which causes problems related to densification and infrastructural bottlenecks. Lemvig, in contrast, is experiencing depopulation, especially outmigration of young people to educational centres such as Aarhus. In all three cases, there is lack of skilled labour and this has occasioned a considerable use of foreign labour (especially from Poland) covering nearly but not all the needs of the local businesses. The main reason for the shortage is the general structural change in the economy having led to fewer

large-scale production sites based on unskilled labour and replacing them with specialized and flexible niche production sites that depend on skilled and highly skilled labour. The cases differ in that Horsens and Lemvig also lack highly skilled and academically trained labour. As Aarhus is a university city, this is not an issue here. Indeed, the city produces more graduates than it can absorb. The concentration of people with higher education in urban zones is a European-wide trend. In Lemvig, they attempt to attract highly skilled labour by mobilising their territorial capital through marketing the advantages of the area in terms of high quality services (institutional and cultural capital) combined with natural qualities of the landscape and seaside (environmental capital) and social capital, which makes people feel welcome and integrated into the local community. In Horsens, they try to attract highly skilled labour by branding the town as a cultural town with mega-events and many of the same qualities as you would find in Aarhus; thus building up their cultural capital through active image work.

In both Horsens and Lemvig, history has created path-dependencies, which they strive to turn into territorial advantages. In Lemvig, the industriousness and the pragmatic and international outlook is explained as a consequence of the inhabitants of Lemvig stemming from the free and independent farmers and fishermen who already early on had an international outlook and autonomy from the capital and big cities. The history of the peripheral location is turned into a new story of how historical needs can be contemporary advantages. In Horsens, the history of the town as a rough blue-collar town with a big state prison is turned into a new narrative of the mega-event town that can attract world-famous names to a suburban town. What was previously a story of the underdog that had nothing to brag about is now turned into a story of a town one can be proud of representing. History seems to play a less significant role in the case of Aarhus. A reason for this could be that Aarhus has a clear identity as the second biggest city of Denmark that distinguishes it from other cities. In contrast, Lemvig and Horsens need to establish this individual identity that distinguishes them from other rural and suburban municipalities respectively in the effort to increase the relative attractiveness of the two places for settlement of both people and businesses.

Segregation is a common problem in all three case areas but to a very different degree. Aarhus has several vulnerable areas with concentrations of poverty and two so-called hard ghettos. In Horsens, poverty is concentrated in the inner city parishes and especially in the two areas, which are on the national list for vulnerable housing areas. One of them is a 'hard ghetto'. In both Aarhus and Horsens the strategy is to tackle segregation by developing the economic capital of the neighbourhoods by boosting local employment rates, mainly by intervening on the supply side. This is done in parallel with renovation of the worst off areas and changing the density of social housing following the national strategy for tackling "parallel societies" (outlined in chapter 1). Thus, by changing the anthropic capital of the neighbourhoods aiming to increase attractiveness for more resourceful residents. In Lemvig, they have few residents that experience poverty. Segregation is in this case more a question of divisions between different types of areas with different histories and belonging to different churches or having different relations to religion.

3.2.3 The role of networks in the mobilization of territorial capital

The importance of networks across different sets of actors has proven crucial for mobilizing territorial capital and stabilizing territorial growth in all three cases. However, the strategy and type of collaboration differs between the three cases. It is not possible based on the present material to say that one strategy is more successful than others. On the contrary, the analysis shows how growth and territorial cohesion are complexly related to a range of territorial conditions. It also shows the importance of

social capital in the form of networks across actor-types for the development of economic capital and how anthropic capital, environmental capital and cultural capital is sought utilised in the development of economic capital with institutional capital providing the facilitating structures.

In Horsens, the formalized network of the Horsens Alliance has anchored territorial development plans in close collaboration with all partners on the labour market, securing not only political stability but also sustaining the corporate responsibility of the big employers in relation to complex social problems. It is clear in the case of Horsens that specific individuals have played a huge role in the new branding of the town, but it is the Alliance that have made the sustained development effort possible, ensuring the coordination between labour market and VET policies locally (child care plays a less strategic role).

The statement of “pulling together”, doing things collaboratively, and joining up forces between public, private sector and civil society is a narrative that runs through many policy documents in Horsens across welfare areas. To articulate this as the DNA of Horsens makes it a signifier that can function as a territorial identity and a form of cultural capital. It is naturalised to the extent that it is an unquestioned, shared characteristic of the way of doing things in Horsens. This alliance is a symbolic alliance but it is also underpinned by an investment model. In the beginning, the efforts of the alliance were funded through a business tax deduction, but this has been replaced with a model based on actual contributions by the business partners. This underlines the emphasis on local corporate responsibility and the devotion of the businesses. In the evaluation reports from the labour market area and in the budget agreements this formalised collaboration and its social impact is characterised as a success (Horsens Kommune /BDO Consulting 2017). This means that alliance-building has become more and more ingrained in the territorial governance of Horsens over the last five years. The mobilization of “pulling together as a unit” becomes a performative strategy (Kornberger and Clegg 2011) that is also seen as condition for developing Horsens in a direction based on a relation between economic growth and social welfare. Furthermore, the focus on making things happen through “pulling together as a unit” is articulated as the backbone of a strong territorially cohesive local community:

Horsens Municipality is characterized by strong territorial cohesiveness. It is not only in the main city of Horsens that there is growth and prosperity. The positive development is evenly spread across the municipality. Horsens has four of the ten fastest growing village areas under 5.000 inhabitants [in Denmark] and our villages are characterized by strong and energetic local communities that make things happen and look after each other” (Horsens commune 2018, Suburb_1:12, emphasis added).

It appears that there has been a change in the policy strategies in the last two to three years. From focusing mainly on growth in the period of 2013-2016 to focusing more explicitly on “community” and the social aspects of growth: that growth should be for everyone, that growth has consequences and that it is important that all social groups benefit and that all areas of the municipality prosper (Horsens Kommune 2013,2014,2015).

In Aarhus, institutionalisation and strategic coordination enables the synergy between different efforts to mobilize territorial capital. There is a political focus on involving and collaborating with the civil society and the importance collective efficacy has for stabilizing growth in newly developing areas. Active citizenship and volunteering is perceived as a democratic advantage of Aarhus, a resource being the great number of voluntary associations, substantial shares of affluent people and a lot of developers and entrepreneurs. However, the scale of the municipality means that there is a tendency to compartmentalize and formalize involvement. An example of this is the new developments of the harbour Aarhus Ø. In Aarhus Ø, the identity is mainly residential. The residents have chosen the area

based on the local plans for development of the area. Consequently, violation of these plans in terms of increased density spurs active involvement, making it easy to engage people. The joint committee of the area seeks to contribute constructively to the debate, suggesting potential improvements, although this is costly in terms of time and money:

Well, it's resourceful people living out here...Some of the input that we have delivered, has been in relation to a building called 'the Hinge'. We have submitted design sketches and ideas. At first, the municipality present a plan describing 14 stories; a new have been submitted now, 9 stories. They have absolutely not paid any attention to what we have contributed; we have spent a great deal of our own money on lawyers and architects (Urb_Comm_2).

There is thus room for developing more collaboration between policy areas and bottom-up initiatives. Within the social housing sector, the residents have the right to influence decisions and changes in their neighbourhood as opposed to within the private rental sector. However, recent developments regarding the implementation of the National Strategy to Fight Parallel Societies have made a break with earlier commitments to cooperation with the social housing associations, as described previously, and with resident involvement. In the 2018-agreement, it is highlighted that: *"The parts of the agreement that are a direct implementation of the coming legislation will therefore not be the subject of an involvement process"* (pp. 18). This stands in contrast with the Danish tradition of resident democracy in social housing areas. Furthermore, it is noted that the parties behind the agreement find it inappropriate for available space in the deprived areas to be utilised for e.g. mosques and other religious buildings as well as private schools. When residents of Gellerup-Toveshøj were to pass a previous agreement to tear down housing in their area (as resident democracy requires that residents pass the agreement), a key part of the deal was that this would make space for a mosque. After the agreement, the mosque was taken of the table again and, as described, it is now specifically noted in the new agreement that it will not be built. The institutional capital in the form of democratic and participatory structures has thus been limited on the grounds of securing the positive development of the 'hard ghettos'.

In Lemvig, the role of informal networks is significant both locally and in terms of attracting external resources. The small scale plays a key role in enabling the development of such relations. However, it is also a conscious strategy of the public authorities to build on and develop informal relations of proximity as a way to mobilize territorial capital and attract businesses as well as residents, who are enveloped in relations of mutual care and obligation from the start. Lemvig consequently becomes an interesting case in relation to the importance of how economic growth is embedded in cultural and social capital. It shows that not only the personal relations but also the historical path dependencies matter for ensuring cohesive growth. Business actors explain that public authorities are active in the local networks between businesses and local stakeholders. These networks are crucial to the development of the area. They are non-exclusive and central to the power relations and the central driving forces in the area:

There is sort of a self-enforcing power which I think is interesting, because where there is will, there is ability. There has to be an institutional foundation, but at the same time this institutional foundation should not be driven, if there are passionate and engaged actors in it. I think this area has succeeded in gathering all the public and private actors in different types of network groups, which there are many of in this area, and where there is a surprisingly good turnout. We are not talking about the exclusive network groups you might see in other locations, men that you meet once a month, and in one respect once a week. Here you meet, eat and speak together, sometimes there is a joint speaker, but that is not the main point, the point is just to meet up (Rur_Ba_3).

These networks are mentioned by all business interviewees and public authority interviewees; thus clearly being central to the development of local strategies, but also functioning as an institution that sustains engagement, mutual responsibility and local cohesion. While they are informal in structure, several interviewees explain that key persons are taking leadership. They are thus not entirely flat in structure. The present and previous Mayors are by several interviewees seen as having been central driving forces in developing growth in the area.

The three case studies indicate the growing significance of both cross-sectoral and public-private partnerships, and more informal networks in delivering territorial development. Nevertheless, there are differences between the municipalities in how civil society is mobilized in creating and utilizing territorial capital. In Horsens and Lemvig, citizens can create social innovations which are then supported and developed by the municipality. In contrast, social-innovative business models are in Aarhus often, but not only, part of larger-scale plans or developments, such as strategies for disadvantaged areas or urban-development plans related to a business park. In fact, as the political sectors are rather strategic and large in Aarhus. It seems that the different administrations are having difficulties in being involved in the same projects and sharing responsibilities. This is more easily handled at project and district level and at regional/business-regional level. Projects and external actors become the main container for the cross-sectoral coordination efforts.

3.2.4 The strategic emphasis on coupling liveability and growth in the Danish case

Across the three cases, there is an emphasis in the policy documents on developing the strategic approach to territorial governance, which can integrate growth and welfare concerns with social inclusion. However, in the policy discourses of the three case areas, what is meant by ‘strategic’ varies which gives the spatial imaginary a slightly different meaning in each of the three cases. In the rural case of Lemvig, the ambition is to shape the territorial governance to its pro-active role in relation to the formation of public-private partnerships. Here, ‘strategic’ means the governance capacity to act pro-actively and strategically prioritize welfare services in the light of territorial challenges of depopulation. Lemvig Municipality is active in developing the municipality by supporting the local business life. Often this is carried out in a proactive way; reflected in different type of outreach work towards local business actors. A strong priority is given to helping local businesses with whatever problems they might face that is related to corporation between public authorities and business life. This could be in the form of representatives from several municipal departments, e.g. planning, social services etc joining in from the start attempting to overcome cross-departmental or cross-sectoral problems. Policy documents are generally scarce. Additionally, the municipality is keeping a low profile regarding all types of social media. When confronted with this, interviewees explain that the municipality of Lemvig is known for doing things and solving problems instead of telling shiny stories on the internet of how and why. A collective and unconscious agreement seems to exist on the importance of doing things and addressing relevant issues while not much attention is focused on strategic and formal communication of policies and procedures.

In the suburban case of Horsens, policy discourses associate ‘strategic’ with a more targeted approach to growth, and an approach where the municipality has the possibility to match welfare services and standards of living with expanding urbanization. Here, corporate responsibility is employed as a strategic resource in tackling territorial challenges of educational attainment and unemployment rates. The entrepreneurial alliances in Business Region Aarhus (BRAA) is primarily regarded as a way to improve spatial conditions in the form of infrastructure.

During the last decade, Aarhus Municipality has become increasingly strategic in policy fields relating to growth and urban development with urbanization as a main driver. The municipal approach is based on broad political coalitions with policy involvement in urban planning, segregation, business promotion and mobility as well as developing business strategies in collaboration with educational institutions, labour market organisations and businesses. The municipality is strategically buying up and selling land to finance infrastructure and public facilities and to make room for new infrastructure as well as densifying the city while preserving environmental qualities. The well-developed strategic plans and policies are important signals of municipal priorities to developers and businesses. Aarhus plays a central role for BRAA and the collaboration between municipalities and businesses in this coordination forum. Growth strategies are seen as the motor for the development of the region and the city but also for the development of the deprived urban areas more specifically. There is a focus on mediating the consequences of uneven growth, both territorially and socially. The overall narrative, therefore, is balancing big business and social inclusion, and thus a territorial cohesion. In the urban case of Aarhus, the policy discourses speak of ‘strategic’ as articulations of coordinated activities – most explicitly in the multiple growth strategy to improve the position of Aarhus in its national and international competition, and also as a pro-active stance towards dealing with territorial challenges of segregation.

In spite of these variations, the cases show how there is increased focus on ‘soft spaces’ of territorial regulation and integration of business interests, and that these focus points are at the heart of territorial development (see chapter 5). This praxis, it can be argued, furthermore brings territorial governance closer to neoliberal planning pushing the facilitating role to the forefront (Galland 2012).

3.2.5 Scale as strategic element in utilization of territorial capital

In different ways, scale is significant in all three case areas. The relatively small size of the three municipalities is perceived as a territorial advantage, albeit in slightly different ways and with ‘relatively small’ being a matter of scale – i.e. on what scale the municipalities are small. In Lemvig, the small size of the municipality in terms of having a small population of 20.000 inhabitants and a small municipal administration is seen as an advantage. The small size makes it possible to increase intimate knowledge of inhabitants and prevent social problems at an early stage, as well as support this with a high level of social capital. The small size of the municipality is seen as an advantage in terms of making it more flexible and agile, even though they also admit that their size means that they are dependent on inter-municipal collaboration. In Horsens, they similarly draw out local interlocking relations as dependent on the relatively small size of the town and municipality allowing for close interaction and knowledge of key people. In the case of Aarhus, they see themselves as small when compared to the complexity of the Copenhagen region. Their size is also perceived as an advantage in terms of having different types of urbanized areas and housing areas available within the borders of the municipality as the city centre of Aarhus is in itself not so big. Furthermore, the size means that all key actors know each other. In all three cases, local connections and knowledge of people within central networks are related to the size of the case study areas. One could say that they all claim that small is beautiful – even though what is small even within a Danish context is relative. It is a reminder that smaller scales do not necessarily mean less significance or reduction in global connections. In all three cases, innovation and flexibility is referred to as crucial and made possible by the small scale of the municipality.

In Horsens, there is an ambivalent relation to its proximity to Aarhus, in that on one hand it provides the municipality with the opportunity to capitalize on the territorial advantages of Aarhus, while on the other hand leads to struggles for establishing its independent identity as a cultural and business-

profiled city. In that sense, Horsens is struggling with typical suburban problems related to identity and population density (Nielsen 2015). The mobilization of territorial advantages in the form of a cheaper housing market and infrastructural connections has served to attract the creative middle-classes. However, Horsens is still struggling to increase the life chances of parts of its population. Aarhus, in contrast, is capitalizing on its position as a university city and being the second largest city of Denmark. However, it is struggling with its provincial status compared to the capital region of Copenhagen, attempting to generate its own identity as the driving centre in an urbanized city region with international impact. Life chances are generally good in Aarhus with, however, a concentration of less good life chances in segregated, vulnerable areas.

In Lemvig, they work against the forces of urbanization leading to depopulation by mobilizing territorial capital in the form of environmental, cultural and social capital. An international outlook is coupled with the historical path dependency to brand the municipality as an innovative location that can compete on the global scene for sustainability issues while maintaining a high degree of social security. This means, firstly, that Lemvig is vulnerable to changes in the international economy, for example those relating to the upcoming Brexit, due to its reliance on the export from the fishing and farming industries. Secondly, the high degree of social security means that inequality is less a local issue in Lemvig. Thirdly, local life chances are secured by both a high degree of social control and a high level of services due to the financial equalization and compensation between the different municipalities of Denmark.

3.3 Conclusion

In this chapter, it has been shown that narratives of territorial problems and advantages frame the political strategies and the mobilisation of territorial capital. We have shown that there is an interdependent relation between the environmental, antropic and economic forms of territorial capital and the human, social and cultural forms, especially when they are to be mobilized in relation to the development of territorial cohesion and in the targeting of territorial inequality. The three Danish case areas demonstrate pronounced differences in the way they handle natural resources as well as local social resources. On the one hand, these differences are closely linked to the level and composition of these resources, and on the other hand they are a matter of local identity, history and local culture. Furthermore, the different forms of capital are relative and fluid, i.e. changing over time. For instance, increases in population leading to increases in human and economic capital can result in a lack of antropic capital in the form of infrastructure.

Danish spatial development, we argue, is a particular “local variety” of neoliberal governance (Brenner & Theodore, 2002) where local development discourses aim to achieve legitimacy precisely through coupling growth and welfare in the form of liveability and inclusion of the most marginal groups. This coupling of welfare and growth agendas can be seen as characteristic of the Danish “spatial imaginary” (Sum & Jessop, 2013) emerging as national and local responses to increasing competition between regions and urban areas. Moreover, the aim to integrate growth and welfare is consistent across urban and rural development strategies, albeit finding different forms of expression. In rural areas, there is a coupling of deregulation and increasing strategic regulation aiming to achieve innovative and sustainable development based on public private networks and partnerships. In urban areas, the boundaries between comprehensive planning and soft spaces promoting growth have become increasingly fuzzy, but are strived to be kept in check through regulation of corporate and civil social responsibility.

Recently, however, the effects of the powerful force of urbanization change the narratives of territorial governance calling for a more targeted welfare approach to deal with the consequences of uneven development. This tendency to a more targeted approach is intermingled with a development towards neoliberal planning. There is an increased legitimacy of the growth discourse being at the heart of territorial development in all three cases. This mobilization of the growth discourse is organised in the soft spaces of the BRAA and Business Region MidtVest, with BRAA as the dominant player. Increasingly, the inter-municipal coordination become a more semi-hard alternative to these soft spaces of territorial government bringing a more direct link to territorial regulation and concerns about balanced development and access to services. Even here, however, welfare and growth agendas are coupled, and they must therefore be seen more as a local variance than an alternative to neoliberal planning of territorial development. However, in the Danish case there are varieties between the bundles of capital in the mobilization strategies of the three municipalities. In Lemvig, this is a bundle between environmental, economic and social capital. In Horsens, the strategy is to mobilize relations between economic, antropic and cultural capital, while in Aarhus the aim is to mobilize assets through relations between economic, antropic and human capital. These different bundles all, albeit in different ways enable an interdependent relation between strategies for growth and strategies developing liveability

4 Collective efficacy

In this chapter, we will focus on the role of the “soft” social relatedness to place trying to unravel if local social relations/social relatedness to place plays a role in the utilization of territorial capital. This interrelation can take many forms and have many variations but the important focus is to investigate how local social relations works with or against the mobilization of territorial capital. In order to capture these interrelations we use Robert Sampsons concept “Collective Efficacy” which is defined as the “... *link between mutual trust, shared expectations among residents and willingness to intervene and interact and dependent on patterns of social interaction, social organization and social control.*” (Sampson et al. 1997:2).

Face-to-face interactions among residents of a location may stimulate social ties among residents that support collective action in the pursuit of public or collective goals. These shared expectations and mutual trust among residents promote a sense of cohesion or belonging, which Sampson (2011) calls collective efficacy. This aspect of face-to-face interaction is better understood in small units where people recognize each other than in large, anonymous units. According to Sampson, the root of the collective efficacy of a location is the intersection of practices, social meanings and their spatial context (Sampson 2011:230). Robert Sampson is critical of the way Coleman defines social capital as primarily a resource that is realized through social relationships (Coleman 1988) and argues that: “Social networks foster the conditions under which collective efficacy may flourish, but they are not sufficient for the exercise of social cohesion and social control (Sampson 2011). Networks have to be activated in order to be meaningful” (Sampson et al. 1997).

In this sampsonian perspective, location can be defined by the social features, the variably interacting population and the institutions of a common place. This definition sets the stage for a varied and differentiated conception of place that is NOT just a matter of individual experiences or collective aggregates of social characteristics such as income or education. Rather, place is largely a matter of how these social features interact with the environmental, social and institutional capital in the place. The capacity of collective efficacy to not only serve as a shield against structural changes to local places but also to impact on the territorial development depends on how local social ties coalesce and make connections to non-profit organisations and the horizontal and vertical ties with institutions, organisations and local decision makers (Sampson 2012). This means that network-density, attachment to place, civic participation, disorder, organizational density, identity, and capacity for collective action are variable and analytically separable from structural variables and possible consequences. Moreover, it means that when we deploy the concept of collective efficacy we argue that collective action in pursuit of public goods and territorial development cannot be read as simple measures of the organizational density and the levels of participation in relation to these organizations. Consequently, when analyzing the role of social ties for territorial development we have to take into account the effects of daily routine activities and the spatial organisation of services and facilities such as schools, shopping, bars, public transportation, tourist facilities, residential areas etc., which permits a variety of social interactions and social behavior (Sampson 2011:234). Collective Efficacy is **composite measure** of:

- activity patterns/routines
- organizational infrastructure
- social networks
- segregation/resource stratification

4.1 Level of collective efficacy in each case

In the Danish cases, the level of collective efficacy is generally high. There are, first, some overall reasons for this. 1) Within the planning system, Danish municipalities share a widespread tradition for public participation and transparency. 2) Within the social and cultural realm, the number of voluntary association activities (foreningsliv) is high and the membership rates for Danish citizens, especially outside the larger cities, is also high. 3) Finally, there are increasing collaborations and partnerships between community organisations, NGOs and public authorities. This means that they play a significant role in territorial development and that these organisations have access to political decision-making arenas to some extent. Among the three case areas, meanwhile, the nature and composition of collective efficacy is certainly different. In the following section, we outline the main features (i.e. the level and character) of collective efficacy in each case that the empirical material testifies.

4.1.1 Collective efficacy in Aarhus

In Aarhus, a distinctive activity is the Local Joint Councils. These are local, democratic grass-root bodies with no formal influence besides procedural being asked every year to provide input for development of their district and give voice to residents in a running fashion. As a means to further empowerment, the Local Joint Councils were recently admitted a contact person in each municipal administration. Based on this experiment, a small team in the Mayor's administration work to develop methods and to inspire more residents to take part in developing their local area. The organizational infrastructure circumscribing collective efficacy is substantial. One indication of the high degree of organizational infrastructure is the city's nomination as European Volunteering Capital in 2018. As it is, there are some 4.000 volunteers engaged in the municipal care sector and, as an informant put it, volunteering is part of the municipal 'business' (Urb_Ba_4). A second indication of the organizational infrastructure is how Aarhus Municipality since 2015 has had an actual policy in the field named Citizenship Policy (in Danish: Medborgerskabspolitik). The policy is a formalisation of thoughts on the role of citizenship dating back to 2004.

One informant from Aarhus Municipality explains that they have worked extensively with citizen involvement for some years and has had one of the biggest temporary committees involving both politicians and citizens (a so-called §17 stk. 4 committee). Besides developing the Citizenship Policy, they were also to produce a model for participant budgets and develop methods, coordination and knowledge sharing. As the informant says, the city's aim is to unfold its citizens' potential:

We have citizens with an ambition for their local district. Our job as municipality is helping them do that – avoiding being a burden or obstacle on their way towards that goal, instead being the opposite. Our role as a municipality is to help citizens realize their potential (Urb_Pa_11).

Urban regeneration has been a key focus in the municipality according to our policy analysis. In the disadvantaged neighbourhood of Gellerup life chances are challenged (see maps in chapter 2). Like in the other social housing neighbourhoods, the activity patterns are partly grass-root driven and partly institutionally driven via the local residence democracy that is formalised within the social housing sector and co-funded by this sector as well as by the municipality. In Gellerup, collective efficacy comes about through a small number of socio-economic organisations and a bazar-area with food shops and some retail. Aside from this, most collective efficacy is facilitated through the professionally run Social Comprehensive Plans for the area and the aforementioned residence democracy (which formally secures citizens statutory involvement rights). The main aim of Aarhus Municipality (in

coordination with the comprehensive plan) is to improve the quality of place, involving local stakeholders in the development of their area and targeting issues such as drug-use and feelings of insecurity.

A second, but very different, example is found in the prestigious urban-development districts of Aarhus OE and Sydhavnen. The policy and stakeholder analysis has shown a high degree of intensity of collaboration among actors and a high degree of organisation even if for wholly different reasons than the type of social inclusion above. In Aarhus OE and Sydhavnen, the activities of collective efficacy are demonstration of protest against the present development of the areas (see below). While the above activities concern one particular occasion, namely the urban development project(s), the activities in Gellerup are not about singular protest but concern on-going adaptation, inclusion and development of the neighbourhood and its prospects.

Stretching the scope of collective efficacy to the question of business stakeholders and business development, there are two notable examples. In the Agro Food Park, the nature of collective efficacy is entirely different from the examples above as it is occasioned by the managers of the food park with the aim of creating synergy and networks between food businesses (Urb_Ba_2). Hence, there are no civic relations in this area. Meanwhile, in Business Park Skejby, the aim is to take advantage of the internal activity and utilize the urban development that is taking place around the park in order to make it more attractive. Here, managers aim to support civil actors and urban functions in the district, inspired by the ‘business improvement-district’ concept on the rise in Denmark (Urb_Comm_3; Agger & Andersen 2018).

4.1.2 Collective efficacy in Horsens

In Horsens local activities following the organizational infrastructure of the local, democratic membership associations. Horsens is a place with high numbers of association activities, high membership rates and extensive local, volunteer involvement. The rich associational life covers a wide range of activities including nature preservation, health, sport activities, cultural events etc. In addition, there are strong links between NGOs and local businesses that support the association activities. A second distinctive activity takes place around the Healthy City initiative. In Horsens, the initiative started in 1987, and the Healthy City Shop was the first of its kind to be established as a centre for voluntary activity. They are now part of WHO and the European Network of Safe Communitiesⁱⁱ. The Healthy City organization in Horsens has won several prizes for their engagement of citizens and their work to improve public health in a broad sense.

As we have described in chapter 3, Horsens has changed towards being a cultural city or event city and this process was according to the informants driven, at least partly, by an energetic individual (Panduro) that managed to form the network Horsens and Friends in 2000. It is debated whether their success were made possible because of the then Mayors interest in this re-branding or should be seen as something outside of local authority control (Sub_PA_22, Sub_PA_23). Since then Horsens and Friends have managed to attract a long list of top music names like Bob Dylan, U2 and most recently Ramstein (Sub_Pa_2)ⁱⁱⁱ. Horsens and Friends is a network of local businesses and associations supported by the municipality. The mega events have become possible not only because of the money that the business partners have chipped in, but just as much due to the voluntary engagement of people and associations from Horsens. Several community actors explain how their associations are mobilized to perform particular jobs (e.g. parking and selling tickets) at the events (Sub_Comm_14, Sub_Comm_17). The former prison of Horsens and its transformation to a museum, concert hall and entrepreneurial hot spot is a territorial asset, which has had tremendous implications not only for the

identity and branding of Horsens, but also as an anchor for the alliances and networks between businesses, public authorities, and community associations/NGOs. It is clear from the above sections that local civil society organisations are involved in many activities and that the mega-events are dependent on these organisations.

A fourth aspect of local activity patterns relates to the remaining unequal life chances for some groups in Horsens (see also maps in chapter 2). For example, one informant refers to a survey done by the national institute of municipal research (then KORA) which showed that Horsens had an above average share of vulnerable families at 12,3% where the national average at the time of the study was 10%. Public authority actors report that although life chances have improved in Horsens there are still challenges in a range of areas. One challenge relates to the group of residents who have become redundant or worn down by hard industrial labour and who is never going to get back into the labour market (Sub_Pa_20). There are also challenges regarding the educational level. Although the town is trying to brand itself as an educational town and is building a new campus, there are geographical areas in which the educational attainment is low. Moreover, there is an impression by some of the public authority actors that there is a group of vulnerable families which they have not been able to help sufficiently yet (Sub_Pa_19). Employees working in these areas must help families with basic things and with the availability of cheap food. They have arranged a food project where volunteers help redistribute excess food from shops and restaurants to the areas. This project is a good example of how collective efficacy can function as a shield against structural changes to the income level at a local scale.

4.1.3 Collective efficacy in Lemvig

In Lemvig, the general activity pattern resembles a thorough mix of both public and private, citizen and business actors. As well as in Horsens, Lemvig holds a range of different cultural, political and social organisations and associations with a strong tradition for participation and involvement. In the empirical material, we find recurring testimonies of how the distance between different societal sectors is short and has resulted in a wide range of interlocking relations between local businesses, local authorities and local civil society.

As described, the inhabitants of Lemvig were historically free farmers, which has led to a mentality of taking part in and responsibility for local affairs. The apparent challenge of the geographical remoteness of the municipality has become an advantage in that it has required the local actors to work together in solving local problems. In Lemvig, loosely coupled networks across and between different types of private and public actors ensure close relations and a culture of commitment; based, however, to a greater extent on face-to-face relations than on formal strategy and organisation. Lemvig has the advantage of a high and varied level of collective efficacy with a lot of activities run by volunteers and a short distance between different sectors and between central local actors. Residents, public authorities and businesses seem to be intertwined in relations with each other. The dense web of local affiliations makes Lemvig very liable to change and adaption to new structures and demands.

We also find, how interviewees describe it as easy to mobilize, engage and recruit volunteers for a wide range of organisations, institutions and associations. Networks between different types of actors are open. Organizational infrastructure and social networks seem to be merged and even business networks are described as permeable and engaged in different types of local problems:

I think the area has been capable of gathering public and private actors in different types of groups and networks of which there is a great number in the area and that are backed by the locals. We are not talking about these exclusive groups that are very typical in other places. (Rur_Ba_3)

The first main feature that characterise the activity patterns and organisational infrastructure in Lemvig, therefore, is their particular local community culture. In some interviews, this culture is almost local patriotic. It involves an attitude that welcomes change, as one informant says, “there is a fundamental willingness towards dialogue and exchange.” (Rur_Ba_3). And it involves a particular understanding of how their geographical location creates an mutual interdependence – they all ‘need each other’, as one informant says:

If I had stayed in Aalborg or in Aarhus back in the day, then I had only known people like you [the interviewer]. And not all the other. Then we would have been confirming each other in our perception of the world. It is an enrichment to grow up in sparsely populated areas and to experience that we all need each other. (...) People have differences but they have a common denominator in their willingness to contribute and be part of local mutual relations. (Rur_Comm_16).

Lemvig Municipality has a close, informal and ongoing relation to business actors. This accessibility is significant both in creating and maintaining jobs and in contributing to the integration of deprived groups such as immigrants. Business actors are aware of unspoken expectations of local authorities to participate and support in local issues and relations (Rur_Ba_3). For business actors it is imperative that local authorities are proactive and keen in supporting local companies. There appear from the interview material to be a relationship of mutual obligation regarding local development.

4.1.4 How to explain the variations in Collective efficacy

Ensuring a high level of collective efficacy is an objective of Aarhus municipality at a general level, as Aarhus is a showcase of volunteering (European Voluntary Capital) and active citizenship. Attempts of citizenship involvement are also present in major development areas of the municipality. In the conducted interviews, the main focus has been on citizen involvement and volunteering related to urban development, rather than general volunteering, since Aarhus explicitly deploy volunteering to strategic urban development. This also means that the spill-over in terms of life-chances to the policy areas of VET, childcare and ALMP are not explicit as part of it is mediated through urban development. In disadvantaged social housing areas, the broad strategic alliances between housing organisations and the municipality, combined with a Social Housing Secretariat imbuing the social efforts with strategic capacity. This is a potent framework for collective efficacy: even though the disadvantaged areas are still lagging behind in statistics, it creates a platform for job-creation and upskilling.

Generally, there is a high level of collective efficacy in Horsens and a strong sense of social cohesion tied to a strong place identity. People are proud of living in the town especially after its re-branding into an event town. This means that civil society organisations, NGOs and businesses all work to generate a positive development in well-established alliances. There are, however, also profound challenges to the life chances in the area in terms of people with low employability, vulnerable families, and poverty in the deprived housing areas. In these areas there are examples of how collective efficacy works as shield against problems of poverty. However, volunteer activity takes for the most part a single issue character and are not in a systematic way involved in the delivery of welfare services.

The level of collective efficacy is generally evaluated as high in Lemvig and varied both in relation to the core purpose, the type of activities that the associations are dealing with and the type of organisation and degree of formalization that characterise the associations. There is a high degree of collective efficacy related to the extensive voluntary organizational life and to a mind-set of self-reliance based on a web of informal but goal-oriented relations. The mind-set of self-reliance and the widespread preferences for an informal and open character of local social life is explained as an outcome of several local circumstances. One explanation is the historical background of being individual and free farmers and linked to this the “culture of necessity” related to the geographical remoteness of the municipality. Another is the lack of pronounced social divisions or class differences with only a few very rich people. Everyone seems interested in investing in the local area with the rich citizens as no exception. A third explanation is the informal and proactive way the local authorities act towards difficult issues. Authorities reach out to other sectors and central actors, thus contributing to the maintenance of local networks.

As outlined above, there are substantial differences in the ways the three municipalities practice and perceive collective efficacy. In Aarhus, collective efficacy is articulated as a matter of participation and involvement and there is even a policy of citizenship. In Horsens, collective efficacy is mainly articulated as the strongest local forces – local government and local business actors through the Horsens-alliance – taking responsibility for local growth and social justice. In Lemvig, the term ‘community’ is repeatedly used both in relation to the way business, government and civil society collaborate and in relation to the specific policy-fields. These differences reflect variations in the three cases regarding history, demography and geographical location in a national context. The small, sparsely populated community of Lemvig has a long tradition for tight knit communities whether these are formal or informal, goal-oriented or more oriented towards social contact in itself.

The reason behind these differences in collective efficacy is complex and produce by composite set of factors. Above we have touched upon the role of the socio-economic situation in the localities. There is a close connection between the composition of territorial capital and the type and form of collective efficacy. In a sense, the larger the scale of the urban area the more formalized collective efficacy becomes and the more distant from the neighbourhood organizations. On the other hand, this conclusion reproduces a very traditional understanding of scale and a slightly simplified understanding of collective efficacy. What is important is to include how the urban scale comprises of many variations *within* its territory. In Aarhus, collective efficacy seems more formalized when considered as a whole, however here the growth of collective efficacy varies greatly between neighbourhoods. In Horsens, the institutionalization of the Alliance built on the experience that this alliance has resonance in the community, and the impression that community action can make a difference to changing structural conditions but also in lifting general well-being and particular health. In Lemvig, the networks between different communities and actors are less formalized, but due to its small scale, they still carry the same amount of collective responsibility.

Population density is, moreover, a fundamental factor for collective efficacy. In relation to the three case areas and the analysis above, we see that the fact that Lemvig is very sparsely populated compared to Aarhus and Horsens plays a role. Densely populated places offers a lot of possibilities for consuming culture as the simple facts of demand and supply is easy to rely on when there is a critical mass of consumers concentrated in a specific location. Conversely, in sparsely populated locations residents have to take initiative and run cultural activities by voluntary work. The below map underpin this hypothesis as the sparsely populated areas of Denmark seems to have the highest degree of civil engagement and the highest level of associations and vice versa in the most densely populated areas. The specific mechanisms that cause these effects are not clear and conclusive.

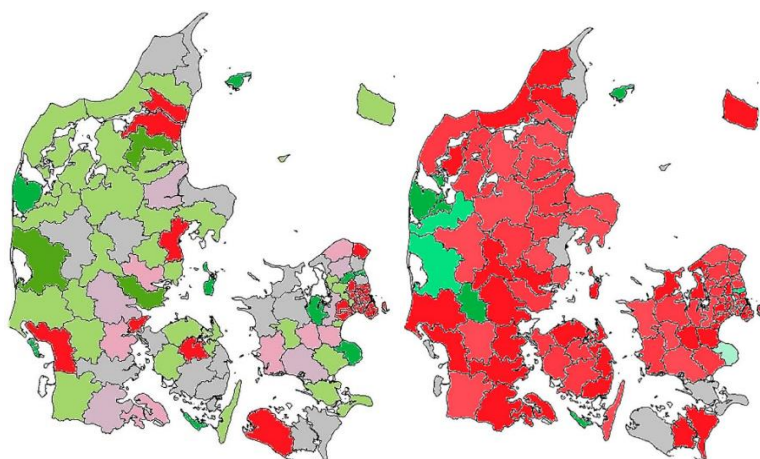


Figure 8 and 9 source Jakobsen, Sørensen and Johansen, 2014)

Figure 1 and 2 illustrates the association between geographical place of residence and local activities measured in local election participation and participation in local activities (figure 8), and number of social associations measured in associations per 1000 inhabitants (figure 9)(Jakobsen, Sørensen and Johansen, 2014). In the figures above, red indicates low election participation and local activities while green indicates high values (Lund, Jørgensen & Riis 2019).

4.2 Innovative community practices and collaborations in territorial development across cases

In this section, we discuss and analyse the (innovative) community practices, collaborations and local dilemmas that emerge from the interview material. The text expands on the examples from each case mentioned above and considers relevant aspects of innovation, collaboration and territorial development. We start by considering the importance of physical hubs for coordinating collective action, then we move to discuss how collective efficacy has shielding factors in relation to disadvantaged areas and how collaborations between business and communities integrate marginal groups. Lastly, we discuss whether collective efficacy can be orchestrated from above.

4.2.1 The importance of physical locations and hubs for collective efficacy

Physical locations play in many instances important roles as anchor points for the development and sustaining of collective efficacy. We have also found this to be true in our three cases, however, the variety of how these physical locations serve as territorial assets for the development of collective efficacy means that we have to take the local specific context and histories into account when looking at how to mobilize collective efficacy in relation to territorial development and territorial cohesion.

In Aarhus, local residents of Rundhøj contacted the municipality, asking for assistance in improving their local area which had been the target of drug dealing, shop closures and shootings despite being

located in a prime location surrounded by affluent residents, expensive villas etc. (Urb_Pa_11). A range of actors got together and asked for municipal assistance. The result was a community house and a related association. In Aarhus Ø, the identity is mainly residential. The residents have chosen the area based on the local plans for development of the area. Consequently, violation of these plans in terms of increased density spurs active involvement, making it easy to engage people. The joint committee of the area seeks to contribute constructively to the debate, suggesting potential improvements, although this is costly in terms of time and money. While Aarhus has a policy that heralds citizen engagement, it does not necessarily lead to citizens feeling heard. According to an interviewee quoted earlier, the residents of Aarhus Ø do not find that the input they have worked hard and spend time and money on giving the municipality are being given any consideration. This underscores that involvement does not always mean influence (Fallov 2013, Arnstein 1969).

In Horsens, the prison and its transformation to a museum, concert hall and entrepreneurial hot spot is a territorial asset, which has had tremendous implications not only for the identity and branding of Horsens, but also as an anchor for the alliances and networks between businesses, public authorities, and community associations/NGOs. Another important path to the development of a strong voluntary sector in Horsens is the Healthy City initiative mentioned above. They work to improve public health in a broad sense. Today its locality functions as a hub for voluntary activities and is driven by the municipality. Community actors using the facility explain how it is central to their activity and that it serves as a place of motivation and coordination between voluntary associations and NGOs:

The physical place is one important thing, but then there is the sparring, advice, help and a place to meet others. Volunteers can also work with each other towards particular goals and it is good to have this place as an anchor for this type of activity (Sub_Comm_12).

The Healthy City shop refers volunteers to the social projects in the social housing areas; projects that have a long experience in the practical set-up with volunteers.

In Lemvig, interviewees describe it as very easy to mobilize, engage and recruit volunteers for a wide range of organisations, institutions and associations. The lighthouse of Bovbjerg is an example of how collective efficacy were able to develop a territorial asset, and how the place itself have become a light house for voluntary action in area. Volunteers persuaded the municipality to buy it from the state and secure it as a public good. It has become one of the biggest tourist attractions of the area, functioning as a cultural institution for art exhibitions, talks, concerts and guided tours as well as a café and a shop with local handicraft products. Many of the volunteers are also a part of the voluntary staff of the museum of religious art, which is widely known in Denmark and recognized for its high standard. This museum relies entirely on voluntary work. The lighthouse project was initiated by a few locals, but grew rapidly and now has four employed administrative workers and 150 volunteers.

It is a cultural place, which is outstanding. And as I normally put it: a classic example of passionate and tireless individuals putting the project in motion. It is relations between individuals with resources of any kind who get together and say, "this is something we want", and then a constructive relation to the local authorities. (Rur_Comm_16).

A resident involved in its management explains:

There are three factors involved in its success from my perspective. That it was locally engaged residents who saw the potential and put things in motion, that there are social relations running all the way through the municipality and which you can mobilize and activate, and the interplay between

political authorities, municipality, state, and region. Those three factors: entrepreneurs, the social capital and the interplay with the authorities, were crucial for its success (Rur_Comm_16).

The example of Bovbjerg Light House shows that the engagement to secure the physical building as a common good has been a catalysator of local collective action and entrepreneurship. However, having a good idea is not enough. The success of the initiative built on the dense webs of locally anchored social capital among the volunteers, and the infrastructural social capital in terms of relations both to local authorities and national funds helping the project to come into existence.

4.2.2 The role of collective efficacy in disadvantaged areas

The institutionalisation of collective efficacy is an important potential in tackling segregation and problems related to the most vulnerable areas in Horsens and Aarhus. The social projects initiated in the disadvantaged areas are to a large extent initiated and driven by resident initiative backed by public funding. There is, moreover, a formalized legitimization of resident involvement as local residents are sitting in the boards of social housing associations. However, the formalization of cross-sectoral relations between local communities and local municipal are also fraught with dilemmas, especially since the national policy framework “National Strategy to Fight Parallel Societies” (outlined in chapter 2) sets out conditions for the proportion of social housing in vulnerable neighbourhoods, as well as a number of other measures.

In Aarhus, the municipality has used newly-proposed national policies to propose a reduction of the amount of social housing in the iconic so-called ‘ghetto’-area Gellerup, an otherwise emblematic example of a PPP-development in Denmark, showcasing the good cooperation between the municipality and the housing organisations. The proposed reduction is creating frustration for residents and housing organisations.

Gellerup and the social housing sector in general benefits from having gained increasing awareness in the municipal administrations, also in relation to developing new methods for involvement of vulnerable citizens. A board of directors in Aarhus was set up in connection with the last round of comprehensive masterplans. The board secures a continuous dialogue between the housing associations and the municipal administrations about the deprived housing areas. Furthermore, the board increases the attention being paid to the results of the comprehensive masterplans and the social work related to these within the deprived areas. In addition to the board, the municipality and the housing associations have written a common strategy for deprived housing areas. All in all, the aim of this is to improve the local life chances in the deprived housing areas.

For Gellerup and other disadvantaged areas with comprehensive plans, the level of collective efficacy differs from housing association to housing association. The most recent governmental 2018 ghetto strategy has triggered a tendency towards new citizen mobilization, as social housing according this national legislation is to be further reduced, with municipal consent, generating resistance by residents and social-housing organisations (Urb_Ba_1). In order to increase the impact of the social comprehensive plans in Aarhus, a joint Community Secretariat has been formed by the social housing organisations carrying out the so-called housing-social masterplans in Aarhus. While the above mentioned board of directors secures the coordination at the strategic level, the Community Secretariat is involved in coordinating and supporting the initiatives of the masterplans. It is central to the work of this Secretariat to ensure that social initiatives are sustainable i.e. that residents can run them when the Secretariat withdraws. The Community Secretariat seeks to enhance social initiatives across housing areas and housing organisations across the city, and thus help to lift projects from a neighbourhood

to a municipal scale. This gives the social initiatives a higher impact, increases the range of activities possible and makes the dialogue with municipal administrations more strategic and focused. For example, the success of the project “Build-Up”, in which young people from disadvantaged areas are hired as part of physical development projects, is dependent on a sufficient volume of residents and employers, in order to make it worthwhile the efforts of municipality and private actors. In Gellerup, the Secretariat's work consists mainly of maintaining the ongoing dialogue and coordination between the employment centre, the municipal job centre, the construction sites, the social-housing efforts and the residents, contributing to ALMP and VET. In broader terms, the secretariat's role often consists in securing funding and giving room for the development of new projects. Additionally, other social housing initiatives strive to increase the residents' employment level. An example of this is the collaboration with local job centres. So-called ‘forward job centre employees’ are physically present in the housing area in order to reduce the distance between the job centre and vulnerable young people of the areas (Urb_Comm_1).

The most recent Agreement on disadvantaged areas in Aarhus set out a new direction for involvement of actors in this policy bundle (between Active labour market and regeneration policy). The discourse set out in the 2018-agreement is clearly that of the city council with no involvement of other actors in the formulation of the agreement. In the document, it is stated that the parties behind the agreement have noted that the national parliament is expected to give the municipal council “*explicit authority to order the housing organisations to carry out efforts against parallel societies*” (Aarhus Kommune 2018:17). Despite the national legislation being months away from being passed, the parties behind the Aarhus agreement have chosen to explicitly mention the authority expected to be given to them over the housing organisations. Seen in the light of the collaboration in Aarhus until June 2018, this is even more noticeable and likely to be perceived as such by the housing organisations as well. This could indicate that a key audience of this agreement is the housing organisations with the parties telling them that things are changing. National government seems another key audience as the early passing of this agreement can be interpreted as a way of showing the willingness of Aarhus to be the frontrunner of the new national legislation. In this way, national legislation – despite being based on the Aarhus model – introduces a new framework that shifts the power balance between the local actors and leads to the creation of changed collaborative relations.

Even though the agreement mentions citizen involvement and the importance of collaborations with a range of partners in succeeding with initiatives, there is no indication of involvement of others in the process of making the agreement and of other actors being addressed as audiences of the policy. In the agreement, the need for resident involvement is highlighted. It is stated that the municipality cannot do it alone but are dependent on collaboration with all relevant actors, including previous and current residents. The different actors are described as having a shared task and a shared responsibility to contribute to changing the deprived areas. The resident democracy is highlighted as leading to engagement and residents taking responsibility. Nevertheless, it is also highlighted that: “*The parts of the agreement that are a direct implementation of the coming legislation will therefore not be the subject of an involvement process*” (pp. 18). Furthermore, it is noted that the parties behind the agreement find it inappropriate for available space in the deprived areas to be utilised for e.g. mosques and other religious buildings as well as private schools. This marks a break with a previous agreement. An example of how praxis is changing is that when residents of Gellerup-Toveshøj were to pass a previous agreement to tear down housing in their area (as resident democracy requires that residents pass the agreement), a key part of the deal was that this would make space for a mosque. After the agreement, the mosque was taken of the table again and it is now specifically noted in the new agreement that it will not be built.

The citizen involvement processes described in the agreement is to build on The Citizenship Policy (Aarhus Byråd 2016, 06_Urban). A key element in this is the importance of aligning expectations in relation to involvement. The decisions deriving from the national legislation will not be subject to citizen involvement. While this is a consequence of the compulsory nature of the measures of the national legislation, only the future can tell how Aarhus Municipality will interpret the legislation and how keen they will be on citizen involvement. Thus far, the choice to leave out the housing organisations in the negotiations and to present an agreement months before the national legislation was passed, could indicate limited desire for involvement. In the so-called hard ghettos (see chapter 2 for a definition), a local unit is to be established where residents can require assistance and ask questions. Resident involvement is coupled with an obligation on the part of the residents in supporting the change of the areas; a change which involves the forced relocation of residents due to demolition and sale of social housing. Thus, the new National Framework to tackle Parallel Societies have had damaging effects on the formalization of the capacity for collective action in the case of local communities in the vulnerable areas of Aarhus.

In Horsens, there is a similar set-up involving a public-private partnership between housing associations and the municipality. Even though it is only five of the social housing associations that have housing in the vulnerable areas targeted all eight associations help finance the plan. They have done based on a principle of solidarity and the thought “if they do not live in your housing today, they might move there tomorrow”. (Sub_Pa_16). This is a rather unusual construction behind the comprehensive plan for the vulnerable areas in Horsens as the solidarity between the actors in relation to the territorial challenges have been formalized. The 8 social housing association and the key public authority officials meet twice a year to discuss future territorial challenges and possible interventions. In the social housing areas, residents are represented in the democratic structures of the boards (the boards are elected by the residents of each department of the social housing association). Any regeneration efforts or comprehensive plans must be approved by these boards. The leader of the social projects in the social housing areas explains that they are dependent on the volunteers from both inside and outside the area to implement their activities. There is a 50-50 distribution of volunteers from inside and outside the area. It can be hard to get many residents from the social housing areas to be active as many of them have few resources and many issues and social problems to deal with, or only have the possibilities to be active for shorter periods. Therefore, it is a challenge to recruit residents to the boards (Sub_COMM_18). Moreover, in relation to the national strategy for tackling parallel societies there has been very little local protest even though this strategy will affect one of the vulnerable areas hard as being on the list of so-called hard ghettos means having to reduce social housing to a maximum of 40% of current numbers.

Another interviewee explains how she in the last few years has experienced a lot of engagement from the middle class women that have recently settled in Horsens. She argues that this form of engagement takes more of a single-issue character. The women come to her and want to become engaged but cannot be bothered with the associational and organisational elements that come along with this in the form of meetings and boards (Sub_Pa_15). She explains, moreover, that associations make use of the activity houses in the vulnerable housing areas, e.g. for children play groups, but that the residents of the area often do not take part in these activities. Therefore, there is no trickle-down effect from the mere presence of the more resourceful groups. However, there are a lot of skilful and resourceful people from all over Horsens which spend energy and engagement in the vulnerable areas in boards and in mentoring activities and other types of projects. The level of collective efficacy in the vulnerable areas of Horsens is less stable and less organized compared to Aarhus, although there are lots of activity and engagement from below in Horsens.

The two cases indicate that there is a lot of activity from below even in the most disadvantaged areas, and that the projects initiated support the quality of life in the areas with the lowest income. Thus, the two cases indicate the shielding potential of local collective efficacy (Sampson 2012) since in both case areas local community are heavily involved in all kinds of projects that supports local residents, improve sense of belonging and builds social capital of both inward looking and bridge building types. It is an important part of the picture that these areas are riddled with institutional and public authority presence, and that collective efficacy in that sense is both backed by and supported by relations to municipal authorities. In that sense, it is somewhat a picture of top-down generated bottom up territorial development in the disadvantaged areas (Fallov 2010). Local project officers play key roles in shaping the infrastructure of local community development and collective action is in this sense mediated by authorities to a large degree (Birk 2017). The two cases also show that the most recent policy developments might involve the risk of more centrally decided conditions for development in these areas, and that this generates frustration among residents and a growing democratic gap as collaborative relations change to fit national government demands.

4.2.3 Collective efficacy and corporate social responsibility – private, public and community collaborations

The material from the three case areas contains examples of how collaborations between community organisations, private actors and public authorities boost collective efficacy through the development of corporate social responsibility and cross-sectoral collective action in relation to the improvement of local life chances and the inclusion of vulnerable social groups.

In Aarhus, the establishment of an innovative community house concept in Business Park Skejby is a case of how a non-profit organisation develops services. Its success depends on the relationship between the civic organisation, the private developers and the Business Park who themselves came up with the idea of saving the museum and making it part of their business model, generating opportunities for flexible and inclusive jobs. The future community house will offer facilities for individuals in need of flexible, part-time and inclusive jobs, facilitating the inclusion of these citizens in the labour market with the aim of improving individual life chances as well as creating a positive impact on ALMP. The labour market organisation has been proactive in initiating a dialogue between actors, arguing the need for making procedures on how to work together in a way that permits the coexistence of various actors within workplaces. In addition, the organisation also provides specific training and guidance for voluntary organisations, e.g. on adhering to labour market regulation. When voluntary people enter municipal projects, the labour market organisation is also present. This is an example of a collaborative approach that aim at involving the strengths of local business and the middle-class and its innovative potential lies in how the will to inclusion is ‘built-in’ from the onset. So, the Park wants to enhance its territorial assets by means of more urban and civic functions (Urb_Comm_3), and this may generate a contribution to VET and ALMP. The business parks of Skejby and Agro Food Park, are examples of how the municipality has succeeded in removing barriers and creating conditions for supporting private actors in creating places with identity and extensive collaboration. In Skejby, municipal demands to developers can potentially create social cohesion and a space for civic action. This is pertinent since volunteering to some extent has become municipal ‘business’: the municipality has 4000 registered volunteers in the care sector. In terms of supporting the municipal ambitions and policies of voluntariness and citizenship, a new organization has been established between key labour market unions ‘Aarhus-promoting-welfare’^{iv} (Aarhus for velfærd). This initiative supports more municipal authority, less central-governmental involvement and increased democratic influence of citizens. Voluntary organisations are invited to give presentations, make public debates

etc. organisations to supplement developer-plans with job creation and socio-cultural efforts. Moreover, the park have a successful collaboration with the Business Region, especially in terms of events supporting new talents, knowledge-sharing and networking; the managerial leadership for the park seems essential for its current success (Urb_Pa_2).

In Lemvig, local economy is good but labour recruitment is becoming increasingly difficult. Consequently, a great number of immigrant workers come to the Municipality of Lemvig to cover the demands for workers, in particular in the fishing industry, within farming and in the production of energy. Lemvig Municipality has a close, informal and ongoing relation to business actors. The accessibility is significant both in creating and maintaining jobs and in contributing to the integration of deprived groups such as immigrants. Business actors are aware of unspoken expectations of local authorities to participate and support in local issues and relations (Rur_Ba_3). Besides the obvious advantages for the local authorities, the collective efforts to integrate immigrants and refugees is of vital importance for the quality of life for those affected by problems of integration but also for businesses in order to have a sufficient supply of labour:

There is an amazing warm-hearted, exceptional diligence and an unbelievable openness. We have a great number of immigrants in the area. I have spent a lot of time talking to them and every one of them says that they are very happy to be in Lemvig. (...) People are feeling well. Safe, secure and you have a local community that in fact welcomes you and offers you a cup of coffee and a chat. There is a fundamental willingness towards dialogue and exchange. (Rur_Ba_3).

The above informant explains how his small firm in collaboration with the municipal job centre take in groups of immigrants in job-training, and that this has proved a success in recruiting and training qualified labour. Diversity is generally emphasised as a positive factor by many of our interviewees. Ethnical, social or cultural variations are articulated as important, productive and as a source of quality for local life and individuals. Business actor interviewees all relay how local businesses are strongly committed to local development, and how they not only sponsor local activities, but also spend time and energy on turning around territorial problems. In Thyborøn, local fishermen have invested millions in local facilities and sports facilities, on a level that is unusual for a community with only a few thousand inhabitants. Furthermore, several examples can be brought forward in relation to the problem of recruiting enough qualified employees. In the food industry related to the fishing industry, a manager explains how he identifies local young people with potential and then educates them within the business (Rur_BA_1). In relation to farming, which is the other big production industry in the area, the farming organisation built an office house 15 years ago to facilitate an office community for the professionals related to the farming industry (veterinarians and consultants). This house became a hub for starting businesses and made it easier to attract young practicing veterinarians to the area. A local agreement seems to exist on local strengths being the ability to pull together, utilizing cross-sectorial networks and the nature-given resources of the location in the form of the North Sea, the strong western wind and the quality of the soil and thus the farmland.

In Horsens, the Horsens Alliance is the formalized expression of collective action and the utilization of collective efficacy. There is a general sense that business stakeholders feel committed and obligated to work towards the development of Horsens (Sub_Ba_6). There is a strong sense that all must be involved in order for Horsens to grow; that it is a collective effort. The above interviewee explains, for example, how he only wants to contribute to any project with 10% either in the form of economy or labour because otherwise he would get a kind of ownership. The harbour is a good example of how business stakeholders are closely involved in modernization and growth of Horsens. The harbour was owned by the municipality who has sold it in smaller parts to consortiums where different stakeholders work together to develop the various parts of the harbour (although especially one big entrepreneur

is a driving force). The municipality has in their tender set out the terms for the development and among other things stated that there must be a mixed form of tenure in the new housing areas in the harbour, a harbour bath facility, and some open common spaces, and a canal that brings the experience of water in from the harbour front to the housing further back (in these conditions the municipality have looked towards the development of the harbour in Aalborg).

Another example is the big food production plant and abattoir, which due to its size has a tremendous influence on the development of the area. Like other local businesses they feel committed to the development of the area. They explain how VET in their branch is in Roskilde (Zeeland). However, they are strongly committed to their social responsibility and they take people on for interns who have been in the benefit system for a long time or recently arrived as refugees:

We have a size and we solve some social projects for the municipality. It is helpful and easier for the municipality to come here with people that needs an internship as I can take 5 or 10 at the time on as a team...so we have a well-functioning cooperation [with the municipality]. We have a good cooperation also with the schools in Horsens. (Sub_Ba_8).

The close corporation with the municipality means that they can get support and resources from the municipality in relation to handling and supporting people that need to develop their employability (Sub_Ba_8). In a collaborative network between a broad range of businesses and schools called “project collaboration” (in Danish SAMSPIL) they have a process that teaches the children from early on to the older classes how the food production works from pig to product, and teaches the older kids what types of jobs there is in the area. These types of collaborations and corporate social responsibility efforts are not only altruism on the part of the business. They use these projects and initiatives to recruit staff (e.g one business have taken on 20 refugees after internships and a few benefit claimants in protected employment) (Sub_PA_21).

There are clear social gains from the corporate social responsibility efforts of the big businesses in Horsens, outlined above. These support a socially responsible labour market and job creation for people with different forms of employability challenges. More concretely, there are social gains for the wider public in the way that the modernization of the harbour conditions community access and common facilities. Entrepreneurialism is boosted by the commitment of local businesses to local engagement and development, such as a big entrepreneur who has supported a local youth with his idea for an internet business selling swimming gear now turning around five million. DKR yearly.

4.2.4 Top-down facilitation of collective efficacy – can it be orchestrated?

It is clear from the above sections that local authorities play a key role in supporting and facilitating collective efficacy. In all three case areas, the municipality aim to mobilize and utilize community and cross-sectoral collective action in relation to territorial development. However, due to the local specificities this have different expressions.

On paper, Aarhus has committed to facilitating citizen involvement in The Citizenship Policy from 2016. It is described as having been developed on the basis of a process involving citizens, businesses, associations, volunteers, employees, places of education and politicians. Citizenship is described as a goal but also as a method for making Aarhus a good city for everyone. Key words throughout the policy are engagement, diversity, feeling at home in Aarhus, feeling safe, cross-cutting relations across diversity, equality and inclusion. The city is to be developed through collaboration between a range of actors, co-creation and inclusion of everyone in the city’s development. Volunteers are to supplement the municipality in delivering services and local communities are to be strengthened as a

key arena for citizenship. The policy is described as an umbrella-policy that is to work together with all other policies of Aarhus. It highlights the importance put on collective efficacy but does so without indicating the actual measures that are to be undertaken to reach the policy goals. At the same time, the interviews indicate that the ideals of citizen involvement are not always met, according to community actors. They do not feel heard. This is the case in both the most deprived areas where the ambitions to change the socioeconomic composition of the areas seem to challenge the resident democracy of social housing areas (see chapter 3) and in the prestigious harbour area of Aarhus Ø where a municipal aim of densification clash with residents' wishes for the neighbourhood and what they feel were promised in the original local development plans:

Well, it's resourceful people living out here...Some of the input that we have delivered, has been in relation to a building called 'the Hinge'. We have submitted design sketches and ideas. At first, the municipality present a plan describing 14 stories; a new have been submitted now, 9 stories. They have absolutely not paid any attention to what we have contributed; we have spent a great deal of our own money on lawyers and architects (Urb_Comm_2).

In Lemvig, all interviewees report that engagement is considered a duty when you reside in the municipality whether as a resident or a business. Engagement is supported by a newly established centre for volunteers and the budget for a volunteer coordinator for the next year. The rationale is that more knowledge of the needs and wishes of volunteers will improve cooperation between the municipality and the volunteers. This is thought to benefit the volunteers, who according to the local politicians and public authorities will be crucial in maintaining welfare levels in the future. Even though engagement is easy to mobilize, some interviewees point to an overweight of elderly volunteers. No particular groups stand out through their lack of involvement. Also immigrant groups are engaged in local activities.

An interviewee raises the important point that it is hard from a public authority perspective to orchestrate territorial development through volunteers and local community engagement. He uses here Fjaltring, a village that has developed as an artistic hot spot, as an example:

I think there are some mechanisms in this that you cannot explain. I do not think that you can always orchestrate this. Sometimes it comes by itself. I think that if you emphasise one thing from the municipality and expect to develop in a particular direction, then you end up developing something else, somewhere else (Rur_Pa_12).

Even though it is hard to orchestrate local engagement and drive development in particular directions, the municipality prioritizes support for development in the areas where there is already commitment from the local community. They direct, for example, rural development towards the villages that are already committed with private money and investment of time by volunteers. The municipality has established a small fund that local communities can apply for small grants from to finance local development or operational costs. As an interviewee explains, the municipality has to be able to support private investment by the local community and entrepreneurs. The municipality cannot pay for it all, but they can contribute to existing initiatives. Within the cultural area, the municipality has a cultural fund administrated by volunteers. As described, however, community actors feel supported mainly symbolically rather than financially through these initiatives.

A similar fund has been established in Horsens to benefit development of community life and territorial development in the small villages and small towns in the municipality. A local politician explains:

Voluntarism demands something to grow on, nearly always, if it is to grow into something big or last a long time. It demands a kind of foundation on which to grow. I can think of three types of foundations. One is the physical facilities, for example, if you have a community sports Hall that is easy to get to and well-functioning. The other is that you have some money to do something with. The third is that you have some people that can facilitate and coordinate the voluntary projects...therefore, I think that it is a good initiative with the fund...for example the project concerning safe villages where a village can apply, actually on pretty loose grounds, for 100.000 Dkr [13.333 Euro] to do what they think give meaning to their village. The only condition is that the whole village has the possibility to get involved. (Sub_PA_24)

She explain moreover that what they are interested in at a political level is to facilitate a process where you generate a local community, as this is the condition to get access to the public funds (This perspective is supported also by another opposition local politician (Sub_PA_23). In both Lemvig and Horsens, a temporary political committee (§17 stk. 4) have been established to oversee the funds and ensure the implementation.

These local development funds have clear links to the intention in the National rural development programme, where there is in a similar way emphasis on the connection between mobilising locally based social capital supported by public funds in rural areas (Winther and Svendsen 2012). An interview involved in public led development argues that the rural development funds have played a huge role in shaping municipal strategies and priorities over the past few years (Rur_Pa_12). With this, he refers to the active municipal policy to apply for or support applications for national rural development funds to tear down unsuitable housing in the area. Another interviewee explains that as other municipalities have been rather passive in this regard, Lemvig has been able to use a relatively big part of the national funds for rural development (Rur_PA_7). Rural housing is in general losing value on the housing market that affects Lemvig due to its remote location. Some units are turned into cheap rental housing which attracts vulnerable and poor families. Moreover, many houses are abandoned and left to fall into disrepair. In both cases, the municipality cooperates with local communities in tearing down such houses or fixing them up to secure the preservation of the villages' aesthetic qualities. An interviewee explains that the municipality has an active policy of avoiding being an attractive place for what is known to social services as nomadic families, i.e. families relocating between municipalities to avoid public scrutiny (Rur_PA_14).

National funds relating to digitalization and nature preservation are also examples of public funds to support local development. An example of territorial development in this regard is the development of local internet coverage. Local community associations have been active in applying for national funds to increase connection speeds, which are very poor in many parts of the municipality (Rur_COMM_20). Another role for civil society in place-making strategies relate to the establishment of windmills. Local residents and private stakeholders have been closely involved in making the sustainable industry a brand of the local area. Local community associations and the municipality have collaborated closely on the placement of the wind mills to secure that they do not interfere with the landscape and with peoples' access to the landscape (Rur_COMM_17).

An EU fund that supports the orchestration of collective efficacy is the Local Action Group funds. In our case areas, the only functioning LAG is in Lemvig municipality. Here an active community member explains how The Local Action Group plays a part in developing businesses and jobs in the area (Rur_COMM_20). Since 2012, the LAG has focused on developing local jobs. One way has been to give small grants to entrepreneurial citizens as funding for starting a business and at a later stage get funding more easily from the financial sector. Examples given are support to a local furniture maker

and a farmer who have turned his organic farm into a tourist attraction that lets visitors see the daily work on the farm.

4.3 Conclusion

The possibility for a political focus on territorial cohesion is intrinsically coupled with how territorial governance and territorial capital relate to collective efficacy. Lemvig is a small effective unit that has a high capacity to mobilize local resources across private and public sectors and take action, but with a limited governance capacity to address the complexities resulting from de-population and the wide range of problems the municipality is facing. Aarhus has, due to its size the governance capacity to address a wide range of problems, while communication, coordination and civic mobilization are demanding and difficult. In Horsens, alliances between the local business-life and local government are extraordinary strong and tight-knit and that makes territorial development in Horsens possible despite territorial challenges.

Collective efficacy is obviously defined and perceived very differently in the three municipalities. In Lemvig, the term ‘community’ is repeatedly used both in relation to the way business, government and civil society collaborate and in relation to the specific policy-fields. In Aarhus, collective efficacy is articulated as a matter of participation and involvement and there is even a policy of citizenship. In Horsens, collective efficacy is mainly articulated as the strongest local forces – local government and local business actors through the Horsens-alliance – taking responsibility for local growth and social justice. These differences reflect variations in the three cases regarding history, demography and geographical location in a national context. The small, sparsely populated community of Lemvig has a long tradition for tight knit communities whether these are formal or informal, goal-oriented or more oriented towards social contact in itself.

The way residents of Lemvig form social networks and intertwine these with the political, institutional and administrative configuration is to a large extent the reason why Lemvig, as a peripheral and remote location, are able to manage the consequences of the population decline. Aarhus is a much larger city with a pronounced degree of specialization and division of labour, divided into large and separated municipal authorities headed by a counsellor. The size of the city makes the informal and intertwined relations more difficult and distant in relation to the local government. In Horsens, there is great local enthusiasm when it comes to business-actors involvement in all kind of development and investment in the municipality. The social profile marked by relatively heavy social problems might play a role in explaining civil engagement and collective efficacy of the locality. The strong collaboration between local government and local businesses rely on a mutual understanding of local social responsibility and obligations and is mainly concentrated on creating and maintaining growth and social justice.

The many differences and variations of collective efficacy are certainly a central outcome of the patterns of public-private partnerships, their coalescence around physical local hubs, and the resources available for bottom-up initiatives and projects from local, regional, national and EU funds. Moreover, varieties in degree of formality of collective efficacy mirrors the difference in scale that the cases represent. The meaning of ‘the local’ becomes particularly visible when comparing cases across different scales and, with regard to efficacy, the comparison also highlight how the local capacity for collective action is of great importance – a precondition even for territorial development and territorial cohesion. This topic could be interesting to pursue further.

5 Territorial governance

In this chapter, we will investigate the role of territorial governance in mobilizing territorial capital (chapter 3) and in utilizing the effects of collective efficacy as outlined in chapter 4. We will analyse how the ‘capacity to act’ depends on strategic forms of policy coordination (Sevillo, Atkinson and Russo 2012). Policy coordination refers here both to the formation of policy bundles generating synergy between policy areas, such as labour market and regeneration policies, and in some instances different forms of coordination fora. Strategic policy coordination refers, moreover, to the different forms of collaborative governance (Healey 1997) which not only provide ‘local ownership’ to new initiatives to promote territorially cohesive and more equal local communities, but also to policy innovations. In some instances, networked forms of collaborative government have turned into urban regimes (Stone 1989, Stone 2015), coalescing collaborations and forms of inclusion, while in other instances more agile and ad hoc forms of partnership emerge and play decisive roles in delivering more or less cohesive forms of territorial governance (Atkinson, Tallon and Williams 2019).

Policies on territorial cohesion are often connected either to the idea of legitimizing growth or to the development of more balanced welfare services. This makes it imperative, in the following, to analyse the policy discourses pertaining to territorial cohesion at different scales of government, and the narratives of what is conceived to be ‘good territorial governance’ by different stakeholders (business, civic community actors, policy actors). Below we do this by including elements of the policy analysis from the three case areas and the interview material from different stakeholders.

Thus, a central argument of the chapter is, that for territorial governance to utilize the shield capacities of local collective efficacy it needs to facilitate processes that ensure local communities have a say, which is not reduced to tokenism, and that bottom-up initiatives have a possibility for being involved in local development. This is not to say, that territorial governance is reduced to a question of ‘rolling back’ the state and governing through local communities (Rose 2000). Rather we need to investigate which forms of ‘rolling out’ of local, regional and national territorial governance that might serve as conditions for cohesive development (Allmendinger and Haughton 2013, Jessop 2002).

In Denmark, spatial planning is caught between a move towards neoliberal entrepreneurial planning (Allmendinger 2016) focused on stimulating growth and a tradition for planning that is enrolled in social welfarist logic favouring comprehensive planning that mitigates the effects of growth strategies with the aim to secure balanced development and territorial cohesion (Olesen 2012). On the one hand, there is an increasing focus on involving business actors and entrepreneurs in the development of both urban and rural areas. This involves both the enrolment of such actors in soft spaces of regional governance aiming to foster the attraction of businesses or lobby for infrastructural development (Haughton and Allmendinger 2010, Allmendinger and Haughton 2009) and the institutionalised use of public-private partnerships and BIDs in developing urban areas (Richner and Olesen 2019). On the other hand, soft spaces of strategic planning have to co-exist and interact with both a strong autonomy of local municipality planning and centralist tendencies. The political legitimacy of the local autonomy rests on collaborative ideals, universal access to services and intra-municipal balanced development (Galland 2012, Olesen 2012). By centralist tendencies, we are referring to that recent reforms in local and regional government have had a centralizing effect on key services (see below), and increasing predispositions to strong centralist meta-governance of welfare in the direction of targeted and sanctioning welfare (Fallov and Blad 2018, Fallov 2013). However, even if tendencies of

sanctioning welfare are emerging it is important to remember, that Denmark is characterised by a social investment approach, which emphasise the combination of flows with strong buffers and stocks. That is, there is a strong tradition for integrating active labour market policies with other policy areas, and that activation rests on top of universal access to services and relatively high levels of social security (Kersbergen and Kraft 2017). In the chapter below, we will analyse how the social investment approach interacts with territorial governance by drawing out the strategic territorial strategies related to regeneration, growth, VET, ALMP and childcare.

This ambivalent identity of spatial planning is visible in the discourses analysed in the pages below. However, it is our argument that this schizophrenic identity of Danish spatial development is a particular “local variety” of neoliberal governance (Brenner and Theodore 2002) in which local development discourses aim to achieve legitimacy precisely because growth and welfare in the form of liveability and inclusion of the most marginal groups are coupled. It could be argued that this coupling of welfare and growth agendas is a characteristic of the Danish “spatial imaginary” (Jessop and Sum 2013) and emerges as national and local responses to increasing the competition between regions and urban areas. Moreover, this aim to integrate growth and welfare is consistent across urban and rural development strategies, albeit finding different forms of expression. In rural areas, there is a coupling of deregulation and increasing strategic regulation aiming to achieve innovative and sustainable development based on public-private networks and partnerships. In urban areas, the boundaries between comprehensive planning and soft spaces promoting growth are becoming increasingly fuzzy, but is sought kept in check through regulation of corporate and civil social responsibility.

In the Danish cases, we find that local territorial governance plays a key role in mobilising local communities, distributing funding, and bringing partners to the table in order to generate ‘common frames of reference’ (Magalhães et al 2002). We will return to this in section 5.2. Meanwhile, local territorial governance is enmeshed in different meta-governance frameworks (regional, national and supra-national) that direct priorities, funding streams and policy coordination (see section 5.3). Below, we begin by outlining the characteristics of territorial governance for each of our urban, suburban and local cases.

5.1 Characteristics of territorial governance in each case

In order to understand the characteristics of territorial governance in the three case areas, we start out with framing these in a national context with focus on territorial cohesion. The focus of territorial cohesion in Denmark at present, perceived from the national level, is to ensure balanced development and smart growth, focusing on that the rural parts of the regions maintain potential for economic development. The Danish TC-approach does not have a welfare element (service access- or social inclusion), since the national policy understanding of the last and current government assesses these welfare elements as sufficient. This is in contrast to the cohesion approach in many other European countries. However, this does not mean that welfare policies are absent or no longer important, but rather that focus in terms of alleviating inequality and enhancing cohesion is focused on particular target groups (for example residents of marginalised urban areas in the National Strategy to fight Parallel Societies)(Regeringen 2018) and enhancing corporate social responsibility, more on that below. The policy developments throughout the last seven years indicate that several economic sectors have been suggested as future strategic growth areas; of these, the following have the most direct impact on territorial cohesion:

- Innovation clusters (higher-order, long-term, integrated strategies, potentially within a spatial and collaborative context) ⁴
- Tourism (cross-regional, cross municipal partnerships, place-based branding narratives, involving local stakeholders).⁵
- Spatial planning (explorative projects along shore-line, renovation of social housing, potential housing strategies related to the summer-cottage/senior market, inner-city revitalisation, new use of abandoned/vacant facilities).⁶
- Decentralising public jobs by moving state-agencies to the non-metropolitan cities in Denmark (boosting the number of academic jobs outside the metropolitan region, improving the migration to these cities).⁷
- Balanced national growth and development (small-scale initiatives and pools related to reduced commuting prices for islands, focused business initiatives in shrinking towns/cities, growth pilots in rural districts).⁸

In Denmark, there are two different streams within area regeneration policies; a) focused on the social inclusion of vulnerable housing areas in urban and rural areas; and b) physical redevelopment and growth. Territorial cohesion understood as driven by economic development and competitiveness is most prevalent in the second stream. However, even in relation to goals related to the social inclusion of vulnerable social housing areas, these goals are intertwined with issues relating to making these areas more competitive on the housing market and more attractive for investment. The rural development programme is explicit in relation to that the overall goal is to provide economic growth and growth in number of jobs in rural areas. However, these more economic goals are explicitly intertwined with ambitions to generate spatial justice through a more balanced development and fair access to services – what they term framing conditions for living in the rural areas (The Danish Rural Development Programme (Landdistriktsprogrammet 2014). The programme aims to improve territorial cohesion between urban and rural areas, by making rural areas more attractive to live in and by supporting the development of the same facilities in relation to culture and leisure time services as what is provided in urban areas.

As we outlined in Chapter 2, the three Danish cases all belong to the Central Denmark Region. With the latest municipal reform of 2007 (called *The Structural Reform*), the number of Danish municipalities was reduced, all the counties were abolished and the territorial administration went from a three-tier to a two-tier system between state and municipalities. The majority of tasks of territorial governance were transferred to the new and bigger municipalities (Olesen, 2012; Andersen, 2008). For handling a number of remaining regional tasks (mainly health), five new regions were established. There

⁴ Strategy for Denmark's cluster policy (2013), Cluster strategy 2.0: A strategy for cooperation of Denmark's cluster and network-efforts (2016).

⁵ Growth Plan for Danish Tourism – improving distributed growth across Denmark; entry jobs for the short-educated part of the population and emigrants (2014).

⁶ Urban Renovation Act (byfornyelsesloven 2016), The Danish Rural Development Programme (Landdistriktsprogrammet)(2014), which also is followed by a Fund to support development of rural villages (2014).

⁷ Agreement: Denmark in Better Balance - Better framing conditions for municipalities, citizens and businesses in the entire country (2016).

⁸ Agreement: Growth and Development in the Entire Denmark(2016).

are two business regions in the Central Region Denmark; Business Region MidtVest, and Business Region Aarhus (BRAA). Furthermore, there are the semi-hard spaces of the Municipal contact council in the Central Region (KKR Midtjylland), which heads the new business houses that will promote business development and growth in the region⁹. The new Business Houses replace previous Growth Forums and the nationally delegated resources for business promotion. The Regional Councils (directly elected) are primarily focused on health services, but also on infrastructural development, and climate adaption, as their role in business promotion have recently been curtailed and moved to the new business houses. The Regional Council can make a Regional Development Plan (RUP); however, these should no longer include growth and business promotion. The development of RUP should be in dialogue with the KKR. Consequently, the inter-municipal body now has the driving seat in regulating territorial development.

In its latest revision from 2015, the Danish Planning Act was revised in order to support an increased focus on ‘planning for growth’ (Olesen & Carter, 2018). The existing framework of collaborative and participatory approaches to physical planning was retained: all physical plans have to be developed through a hearing process that gives the public the possibility to influence local planning. This means that a collaborative and participatory approach to territorial development is a natural framework for territorial governance in Denmark and therefore for all three cases. However, it is argued that the increasing interaction between soft spaces and formal territorial governance might have exclusionary effects on the general public; hindering democratic control with territorial governance (Richner & Olesen, 2019; Andersen, Hovgaard & Jensen, 2000). We will return to how our informants from the business and civil sector experience the room for participation and innovation from below in section 5.2.

Denmark is characterised by a human capital approach to active labour market strategies (Vis, 2008) meaning that emphasis is on training, education, life-long learning and development of employability. However, this approach has increasingly been coupled with a ‘work-first’ approach and an emphasis on sanctions and economic incentives for a quick return to the labour market (Fallof, 2011b). This is particularly pertinent in relation to the so-called poverty benefit rates (reduced benefit rates for immigrants and asylum seekers and reduced security for people on contributory benefits). Despite these tendencies for increased welfare targeting, ALM policies rest on a national and local tripartite agreement system between unions, employer unions and government. These institutionalised agreement systems ensure that internships and in-work training becomes a focus for the so-called education-ready unemployed and flexible arrangements for on-the-job-training for vulnerable groups and long-term unemployed. Therefore, the strategic selectivity of the national labour market policies favours job centres as central actors but in close collaboration with local businesses and NGOs. Thus, there is an emphasis on corporate social responsibility and welfare mix in relation to the groups on the margins of the labour market.¹⁰ There is a long list of national amendments to the Active Labour

⁹ This is an inter-municipal council headed by the 19 mayors and elected Municipal Council members. The KKR Midtjylland elects members to the regional labour market council, has an educational committee to coordinate and lobby for regional educational interests and head the new business houses leading the business promotion and growth initiatives of the region as a result of a the Business Promotion Act implemented from the beginning of 2019.

¹⁰ The few exceptions are the National Programme for the EU Social Funds 2014-2020. In this it explicitly states that the National Programme is to “meet EU2020 targets of intelligent, sustainable and inclusive growth. This shall primarily happen through increasing job creation (number of hours) and the development of productivity” (National Programme for EU social funds 2014-2020:2). Later on, it states that interventions shall target the resources and needs of each region. That the programme is “place based” in the sense that it should be tailored to place specific needs (National Programme for EU social funds 2014-2020:2). This perspective on tailoring interventions to fit place specific conditions is a Europe

Market Acts setting the national targets. The most recent one strengthens the freedom of municipal interventions as long as they follow the national targets, which function as a discursive frame for municipal interventions. Thus, local labour market policy strategies have some freedom to adjust to local needs, which results in different use of outsourcing in the implementation, however the local solutions but reflect the national framework. Regional labour market needs and changes are discussed and coordinated in the Regional labour market councils (which have an advisory function) and the municipal contact councils.¹¹¹²

Access to child care and education is based on universal principles in Denmark; underpinned by a progressive system of reduced fees for people on low incomes and single earner families. This means that the territorial aspects of child care are reduced to a question of securing services even in sparsely populated areas, such as Lemvig, or in areas with population growth such as Horsens. Municipalities have full autonomy to decide the level of services; however, there is at present national political debates on introducing national minimum levels. This means, that we will not focus on child care in the sections below. Vocational training and education strategies are decided nationally, and educational institutions are self-governing institutions, however Regional labour market councils and KKR can influence direction of transformation. VET strategies couple therefore closely with ALMP and local authorities have little influence, although fight over the placement of educational facilities. Moreover, in the National Strategy to fight Parallel Societies (Regeringen, 2018) a territorial strategy of regulating immigrant families' use of childcare facilities has been launched; based on a political agreement across the political spectrum. The national strategy impedes on the autonomy of local municipal planning as municipalities are forced to make a development plan for these areas in accordance with the national strategy. Moreover, the social dimensions of this strategy implies that parents in the 'hard ghettos' are forced to send their children to pre-school child care, and that municipalities have to have an advanced job centre effort in the areas. The strategy represents a national concern with failing cohesion as a territorial problem but it is also a policy answer that enmeshed in tendencies towards the punitive state focusing on neighbourhood effects while structural problems on an urban-regional scale are neglected.

These different developments represent state selectivities and form meta-governance frames that influence both local territorial development strategies and the relations between national, regional and local tiers of governance. The consequences of this is that our three case municipalities have relatively high levels of autonomy when it comes to developing their territorial development strategies, but that they are steeped in a national path dependency that favours balanced growth and a welfarist emphasis on equity and social inclusion. In the following sections, we use the case material to analyse how local policy strategies adhere to territorial specificities or carve out room for innovation in territorial governance. In the rest of this section, we will outline how our informants relay what the direction of territorial governance is locally and how they envision the role of territorial governance in relation to the development of territorial cohesion. We couple the material from the interviews with

wide tendency related to the spatial turn [reference here to Barca 2009 and Böhme 2011,] in which at least in policy articulation there is a general focus on a development approach. To ensure this, interventions are monitored and shaped by the regional growth fora.

¹¹ The unemployment reform (2015).

¹² There are 8 Regional Labour Market Councils, each with 21 representatives drawn from among social partners (trade unions and employers' associations), the municipalities, the Danish Council of Organizations of Disabled People and other regional actors including educational institutions and growth forums. The general objective of the eight Regional Labour Market Councils is to improve coordination and dialogue between different municipalities and between municipalities and unemployment insurance funds, enterprises and other actors, including VET-centres and growth forums. As a rule, the Regional Labour Market Councils do not have any specific authority over local municipalities.

the elements from the policy analysis that clarify the characteristics of the policy discourses on territorial governance in each case in turn.

5.1.1 Characteristics of territorial governance in Aarhus

As we have outlined in the previous chapters (2,3,4), Aarhus is a young city with a vibrant urban life and experiencing substantial growth in the number of jobs and inhabitants. However, the municipality is also challenged by growth dynamics, making transformation of mobility patterns and infrastructure necessary.

Overall, two key words running through much of the Aarhus policy archive are ‘growth’ and ‘room for all’. The city takes pride in its on-going growth but want to remain a jovial, down-to-earth and inclusive atmosphere. Aarhus is the second biggest city in Denmark and this is, in many respects, a defining characteristic – not simply in terms of size but also in terms of identity. The role as the ‘provincial little brother’ is an identity that Aarhus has always refused and within its region, Aarhus is the biggest city and takes pride in this role. During the past decade, Aarhus has increased its role as the region’s growth motor and Aarhus Municipality is the key actor in the 12-municipality cooperation, Business Region Aarhus (more on the business regions below in section 5.3). It is characteristic, therefore, how Aarhus mediates between being ‘small’ and ‘big’ at the same time. Testimonies of the advantages of being smaller than the country’s capital, Copenhagen, appear in the interviews of D4.4. For instance, it is emphasised how due its small size strategic actors know each other and that this facilitates dialogue and easier coordination and decision-making. Secondly, it is emphasised how infrastructure- and transport planning is easier than in Copenhagen as Aarhus Municipality covers both the central city as well as the surrounding suburban areas and can plan without having to work across municipal borders.

Similar testimonies are found in the policy analysis. During the last decade, Aarhus Municipality has become increasingly strategic in policy fields relating to growth and urban development with urbanization as a main driver. Collaboration across municipal borders in Business Region Aarhus; a comprehensive priority in developing disadvantaged areas; a municipal business-approach model for managing the revenues related to strategic buying and selling of land; an active citizenship policy and high emphasis on volunteering; prioritizing growth-potential in specific business sectors; a differentiated housing policy emphasising social cohesion; a shared political assessment that mobility by other means than cars is needed in order to deal with congestion and labour-market attractiveness; finally a joint alliance with educational institutions, dominant businesses and labour-market related actors in a contact committee. These strategic movements generally enjoy broad political support, creating a strong, though not yet fully institutionalised, platform for collaborating with business actors, housing organisations and other municipalities. The municipal approach is based on broad political coalitions with policy involvement in urban planning, segregation, business promotion and mobility as well as developing business strategies in collaboration with educational institutions, labour market organisations and businesses.

We will here point to three strategic dimensions and return to the issues of collaboration and involvement of civic society and business in section 5.2. Firstly, the municipality invests in areas in the city by buying up land and developing them; making strategic investments with an aim to densify the growth areas of the city. This investment model makes it possible to shape the development of the municipality even further than only through regulative means such as local plans (Urb_Pa_8). The municipality is strategically buying up and selling land to finance infrastructure and public facilities and to make room for new infrastructure as well as densifying the city while preserving environmental

qualities. The well-developed strategic plans and policies are important signals of municipal priorities to developers and businesses. Growth strategies are seen as the motor for the development of the region and the city but also for the development of the deprived urban areas more specifically. There is a focus on mediating the consequences of uneven growth, both territorially and socially. The overall narrative, therefore, is balancing big business and social inclusion, and thus a territorial cohesion.

Within the field of economic growth, the overall testimony is of a municipality in progress with a strong will to pursue further growth in joint collaboration. In *The Municipal Plan of 2017* and *The Planning Strategy of 2015* the sections on economic growth write of ‘smart growth’, ‘sustainability’, ‘urban quality’ and ‘liveability’. In the coming decades, the city of Aarhus is expected to increase its population. This is to be handled through densification and regeneration, and it is anticipated to increase the role of Aarhus as a ‘big city’. In the policies explicitly directed at economic growth, the overall vision is for Aarhus to develop into “... a national growth-centre with international impact” (Business plan 2018-2019, Overview, pp. 4). In addition, growth is expected to come from education and talent recruitment as well as through maintaining and increasing a green, sustainable profile:

Aarhus shall be a leading knowledge, education and culture city, and the Aarhus region shall be one of Northern Europe’s most attractive job and career destinations. At the same time, Aarhus must be an economically and ecologically sustainable city where growth and development are created in close and binding collaboration. (Business plan 2018-2019, Overview, p. 4)

A second aspect of strategic planning is, according to one interviewee with knowledge of Business Park Skejby, that the municipality has an increased focus on social cohesion in negotiations with privately driven property development; this focus allows non-profit organisations to provide activities for both the Business Park and future residents in terms of community-house facilities as well as to include a museum that employs mentally ill and citizens with reduced work capability, providing arts and a creative atmosphere to the district of Skejby (Urb Comm 3).

The *Business Plan 2018-2019* mentions a number of growth-drivers: talent, education and labour; infrastructure and urban development; Business Region Aarhus; business service and entrepreneurship; innovation and business development environments; and finally urban profiling and reputation. In relation to the growth drivers of talent, education and labour, the municipality wants to attract and hold on to international, talented people. As regards infrastructure, the document focuses on the mobility-demands of the private businesses. The in-coming commuter traffic from outside the municipality is increasing and the municipality is seeking to address this on a regional level. The third growth-driver is the regional collaboration in Business Region Aarhus and its cluster initiatives. Since the late 1990's, Aarhus Municipality has been supporting the built-up of clusters. Today, their efforts are mainly focused on the clusters on foodstuffs (Agro Food Park), on health (Aarhus University Hospital Skejby) and on energy, climate and ecology (Navitas). These initiatives are described as beginning ‘from below’ with the strengths and challenges of the businesses as their starting point. The main initiative is the branding of the region to attract labour, investments and tourists. The fourth and fifth growth drivers are business service and entrepreneurship and innovation and business development environments. Aarhus Municipality is committed to creating favourable legal framework conditions for entrepreneurship and business development as well as effective regulatory processing. In support of their innovation and business development environments, Aarhus remains continuously focused on their clusters and key initiatives are organisation, partnerships and marketing. The final growth driver focus on branding Aarhus to the outside world and on encouraging companies, institutions and organisations to be good ambassadors for Aarhus.

Thirdly, strategic planning relates to governance strategies to identify the commercial potentials of the disadvantaged areas of the city, such as Gellerup, as the driver for change, in collaboration with social housing organisations. One focus of this strategy is to get private developers to build housing in the deprived areas. In relation to this, an advantage of Aarhus and the deprived areas in particular is available land, offering the possibility for densification. Adding to the potential is that the deprived areas are relatively close to the city centre where prices are much higher (Urb_Pa_10; Urb_Ba_3). In disadvantaged social housing areas, the broad strategic alliances between housing organisations and the municipality create a potent framework for collective efficacy and the strategic capacity for job-creation and upskilling. The housing organisations are non-government and non-profit providers of social housing in Denmark.

In June 2018, “Agreement on deprived housing areas in Aarhus Municipality” was passed by all parties of the city council. It was passed as a response to the proposed national legislation on deprived social housing areas – the so-called ghetto-strategy (Regeringen 2018). Financially, the agreement specifies a budget of close to 28 million EUR on the expense side; noting that the income side is less certain but with expectations of income from The National Building Fund and the state. The agreement is territorial in its essence as it is a response to challenges in deprived social housing areas with a focus in particular on the areas of Aarhus categorised on the national ‘ghetto list’ as ‘hard ghettos’. The agreement includes preventive efforts in areas at risk of ending up on the list or moving to a ‘worse’ list (e.g. from ghetto to hard ghetto). The purpose of the agreement is stated to be to avoid the lists; not to limit deprivation. The national ghetto legislation is, as it is also noted in the Aarhus agreement, built on the approach Aarhus Municipality has had for some years in relation to deprived social housing areas: a broad, comprehensive approach combining extensive social and physical measures that Aarhus has been a first-mover in employing. In this case, a policy approach has moved from the local, municipal level to the national level, leading to a close correspondence between the national legislation and the Aarhus approach.

The agreement underscores the need for collaboration with all relevant actors in changing the course of the deprived housing areas. This collaboration is to take many different forms. Private companies are to aid in securing workplaces. Developers are to buy land and develop private rental and owner-occupied housing; offering more work opportunities for locals through Built-up. NGO’s and voluntary organisations are to be supported in activating residents and are to be part of the advisory board on citizen involvement. Local schools are to be key actors through securing a mixed pupil composition and contributing to the development of the area e.g. by utilising the otherwise seldom used possibility to draw private actors onto the school board. Cross-administrational collaboration within the municipality is described as essential e.g. in relation to creating a sustainable change for deprived families e.g. through Stairwell-to-Stairwell where municipal actors are to be located in the areas to create closer connections between municipal actors and between municipal actors and citizens. For more on the collaboration between different types of actors see section 5.2.

In Aarhus, the capacity to act rests on balancing emphasis on cohesion and inclusion with increased focus on strategic growth and collaboration with entrepreneurial partners. We see this in the mobilization of territorial capital that emphasise environmental capital of unused land, commercial potentials of deprived areas, and the building of new business parks. However, this is then combined with formal structures of citizen participation, which due to scale becomes more fragmented forms of collective action from below than in the two other case areas.

5.1.2 Characteristics of territorial governance in Horsens

This is a town that wants to move and change. They want to show that it is town where things happen, and they are not academically inclined. It is like this; a test is better than a thousand pages. You want to test something than try to analyse it in many ways. Horsens is an exciting town in the way it has come to be. It is the DNA down here: in Horsens we do, let's do it (Sub_Ba_7).

Territorial governance in Horsens is not tied down by a academic tradition for reflective strategy. It is concerned with getting things done. This must be seen in relation to the development of Horsens since the 1980s where Horsens have turned a low confidence and slow growth into population growth and a new image for Horsens (Sub_PA_22). This key chief executive goes on to state how there from the local authority have been a recent change in focus from focusing on establishing a new narrative for Horsens to now working in a targeted way on that all parts of Horsens should benefit from the growth, for example, they work hard to increase the educational attainment and income of the groups that are still lagging behind.

Keeping Horsens an attractive settlement city and handling the consequences of population growth in terms of infrastructure and environment are the main territorial challenges of Horsens. In the physical plan for the municipality “Municipal plan 2017 – our municipality 2050” (suburb_29), the focus is on how the increasing population in all age groups puts a pressure on space for development, and access to welfare services. Moreover, the identified challenges for the municipality emphasise that despite income increase and growth in number of employed, Horsens has a lower income level, a lower level of educational attainment and a higher number of unemployed residents than the surrounding municipalities (2018 (Suburb_29):50,51).

The political landscape is in Horsens characterized by stability as the Social Democrats have been in political power for a long time, and the broad alliances between local businesses, trade unions, NGOs and politicians in the Horsens Alliance characterize the political landscape. The alliance consists of members of municipal departments within labour market, education and social services, union representatives and representatives of local businesses. The alliance is a key actor of territorial development in Horsens as it unites different interests, pools local resources and make it possible to drive the development of Horsens forward despite a tight economic budget. It has grown and changed form and sprouted new alliances, for example, an alliance on Education, a Job Task Force, a settlement alliance. The alliance forms a political order that due to its tight social relations has been able to bring about change (Stone 2015), but it is also discussed how to understand the benefit of this collaboration. We will return to discussing different perspectives in section 5.2.

Horsens is not a rich municipality. Concurrent with the focus on effective welfare services, Horsens has a three-pronged territorial investment strategy that they have pursued since 2015. First, they have invested in underpinning the development of Horsens as an event city by buying the Prison and turning it into a museum and concert place and investing in regeneration of the areas around the Prison. Second, they have invested in infrastructure and the membership of the Aarhus business region BRAA. Third, a social investment strategy has led to investment of money in lowering the case load in the job centres (“the Swedish model”) to improve the process of getting the most vulnerable unemployed and unemployed youth back into the labour market; in close collaboration with the Horsens Alliance (Horsens Municipality 2015). A fourth strategy relates to climate adaption, but this is outside the scope of the COHSMO project.

Horsens is, like all other municipalities, limited in its economic self-governing due to the economic agreements made between the national association of municipalities and the present government

(Regeringen 2018b, Aftale om kommunernes økonomi, 2019). At present, this agreement demands very limited growth in the municipal budgets earmarked welfare services. It also puts a limit to the municipal infrastructural development in the form of a collective bar over loans. This means that big projects in one municipality inflict the possibilities of other municipalities; inflicting a forced solidarity in relation to territorial development. This means that Horsens since 2014 has focused not only on a stable and predictable economy, but also on increasing effectiveness and curtailing expenses on bureaucracy (Sub_PA_22).

It is our hypothesis that central to the governance capacity of Horsens is the formation of a common frame of reference (Magalhães et al 2003, Fallov 2010) around the idea of “pulling together as a unit”. In the “Common Vision for the City Council: 2018-2021 for a good life in a strong community” (Byrådet Horsens 2018) it is stated that:

This is the unique DNA of Horsens that we should build on and develop in the common period for the City Council...We work from a focus on resources, where we build on what the individual, the association, the local community and business can do. We believe that all have something to give, and that initiative, collaboration and alliances are the way forward” (Byrådet Horsens 2018, Suburb_1:2, emphasis added).

This statement on “pulling together” and doing things collaboratively, and joining up forces between public, private sector and civil society is a narrative that runs through interviews with different forms of informants across sectors and appear in many of the policy documents across welfare areas. Moreover, the focus on making things happen through “pulling together as a unit” is articulated as the backbone of a strong territorially cohesive local community in the same vision document:

Horsens Municipality is characterized by strong territorial cohesivenessThe positive development is evenly spread across the municipality.” (Byrådet Horsens 2018, Suburb_1:12, emphasis added).

The Physical plan for Horsens Municipality 2017 marks this shift towards handling growth more strategically:

Where planning previously has been controlled by growth, planning should now be controlling growth (Horsens Kommune 2018a, Suburb_29:79, emphasis added).

The same change is visible in relation to planning for enterprise zones. Here it is expressed in the plan that the ambition is to “*instead of planning for more business areas to plan better in terms of exploiting the integration of businesses in the urban environment to generate varied, living and attractive urban areas...*” (2018, Suburb_29:100). The key word for this changed planning discourse is more quality instead of quantity. This is also expressed in the need for a more strategic approach regarding which branches to attract, and in bringing into play the competitive advantages in comparison with other cities (2018, Suburb_29:101). Increased density is dealt with in terms of allowing building upwards in particular sites and by developing specific strategic sites; namely the Campus area in the centre, the harbour area, and Nørrestrand.

This increasing emphasis on strategic capacity was also emphasised in the interviews with key planners. Where planning previously followed the emphasis on growth in a more ad hoc manner adding new areas in rings surrounding Horsens, emphasis is now on more sustainable growth:

“Layer-upon-layer” and the spot wise expansion of the urban areas in Horsens Municipality have gone so fast that the urban areas specific identities, qualities and amenities are under pressure or

about to disappear. ... It is exactly the differences in the villages, urban areas and neighbourhoods that generate opportunities to live the life that one wants in Horsens Municipality. Attractiveness is often grounded in the detail and the differences between urban areas and neighbourhoods. The more alike they become, the more limited the options. (Horsens Kommune 2018a, Suburb_29:84).

Focus is now on generating more varied territorial development with emphasis on the history and local amenities.¹³ Emphasis is on maintaining a varied urban pattern of larger and smaller urban areas. However, how the unique attractiveness is extracted, and how local ideas of identity is related to the plan is not spelled out. Villages will be ensured particularity by delimiting them from Horsens main city, and by listening to the needs of people living in the villages. The commitment to this collaboration is expressed in the development of a forthcoming policy for the rural areas (2019-2020), and the intention to decentralize means for cultural and social life to the villages (2018, Suburb_29:148-149). However, as we will return to in section 5.2 there are also voices pointed to a limited democratic element to these strategies.

It appears from the policy analysis that there has been a change in the policy strategies in the last two to three years. From focusing mainly on growth in the period of 2013-2016 to focusing more explicitly on “community” that growth should be for everyone, that growth has consequences and that it is important that all social groups benefit and that all areas of the municipality prosper. This is coined by another chief executive from Horsens.

We are no longer a blue-collar town or an industrial municipality in the same way [due to the influx of new types of residents] ...this changes the historical self understanding of Horsens to a city on the way up, and results in a focus on that we need to lift...that the new settlement should not result in inequality, which is a real risk and that is why the politicians have focused on that in recent years budget agreements (Sub_PA_21).

Horsens has generally seen a positive development in the last years in the reduction of people on different kinds of income transfers. However, Horsens is still lagging behind the national average in number of young unemployed, people on illness-related contributory benefits and the activation-ready unemployed. Therefore, Horsens Municipality has had an active labour market strategy anchored in the Job Task Force, which is a subgroup under the Horsens Alliance and which they themselves describe as an investment model, e.g. in the most recent labour market plan:

Effect based labour market policy is the starting point for the investment made by Horsens Municipality in the labour market initiatives in the last years. Horsens Municipality has concretely invested in an active intervention in the form of interviews, early and intensive interventions, and follow up and business related activation. The investment has to a different degree benefitted all target groups... The savings on public transfers is far larger than the expense for the investment in the active interventions. (Horsens Kommune 2018b, Active labour market strategy 2019:6-7).

This investment strategy is not new and can be traced back to the initiation of the Horsens Alliance, which started out with ALMP interventions in the form of mentor arrangements. However, since the budget agreement 2014, this has been expanded to include a business tax deduction as an answer to the active collaboration with local businesses in reducing the number of people on labour market

¹³ Moreover, focus is on the development of new urban areas to think blue-green development and infrastructure in an integrated manner that makes development more sustainable (depicted in their vision for the city 2050 where the main infrastructural developments, expansion and blue green areas are seen as integrated).

related welfare transfers as mentioned above. It is also important to note, that the performance-related governance is part of a general shift within national ALMP (Regeringen 2014). In this respect, Horsens mirrors the idea of investing resources in targeted interventions; however, the degree to which this is a coordinated and collaborative effort is locally specific. A chief executive informant explains that they use the social investment model also in relation to vulnerable young people pushing them into education and in relation to increasing the number of case workers in the area of vulnerable children and families. The collaboration between business and public authority was consolidated in 2016, where more money was allocated to the investment models, and the local authority incentive for CSR was formalised through social clauses in contracts between the municipality and local businesses, and in the targeted collaboration to ensure qualified labour for local businesses.

The social intervention in the vulnerable and poor neighbourhoods in Horsens (there are four neighbourhoods targeted of which one is on the national “ghetto list” – see D4.3) is placed under the remit of the department of the labour market. It is interesting that the comprehensive plans for the most vulnerable areas are not included in the Physical plan for the Municipality 2017, thus despite the general tendency for integrated policy strategies, the area of social housing is kept separate from the urban development plans. An interviewee of D4.4 explains that the area of social housing is completely decoupled from urban development and planning in Horsens; being viewed instead as social work (D4.4). The chief executive for the area explains that the strategy to improve these areas is focused on bringing down the number of people on social transfers through an active and targeted labour market approach (see here Sub_PA_21, Sub_PA_24). The Regeneration Plan Horsens 2016-2019 (authored by the regeneration secretariat 2015) draws on the same language of “pulling together as a unit” as many other policy documents, but directed more explicitly towards developing collective efficacy through mobilising potential individual resources.

In a sense, the development in Horsens could be conceptualized as a changed relation between territorial capital and territorial governance. Where the focus on growth previously was aimed at enhancing territorial capital in the form of attracting new economic capital and increasing the cultural and human capital through establishing the common narrative of “pulling together as a unit”, emphasis is now on territorial governance and a more balanced form of growth that ensures that the development of services can follow the expansion in the population. Moreover, place identity and the role of the community becomes stronger, shifting emphasis to the relation between collective efficacy and territorial capital. The capacity to act and mobilize collective efficacy and territorial forms of capital is tied closely to the development of cross sectoral collaboration in the Horsens Alliance.

5.1.3 Characteristics of territorial governance in Lemvig

The political stability in Lemvig with the Liberal Party in consistent power for many years has resulted in relative consensus on the strategy for the municipality and therefore in well-integrated policies. Interviewees do not experience discrepancies between economic policies, planning, and welfare services. There is no one sector dominating development, but it is clear that economic cautiousness characterises the municipal governance. Several interviewees, mainly business and community representatives, mention that there is a tight economic control with the municipal budgets. Local engagement is by several interviewees perceived as securing local cohesiveness and sustaining welfare services in the future. Finally, interviewees point to the importance of the size and location of the municipality. This relates both to the sense of necessity of being proactive in generating development that can turn territorial problems around and to the small size being an advantage and even a precondition for the pragmatic and pro-active approach. We will return to that point in section 5.3.

The different types of actors agree that the governance of Lemvig is characterised by a pragmatic attitude and ease of access to central decision-making actors and institutions. It is easy to mobilize both local community actors and business actors, who invest both time, effort and money in securing the local development agenda. The relationship between governance, local community and business actors is described as a multi-stakeholder public-private partnership or as a quadruple helix. This indicates that multiple interlocking and cross-cutting relations are involved in the governance of Lemvig.

As is apparent from above, the municipality is in many ways portrayed by informants as proactive in relation to intervening in territorial problems and mobilizing territorial advantages. The municipality is characterised by being very aware of its vulnerable position and its territorial challenges regarding depopulation and the lack of jobs. Therefore, the municipality has been catalyst for generating relations between local businesses and universities in bigger cities. They have invited path finders in order to generate common knowledge of the university systems. The aim is to attract employees with higher education to the area and to show young local people that there are jobs to return to (Rur_Pa_11). Moreover, the municipality has a proactive planning policy when it comes to the attraction of new businesses and securing high quality services for the villages that they believe will continue to thrive. The policy strategy narrative relayed in the interviews is that the municipality can utilize a high efficacy of local public servants and infrastructural investment in key welfare services as a means to maintain a high local service level, which then can attract new families to the area. We do not have the statistic to investigate how successful this strategy is, but it forms part of a narrative of proactiveness on behalf of the public authorities (Rur_PA_8_2, Rur_PA_11). The structural pull of metropol centres and the lack of jobs locally for women still counter act this proactive strategy. Another interviewee explains how territorial development runs in connected events, and that a proactive role for the municipality makes a difference: The municipality is proactive in securing the coast, preventing land sliding into the sea. This proactive policy results in the coast regulation authorities becoming located in the municipality, and this in turn has had a spill-over effect into other policy areas (Rur_Pa_6).

Another example is in relation to the climate industry and sustainability. Here, the visionary ideas of the former mayor together with a group of entrepreneurs creating one of the first bio-gas plants and support from the wind mill entrepreneurs have meant that the municipality can brand itself as an important area for industry and development related to climate change. The proactive stance on these issues has resulted in the municipality being part of the regional EU funded Coast2Coast project and has secured the location of a “Klimatorium”, a house for research and development of climate issues, at the Harbour in Lemvig. Another example of this is the wind mill industry and the location of the wind mill testing sites in the municipality. The municipality has built on existing social capital in securing the location of the national and commercial testing sites in the municipality through cooperating with the cooperative movement that has grown around the wind mills. They are owned cooperatively by the farmer who owns the land and the people around the wind mill. This has been coupled with a few entrepreneurs seeing the potential of the industry for the area. The municipality has thus built on existing forms of territorial capital in their support for this cause.

There does not seem to be any formal feed-back mechanisms in place. However, the regular network meetings between the business actors and central public authority actors are important in securing that public governance knows which interventions have worked and which needs adjustment (Rur_PA_8_2). This centrally placed chief executive explains how there is a common understanding of what needs to be done, and that this “common frame of reference” (Magaelhães et al 2002) makes it possible to be more entrepreneurial and move into new international growth areas attached to the

climate adaption industries (Rur_PA_8_2). Moreover, the network meetings seem to be a forum for discussing ideas and new funding possibilities. When asked about whether there is room for innovation and creativity in the municipality public actors and business actors agree that there is room for new ideas (see also section 5.2 below). However, such ideas have to keep within certain limits:

...the ships that are put to sea [figuratively] and those things that are worked hard on are in the high end of what you could expect from such a municipality [referring to size and political stability]. As long as you keep within the framework that exists. That is, the municipality is good at keeping to its framework. If you keep within this then people will listen to you and then you can run with nearly anything (Rur_Pa_12).

There is room for this [innovation] here, but it has to have some realism to it. Moreover, you have to be able to do something yourself, that is, you have to be able to put some muscles behind it. We might not be so good at expanding on the municipal operations on new buildings, new institutions and this kind of thing. That is except the Klimatorium, you could say (Rur_Pa_13).

These quotes indicate that there is room for adaption and innovation, but at the same time also cautiousness if it depends on a long-term economic commitment of the municipality. Interviewees refer to the importance of the municipality seeing the potential in new inventions. Several interviewees mention the small size of the municipality as a crucial condition for its ability to be agile and flexible. Small size does not only indicate quicker reactions to new ideas and changes, but also closer interaction between involved actors and therefore the possibility to attach common meaning to changes and public authority strategies.

The proactive stance in territorial governance is however also accompanied by a low profile in respect to strategic policy documents. Policy documents are generally scarce. Additionally, the municipality is keeping a low profile regarding all types of social media. When confronted with this, interviewees explain that the municipality of Lemvig is known for doing things and solving problems instead of telling shiny stories on the internet of how and why. A collective agreement seems to exist on the importance of doing things and addressing relevant issues while not much attention is focused on strategic and formal communication of policies and procedures. However, a new very short municipal strategy with the title of “obligating communities” has been articulated and is now being implemented. Here it is stated: “*We have a unique nature and a special mentality. We don’t take things for granted; we are used to taking action, to get down to work and to pull together.*” (Vision of the Municipal of Lemvig: 1)

The main vision is focused on local community and civic society on the one hand and on the other hand growth, innovation and enterprise/initiatives:

We are proud of our obligating communities. In these communities we show vigour and willingness to think innovatively in order to create sustainable development (Vision of the Municipal of Lemvig 2019:1).

The combination of referring to a certain civic mentality and territorial capital creates a very strong, clear and simple narrative of Lemvig. The combination of not waiting for a force from outside that will come and help the municipality and the emphasis on pulling-together demonstrate a mind-set focused on self-organization and decentralization. A local agreement seems to exist on local strengths being the ability to pull together and the nature-given resources of the location in the form of the North Sea, the strong western wind and the quality of the soil and thus the farm land. Boiled down these visions can be rephrased as “Working together on the utilization of the local natural resources”.

This vision is strong, clear and simple and the reductionism is obvious. Lemvig is part and dependent of a much more complex society, as all actors within the local political system acknowledge, but the vision express the way these actors and the broader local community perceive themselves. The vision is followed by a short document relating to the chain of command. Policies are to cut across administrations and subject areas, indicating a wish for cross-cutting coordination (we will return to how this is experienced in section 5.2). The pragmatic approach to governance is also shaping the municipality's approach to target steering. They set an overall framework of target to be achieved in dialogue with partners. However, if the targets are not met, but some other relevant goal has been achieved then it is seen as a success. A chief executive explains that this is a somewhat different approach than what he has experienced in other places where target and efficiency steering measures dominate. He states that he experience that this pragmatic approach achieves good results in relation to local development and strengthen networks between public authority and local actors from other sectors (Rur_PA_11_2).

The territorial governance of Lemvig is characterized by its agility and its proactive and pragmatic approach to local development, which partly is made possible by the small scale of the place. The understanding among local actors is that the combination of securing a high level of welfare services and entrepreneurial investment in future growth areas characterise the local government capacity to act in relation to the structural pull of urbanization and depopulation.

5.2 Coordination of territorial governance across cases

For the past two decades, the general trend in Danish municipal policy and planning has been a move from sectoral to more integrative policies. By integrative we mean policies that have built-in anticipated synergies and collaboration between policy fields, administrations and/or sectors from the onset. The change was made in order to increase the benefit and efficiency of public policy. All three cases confirm to this ideal and the question is, whether we can discern a territorial impact from the integrative approach in the case areas? Here we find, first, a clear distinction between the municipalities of how *size matters*. In the rural case of Lemvig, all policy areas are connected and overlapping whereas in the urban case of Aarhus policies are somewhat more sectorial and separate. The distinction is seemingly obvious – the larger the territory the greater the administration and, even if unwillingly, the greater the need to separate policies between administrations. On the other hand, the comparison also shows how in being the large city and the regional centre, Aarhus has more resources, greater networks and greater variety of actors at their disposal as well as more specialized administrations. Accordingly, their integrative policies approach is reflected in much more targeted strategies as they have greater strengths to mobilise (e.g. in the composition of their regional clusters and in the integration of VET and ALM within urban regeneration). In the following will look at examples of policy coordination and policy bundles in more detail.

5.2.1 Policy coordination and policy bundles in territorial governance

According to interviewees, there are in Lemvig no formal mechanisms of coordination between municipal departments. However, meetings at the executive level are regular and referred to as the most central coordination forum, ensuring close interaction between departments. The size of departments plays a crucial role here. For example, the planning department has nine staff members, a team leader and a director, which is very small in the Danish context. There seems to be different cultures for how much you think across policy areas. In the planning department, the team leader explains how they strive to coordinate with the job centre and family services department when renovating houses. If

they spot families in need of assistance, they go directly to e.g. family services. In other departments, it appears that coordination across different welfare service areas is under development:

I have argued that the cooperation between the Children and adult departments in the municipality should improve. (...). I hear these discussions referred that: 'when you move into the adult section, the service level drops'. Therefore, I have invited the different department leaders, chief executives and staff management to meetings in order to place the citizen at the centre of things and see coordination from the perspective of the citizen. We have regular conversations on how to improve things, we draw up procedures, discuss targets and perspectives (Rur_Pa_9).

Crucial in relation to the above is the small size of Lemvig Municipality with only 20.000 inhabitants. Consequently, the social service department and the job centre have a relatively intimate knowledge of all individual cases. The chief executive director explains that in connection with the new political vision for the municipality, coordination between policy areas is in focus (for elaboration see D4.5). The economic committee has the responsibility for the coordination between policy areas in the municipality. This is the only standing committee. This indicates a close economic steering and rationality behind the coordination between policy areas.

In Horsens, focus has been on becoming an administratively efficient municipality as a strategy to bring down the municipal economic debt left from previous years. In this way, they have cut down on the administrative levels rather than curtailing welfare services (Sub_PA_22). An interviewee mentions that one of the best things done in Horsens was to reduce top management as it made it possible to have shared intentions (Sub_Pa_11). This has resulted in a very efficiently driven municipality, able to deliver social services despite demographic challenges. Horsens Municipality is presented as an agile organisation, adaptable to external challenges (Sub_PA_11). Here the size of the administration matters for ensuring communication to the executive and political levels. One interviewee explains that it matters for the informal culture, that the mayor sits 'just around the corner' (Su_Pa_19) therefore, communication happens on a regular basis.

Due to the different scale of the municipality, there is a more mixed impression in Aarhus of cross-departmental collaboration, as it differs between policy fields. Aarhus Municipality appears strategically ambitious in establishing collaboration with strategic partners in areas of growth and urban development as well as in related areas such as employment, integration and education, using mid-level design plans^v as a way of coordinating activities across larger districts. This includes demanding more from private developers in order to enhance social cohesion in the city. Aarhus Municipality has been through a transformation towards acting increasingly strategically, such as securing broad support for policies of housing, disadvantaged neighbourhoods, urban planning, business promotion, mobility and the expansion of the efficiency of Business Region Aarhus. However, the areas of childcare, schooling, children and youth, to some extent culture and VET seem not to be part of the policy networks outlined by the informants, at least not on municipal level. They are left to operate more in isolation.

However, there are also reports of problems with silo thinking in the magistrates; a problem also often mentioned in relation to Copenhagen. Size can thus be challenging. Coordination between the departments of the municipality can be difficult. Sometimes even fraught. Then all collaboration has to go through the top of the system for any dialogue to take place. In relation to urban planning, there is tradition for involving the relevant departments in relation to the different themes of the overall municipal plan. Sometimes the involvement can come quite late in the process and it is a continued discussion how to make it work. Another issue is financing as each department has its own budget but not always with room for the desired investments e.g. a new sports centre.

All the magistrates have their own political leader and sometimes, the relation between the different silos may be slightly problematic. Then it has to go through the top if you are to have dialogue at all. At other times and for the most part, such a network-based dialogue between the officials runs more smoothly. However, in connection to municipal plans, there is a tradition for incorporating the relevant actors in relation to specific themes.(Urb_PA_8)

The differences between the three cases emphasise how size matters for the possibility for agility and remoteness of political leadership in territorial governance. In Lemvig and Horsens the overlapping and interlocking networks include access to executive levels of administrative departments, and political leadership from the mayors in Horsens and Lemvig, while the size of the administration and scale of the municipality of Aarhus become a mediating factor in existing networks and collaborations, for example influencing the level of reaction time and agility.

5.2.2 Policy bundles

Urban development and regeneration are the policy areas that has the most explicit integration with other policy areas. Especially, there are in both Aarhus and Horsens, which both have neighbourhoods that are on the National List of Vulnerable Housing Areas, an orientation towards the integration of active labour market policies and policies to tackle parallel societies. In both case areas there is ongoing work both to live up to the criteria set by the National building Fund, who is the financial institution funding a great part of the regeneration of vulnerable neighbourhoods, and the legal framework involved in the Governments program to tackle Parallel Societies, mentioned in the introduction.

In Horsens, there is a coordination forum between the housing associations involved and the social regeneration effort, which also include the municipal chief executive for social services and employment. Moreover, the municipality have made a “ghetto task force” (Sub_PA_21) which consists of civil servants, police, chief executives from the housing associations and local politicians. The goal of this task force is to work to lower the number of unemployed residents in the most vulnerable area, with the goal of coming off the national “ghetto list”. More concretely, they have worked with a mobile job centre placed locally which can target the employment intervention to local residents. According to another local politician, this targeted intervention have been successful in bringing down the number of unemployed in the neighbourhood Sundparken (Sub_PA_24). With the implementation of the Government’s programme to tackle Parallel Societies this task force have been expanded to include the chief executive of the Environmental department, since an element of the national programme now is to reduce the proportion of social housing in the neighbourhood to 60%. The municipality has in this instance applied for a dispensation from the national legal framework in that they meet the criteria by moving a local school and changing a few of the buildings and in that way seeking to achieve a greater social mix. In that sense, there is a policy bundle between urban development, social welfare and employment in Horsens, but focused on raising employment levels as a main instrument.

In Aarhus, the general impression from the interviews is that the disadvantaged areas are top-priority with the responsibility for the comprehensive plans being placed in the Mayor’s office. In the mayor’s office they have established a secretariat which used to be called “Deprived city districts” but is now called “Attractive city districts”, thus explicitly placing part of the responsibility for the deprived housing areas in the mayor’s office, signalling how cross-cutting the issue is.

Everyone has committed to contributing to the transformation of Gellerup, and everyone has their professionalism in this regard. (...) So, apart from this secretariat about attractive city districts, the

idea is that the different topics should be handled in the specific magistrates by relevant professionals, according to their procedures and what they can contribute with. In this way, they don't sit at the majors department trying to reinvents ways in which to work with socially disadvantaged residents. It is about getting the different professions to pull in the same direction (Urb_PA_10).

The interviewee also mentions programme steering committees for each of the specific deprived housing areas and political steering committees, calling it a 'giant set up' on top of the concrete plans for the areas. Representatives from the municipality's different administrations and the social housing organisations meet on a regular basis. The municipality has developed a rather sophisticated data-driven assessment tool ('bo-soc'), in which the socio-economic, tenure profile of each district is assessed (level of education, income, crime etc.) (Urb_PA_10). This provides the background for co-ordinating on-going or potential initiatives e.g. whether initiatives should be more cross-sectoral. For instance, the Employment and Integration office is launching a new, coordinated initiative, called 'from stairway to stairway', in which a joint team from the Employment and Integration Administration plus the social administration visits each family and make a development plan (Urb_Pa_12). Further, the comprehensive plans and investments made by the municipality and social housing organisations in Gellerup contributes to reducing stigma of the area, presumably contributing to improved life quality of residents.

For both cases, it is worth noting that the framing of the social regeneration effort to tackle segregation are translated into supply side intervention. That is active labour market policy becomes the prime driver of the policy bundle. The result of this is that focus is on capacity building connected to increasing employability and strengthening social networks. Empowering residents to master their own life and mobilize hidden resources becomes a focus in the actual interventions and projects on developing productive human beings who are active on the labour market, engaged in the future of their children showing "legitimate parenting skills" and enmeshed actively in the local civil society (Fallov & Larsen, 2017; Fallov & Larsen, 2018). Compared to previous regeneration efforts there is in both cases now a more preventative focus and a closer integration with the job centre efforts in the present plan. Secondly, there is a slippery slope from the individual to the all-encompassing community in the "we" evoked, related to the idea of enhancing the capacities and responsibility of the individual will feed into a local "we", which will then benefit the Municipal wide "we". Underlying this is an understanding of social capital-local community-neighbourhood configuration in which developing local social capital becomes like a magical wand solving problems of structural unemployment and poverty induced by reduced benefit rates (Fallov, 2011; Fallov & Nissen, 2018; Blokland & Savage, 2008).

There are also similarities in the way there is a coordination between social housing associations and private land developers in both Horsens and Aarhus. In Horsens, this pertains particularly to the development of the new harbour redevelopment and the inclusion of units of social housing in the development consortium here. In Aarhus, the housing organisation also coordinates with private developers. Contracts on the sale of land to private developers include conditions on the housing organisation approving the plan and if they cannot they can decide to cancel the contract. They also make partnership agreements with the developers on how the area is to develop and how they cooperate in doing so (Urb_Ba_1). Joined efforts are made in branding the area through positive stories. Accordingly, a model for joint marketing has been made, and the developer contributes to this (Urb_Ba_3). The municipality supports the Agro Food Park by aiding in attracting new businesses. According to the manager of the park, however, the region puts too much effort into smaller businesses and start-ups instead of focusing on the businesses that are already up-and-running and hold great potentials in

terms of growth. Hence, the strategy of the region doesn't add up to the visions and strategies of the Agro Food Park.

Another important policy bundle is emerging between economic growth, urban planning and VET policies in the Danish case. This is especially the case in Horsens, which have had a strategic emphasis on branding itself as an educational city as part of its rebranding effort. The Mayor has played an important part in this as well as the Horsens Alliance. The Mayor explains that part of his ambition with becoming Mayor was to increase the educational attainment level for Horsens. He argues that the success of Horsens in attracting educational facilities is rooted in the political consensus behind it and that with the collaboration with the Horsens Alliance there is a labour market that ensures the demand for the increased local supply of young people. It is clear that the Educational alliance which consists of representatives from all the educational facilities in the municipality and the chief executives and politicians have played a big role. However, it is also apparent that the Mayor as a political leader have made a difference:

I have worked hard to place myself where I could make a difference [in the national networks] and influence the opportunity to change Horsens into an educational city. I have joined forces with people in the city that could help me with this task...we usually say that in Horsens we do not get anything free. We are not Aarhus or a regional city. We have to make things happen...you do not get anyone to place educational facilities in a city if you do not have the right conditions; a school system and business sector that are engaged, and infrastructure...it has been a target to generate this platform, to ensure all these basics where in place.(Sub_PA_22).

The political strategic focus and the energy of the political leadership have in this instance made a difference in the success of changing Horsens from blue-collar prison city to an educational city. The success also rests on the will to make the necessary investment in redeveloping the inner parts of Horsens to make room for a new campus. Albeit, there is still a lot of work to be done in raising the educational attainment level to regional standards.

Political proactiveness is also important in relation to Lemvig in which the political focus has been on working towards changing the depopulation trend that to a large part is due to young people moving to Aarhus and other educational centres. In Lemvig, the political proactiveness focuses on keeping supplying local welfare services such as schools and day-care institutions, a close collaboration and attentiveness towards the needs of local businesses and their need for skills-upgrading and further training, as well as attracting highly skilled labour. The municipality coordinates rounds of visits to local business where representatives from educational institutions and local labour market organisations discuss local needs and administrative initiatives and so on. Moreover, it is central to Lemvig, that it has a history of strong leadership. Despite the remoteness of Lemvig it seems to have relatively close bonds with The Parliament of Denmark. Two of the ministers of the recent government is born and bred in Lemvig Municipality and one of the most proactive citizens became a parliament member when an elected member became Minister of justice. It is widely known that the Prime Minister of Denmark has close private friends among the fishing communities of Harboøre. These connections have ensured money to infrastructure and national awareness. However, proactiveness, local leadership and coordination cannot solve the overall problem of demographic decline alone.

In all three cases, economic growth and generating the competitive advantage in the inter-municipal competition to attract businesses becomes a major political focus. The growth agenda seem to attract a particular kind of coordination and attentiveness to the needs and ambitions of local businesses, but also to move decision-making power into networks with investors and local businesses. This generates as we have outlined above greater corporate social responsibility in terms of businesses working

to include vulnerable social groups on the labour market through WISE and locally based inclusive projects, for example in disadvantaged areas of both Aarhus and Horsens. However, it also means that the attraction of new jobs and businesses risk becoming a main driver of political initiatives. This greater attentiveness and access of business to urban planning in Aarhus, for example in the development of the harbour, the new area Aarhus Ø, and the agro food parks are cases of this. Similarly, interviews point to that the political leadership in Horsens also have been keen to focus on investors in the development of the harbour area (Sub_PA_23, Sub_BA_17), and the expansion of surrounding areas of Horsens. There is thus a risk that the focus on economic growth can lead to an entrepreneurially driven urban development with a tendency to short termism, and a more fragmental and less cohesive perspective on territorial development (Olsen 2012, Allmendinger 2016). This is what we refer to when we argue that Danish urban planning is in an ambivalent position between securing growth and a welfarist emphasis on inclusion of the most vulnerable groups, and ensuring liveability through a balanced and high level of welfare services in all three municipalities.

5.2.3 The involvement of stakeholders in territorial governance

A continued emphasis on participatory and collaborative approaches is a characteristic of the Danish policy and planning system, and this frames the territorial governance across the three cases. In the 1990's when these approaches began to be adopted as part of a cross-European tendency (Healey 1997), they complied well with the needs of a welfare state that had to adjust its universal approach and become, among other things, more territorially sensitive. This was also at the time when urbanisation began to kick in and in the bigger cities, and the need for urban regeneration became significant. The emphasis on participation and collaboration is apparent in all three cases but most dominantly an explicit policy discourse in Horsens and Aarhus. Meanwhile, during the past one or two decades, urban policies have become much more targeted and strategic which has affected the nature of how participatory/collaborative approaches are articulated. In this section, we look into how interviewees from different stakeholders relay the possibilities of involvement and room for innovation from below. This section built on the patterns of collaborations already outlined in Chapter 4, section 4.2.

Business Horsens is an important, voluntary network for businesses, having about 750 members (Sub_Pa_3), and it has now become the formal forum for municipal initiatives for the promotion of businesses and attracting businesses to the area. Half of their budget is financed by the municipality who in that sense has outsourced their business promotion to this network. They are part of the agreement made between the municipality, the unions and businesses in Horsens called the Horsens Alliance (started in 2013, but the present agreement runs between 2018 and 2021). The alliance built on the network generated previously around "Horsens and Friends" which was engaged with changing the image of Horsens into an event city. This alliance has a job creation task force and work for raising educational attainment (the Educational Alliance). The alliance is seen by chief executive interviewees (Sub_PA_21, Sub_PA_22) as way, not only to formalize collaboration with business, but to find new synergies between policy areas and ensure engagement and corporate social responsibility. The alliance becomes a way to integrate stakeholders and partners in the core of welfare service implementation. This has both a strategical and operational goal. So when the municipality wants to develop a new strategy, for example, in relation to the new CSR policy in Horsens the political committee decided on the need to develop such a strategy and that the development should be lifted into the Horsens Alliance. The alliance then delegated the task to its Job Task Force, where there are representatives of the businesses that have put themselves forward for this task force. The aim of this close integration is that it will ensure that the municipality hit the target with their strategies, so to speak, and that the relevant partners are involved from the beginning. As we have outlined above, keeping the partners close in this way ensures "common frames of reference" (Magaelhas et al 2002).

That is, that all draw on the same narrative around “pulling together as a unit”. This narrative of how things are done in Horsens, becomes then formalized in forms of collaboration with stakeholders and facilitate a greater likelihood of a common world view. It becomes a “thing” that all partners can expect of each other, it generates forms of obligation to work together and to work across silos.

Seen from the perspective of the municipality there are many potentials in the Alliance. The dilemmas concern that even when working in this form of collaboration it is still important to represent all interests equally, as they pull in different directions. Moreover, it is important that the alliance does not become too static, that is always consisting of the same members. Too great a consistency in membership will according to the informants from the municipality result in loss of ability to change strategy and achieve innovations. They have solved this by way of making a rotation in the task forces. Another dilemma involves that in order to enter the collaboration the municipality also have to reveal itself, put it self forward for critique. At the same time, they have to take leadership in certain situations and not be too soft in the interaction with the partners in the Alliance, because they would become too vulnerable. The Mayor explains that it is not easy to become a member of the alliance. The city council sets the original members of the Horsens Alliance, and that the Alliance then have the competence to self-supplement members along the way. Thus, he recognise that there are democratic dilemmas associated with the Horsens Alliance, but argues that they still represent a lot of people, and that the municipality have to be aware to get the democratic backing of the City council (Sub_PA_22).

A Chief Executive explains that they are very proud of the Horsens Alliance and that other municipalities look to Horsens for this form of formalized collaborations. However, the Alliance also demand a lot of facilitating work on behalf of the municipality and the political level:

It demands that you have the whole government line-up involved and engaged in the premise of the alliance. Politically, it demands that the Mayor and the chairpersons of the political committees are committed and engaged. It is the Mayor that are present on all Alliance meetings; he sets the agenda and receive the feed-back. This is to show the political importance of the Alliance that you engage on the highest executive and political level. This means something for those that participate that they do not meet the best consultants...this is an important recognition of the participants and means that they are willing to lift more... (Sub_PA_21).

The Mayor explains, how that the work with the alliance demands a lot of informal networking outside the actual meetings, to adjust the agenda, but also to get a feeling of what is going on, and what the different interests are (Sub_PA_22). This underlines what we have touched upon above, namely, that political leadership play a large role in facilitating the involvement of stakeholders and new innovative ways of doing things.

However, the strong and formalized collaboration between the municipality and the Horsens Alliance is also criticised. One of the critical perspectives that is raised concerns the deal that is made with the Horsens Alliance when they were written into the budget by removing a part of the business tax. An oppositional politician argues that this constitutes a democratic problem in that business interests are then closely involved in how the municipality operationalises its tax income (Sub_PA_24). Moreover, that there is generally a problem with the privileged access of business to municipal decision making, since the same kind of access it not emphasised in relation to community organisations, although they have access through the Healthy City initiative. Another interviewee argues that there is a tendency for the promises made by the collaboration between the Horsens Alliance and the municipality to be but hot air. For example, it is claimed that the social investment strategy to remove the business tax in place of that the businesses would work with the municipality in getting more people on benefits

back into the labour market. This would then neutralize the missing municipal income on business taxes. The interviewee claims that there is a problem with regard to whether this was actually ever a success. When consulting the evaluation reports it is made out to have been a success and a clear indicator of a social investment policy bundle between economic growth and active labour market policy working through instruments of corporate social responsibility (Horsens Kommune and BDO consulting 2017). When challenged with this, the interviewee claims that one has to be careful about how indicators of success change along the way in order to fit new reality (Sub_PA_23). The same interviewee argues, moreover, that there is a problem with the emphasis on being an entrepreneurial municipality in the sense that the municipality seems very keen on generating new initiatives.

If you make sure to launch a new ship every half year, then no one will keep an eye on the ship that was launched 2 years ago. How did it actually go with that, because every one's attention is on the new ships. This is a way to brand yourself as progressive, innovative and all those things. However, it is not always certain that launching a new ship is the right thing to do in all situations, maybe it even overlaps in functionality with an earlier initiative, and by calling it a new name, you cover that (Sub_PA_23).

The executive power and the pragmatic attitude that Horsens is branding itself as, can possibly lead to a cloak for not following up on the consequences of earlier initiatives. This relates both to the actual real effects of collaborations, but also of whether investment in attracting new businesses actually have succeeded or whether Horsens follow the general economic upswing in the last few years. The criticism of the emphasis on entrepreneurial Horsens is also supported by other informants, who argue that especially in relation to the Harbour, Horsens municipality has been very keen to attract investors. The result is that investors have been allowed to change the character of Horsens, and that the agenda of growth have been allowed to take centre place.

The mobilization of civil society in relation to place making strategies reveals a somewhat varied picture in Horsens. Examples of mobilisation can be identified, e.g. the mobilisation of people against the expansion of Horsens to the south where there is nature area. Natural preservation NGO's and other civil society groups protested in unison against the initial plans. They were then changed. In contrast, in relation to the harbour modernization the association for better urban spaces in Horsens claims that many of the decisions about the harbour have been taken behind closed doors. The new high-rises "Gejserne" is used as an example of how entrepreneurs despite their local commitment end up getting their own way despite public protests. The high-rises are claimed to be impeding the view to the harbour from the rest of the city. Moreover, the modernisation of the harbour has been criticised for removing the industrial soul of the harbour. Other community interviewees, who are less directly involved in these plans, report that they generally feel that civil society is heard in relation to development plans. These more critical voices stand in contrast to the inclusiveness emphasised in the physical plans for Horsens. In the document, it is stated that the aim for the development of the harbour is guided by the vision "*the city back to the harbour and the harbour back to the city*" (2018, Suburb_29:121). It has three goals: being a city for everyone, being a frame for the good life and giving access to the water. These goals reflect a social democratic emphasis on balanced development and inclusive growth in that this new area should include public and private interests, housing units that cater for different social groups, and thus some social housing, and access to the amenity of the waterfront for the public (ensured by the municipal ownership of the promenade). Thus, there are issues with the political emphasis on growth and entrepreneurship and the political adherence to the interests of business in Horsens, even though this is followed by a traditional social democratic emphasis on balanced development and inclusiveness.

As we have outlined in Chapter 4, dense interlocking networks between local community, business and municipality administration characterize Lemvig. Both community actors and business actors report that they have easy access to municipal decision making power. However, that there is a tendency that the ambition to generate growth means that emphasis is on growth generating relations. Especially business actors refer to this ease of access to the municipality as an advantage. A chief executive in the municipality argues that they have become one of the best in the country in their communication with the business sector:

What we try to do is that we aim to coordinate. If a business calls and they need something, and they also mention the environmental area, then we bring one of our staff from the environmental regulation area. We try to identify what the needs of the business are in order to implement several things in one go (Rur_Pa_11).

The main gain for citizens and stakeholders from this way of municipal coordination is the ease of access to decision makers and people responsible for regulation. Community actor interviewees explain that they can easily set up meetings at the executive level. The gains for all stakeholders are apparent in that they do not have to wait for long bureaucratic procedures of approval or internal coordination. However, the new, bigger sea wind mills, have led to changed regulation and ownership as these are state mills, resulting in less engagement and less hearing of the local communities:

We have the geological ice age line going through the landscape all the way down towards Viborg. We [local communities] have argued against placing any of the big wind mills on this line. Until recently they have listened to this. Now the state is placing mills here 4 km out [in the sea], and that is definitely not popular. You feel run over and not listened to. It is the procedural factor in it. It is of utmost importance that this is in order [to retain legitimacy] (Rur_Comm_17, community actor).

Generally, however, there is a feeling that the municipality and the planning department listen to the needs of the local community. They are generally supportive of the high level of voluntary activity, although mainly in the form of symbolic and not financial support. As a resident explains, it is hard to get the municipality to do something outside of what was planned in the budget, as there is simply not money enough in the municipal budget (Rur_Comm_18). The tight public budget is pointed out by the business actors as well.

In Aarhus, there are at least three interesting developments with regard to stakeholder involvement, firstly the increased role of coordination with business in semi-soft space, secondly, the development of the district councils, and thirdly experiments with citizen innovation from below.

When it comes to collaboration with businesses then there is an increased focus in the municipal administration of becoming the “best friend” with business. An Innovation and Growth Centre have been generated to coordinate, for example, the development of the Agro Food park. The innovation and growth centre enjoys strong support from the Municipality of Aarhus – in terms of mobilizing political and administrative support. The centre is continuously in contact with both the Mayor’s office as well as the technical and environmental department (Urb_BA_2). A public employee interviewee reports that “businesses are seen as a pivotal collaborator” (Urb_PA_12). In relation to securing the implementation of active labour market policies they are dependent on really good cooperation with businesses. The municipality has a forum for labour market affairs, which gathers organisations of different kinds, including businesses. These relations of collaboration are also extended to other institutional partners such as the major educational facilities and professional organisations. The impression is that Aarhus is becoming increasingly pro-active in generating close ties with businesses

across different sectors, see also outlining of role of investors buying up and developing land in section 5.2.1.

The move towards more integrated and strategic partnerships with both community partners and businesses have also changed the way that urban planning is developed. A public planner explains how the local joint councils and the business community are involved quite early in the process. They have conferences, meetings etc. with different audiences, and that this pays off since the city council could see themselves in the plan afterwards and that is a milestone in itself. When revising specific themes in the overall plan, they draw in the partners relevant to that specific theme.

We don't do things the same way every time. Rather, we consider every time, how to do it in the coming period. However, we traditionally involve, for example, the Joint Councils early in the dialogue. And in relation to the plan strategy from '15, the city council had previously thought that too many things were organised before they were invited to take part in the process. This time, they are on board from the very beginning. So various seminars, conferences with the city council, working groups, a big conference down at our central workshop etc. Where all possible stakeholders, joint councils, etc. were invited. (...) And the city council could see itself in it afterwards. They appreciated it. It has been a milestone in relation to how we have done it before. (Urb_PA_8).

Civil society is generally included in these processes by giving voice to the traditional, district-based joint councils and voluntary organisations. Due to the bigger scale the picture of citizen involvement is more fragmented in Aarhus, as citizens are resourceful and easy to engage when it comes to their own neighbourhood (Urb_COMM_2). Realising the inefficiency of these joint councils, they have currently been given additional support through easier access to contact persons and support across municipal administrations. Community interviewees report that new opportunities for involvement have arisen with the district council, but that it is also their experience that the municipality have a hard time collaborating across magistrate silo making it difficult for the municipality to engage in cross cutting innovative projects (Urb_COMM_3).

Another way of including civil society and businesses is for Aarhus Municipality to make people aware of an Active Citizenship-policy, in which citizens are sought activated by new methods and across different policy fields, bringing together stakeholders across sectors. Despite these efforts, the municipality is assessed as unresponsive, especially in high-revenue development areas. In other parts of the city, such as the disadvantaged housing areas, the involvement of inhabitants through institutionalised channels and socially oriented areas-based initiatives have been good. However, the municipality has used new legislation to enforce further development of the areas. This has shut down previous collaboration (see chapter 4). Accordingly, although citizens are involved in different ways, the role of locally-oriented actors in strategic development is unresolved. The dilemma seems to be that the municipality is interested in utilising the collaborative potentials for involving local stakeholders but has as yet not fully conceptualized the accompanying devolvement of influence. The sectors of child care, labour market and VET are in various ways involved in governance. Municipal administrations of business, urban development, educational institutions (universities), day-care and social affairs are increasingly working together, especially in disadvantaged areas and business parks. However, the coordination with these sectors and the sectors of child care (schooling) and VET is not resolved. Despite positive interactions with businesses, schooling and the relations to urban development and social mix is a matter hampered by politicization. The positive relations between the municipality and businesses has not resulted in increased production of VET, an otherwise increasing need in the industry-heavy region.

A general impression amongst interviewed business and civil interviewees is that the municipality is interested both administratively and politically in strategic collaborations and has institutionalized platforms for this engagement, in terms of regular procedures for meeting, coordinating and developing business plans together, creating the proper conditions for investment and engagement. An example is how they have established a temporary political committee for the involvement of citizens (§17, stk. 4 committee). The goal of this is to test things and generate innovation from below. A public interviewee involved in this argues that it is about challenging habits and the ways things are done:

Hopefully we encounter rules, frameworks that we are going to challenge. [...] If there is a need to do things differently, reconsider roles, then we will probably encounter some. It could be that there was something in the rules governing the municipal government [kommunalfuldmagten] or something where one would say: We do not usually do so. This is something that needs to be changed. Otherwise, in one way or another, we are not ambitious enough.(Urb_PA_11)

They test the potential of temporary use of the urban landscape with small funds that they can distribute to participants, which will then input into local plans. They are currently in the starting phase of evaluating the project on participant budgets to see how it has worked and potentially adapt it. Overall, the general aim is to see how things can be brought better together, can draw upon each other ultimately with the aim of improving the situation for the citizens but also the efficiency of the municipal work.

5.3 Relation to other scales of government

The following section outlines the relations between the three case municipalities and the regional, national and EU-governance bodies that were emphasised in the policy- and stakeholder analysis of WP4. Overall, the material shows that the perception of the role of regional coordination is very different in the three cases. In the first sections, we outline examples of experiences and dilemmas in the alignment between regional growth strategies and the need of local communities. Secondly, in relation to the EU, we have found very limited references to EU regional policies. Below we discuss the possible reasons for this and some questions this raises for further inquiry in WP6.

5.3.1 Regional relations

As mentioned above, Denmark comprise of five regional governance bodies that cover the entire country. The regions are administrative units with a 41-member council elected by public vote. The three main tasks of the regions are public health, regional development and management of certain social institutions for vulnerable groups. The three cases are within the framework of the region called the Central Denmark Region (in Danish Region Midtjylland). In the policy- and stakeholder analysis, we hardly find any references to the Central Denmark Region. As described in section 5.1, since the Structural Reform in 2007, this elected level of regional governance has gained only moderate political influence. This likely explains its limited occurrence in the material. Meanwhile, since around 2014 and forward, other regional bodies have gained substantial influence. In this context, the regional bodies are Business Regions Aarhus (BRAA) (seated in Aarhus) and Business Region MidtVest (BRMV) (seated in Herning). These organisations appear with recurring reference in the empirical material.

Business Region Aarhus is a partnership between twelve municipalities in the Central Denmark Region. The partnership has existed since 1994 and it predates the Structural Reform. During the years,

it has expanded with two additional municipalities. The urban and the suburban case municipalities, Aarhus and Horsens, are members. Aarhus Municipality has been leading member since the beginning and Horsens Municipality joined the partnership in 2014. Business Region Aarhus covers one million inhabitants and is, as it reads on their webpage, the largest growth area outside the capital region. Their focus areas are mobility, qualified labour, entrepreneurship, food, industry and tourism. In contrast, Business Region MidtVest is a much younger organisation, established in 2016 and covering 350.000 inhabitants. It is a collaboration between seven municipalities – among these, the rural case municipality, Lemvig. The focus of the collaboration is to strengthen growth, create new jobs and attract qualified labour.

The constellation of Danish business regions is a new phenomenon. In the years between 2014 and 2016, most Danish municipalities joined such cross-municipal partnerships/collaborations and today there are nine business regions (of different names – some are called city regions). They are very different both in terms of size, geography and organisation but they all focus on the mutual recognition that the municipalities are better at creating growth together than individually.¹⁴ The history of this upsurge in Danish business regions is relevant to contextualise the case municipalities as they help to explain the different standing that the case municipalities experience with regional coordination. Aarhus Municipality has a strong and leading role in BRAA while Horsens Municipality is a more recent and less powerful member. BRAA is a partnership with a long history, a strong organisation and a geography of growth and increasing inhabitants. Lemvig, on their part, is a recent member of (BRMV) and BRMV is a new organisation in a geography challenged by increased territorial inequality. (The Business Region MidtVest which Lemvig is an extension of long-lasting inter-municipal relations between the West-coast municipalities.) On this background, the following sections describe the examples of dilemmas with the alignment between regional growth strategies and the need of local communities that the policy- and stakeholder analysis have shown.

The coordination between the municipalities in Western Jutland is close and cuts across several policy areas, although job creation and tourism seem to be the dominant areas. There is an awareness of everyone gaining from cooperation rather than competition and that a new industry in one municipality might mean new residents in the neighbouring municipality. Several interviewees mention that inter-municipal cooperation is necessary due to the location and on the basis of having common problems:

Even though things are going well economically in Lemvig, we do not want to isolate ourselves. We have a close cooperation with the two municipalities and the region most actual is: for example, the hospital and the business promotion project. This is both regionally and nationally important for us. I have a Mayor which is on the board of the National Association of Municipalities and in the national committee (Rur_Pa_11).

Regional influence is limited in relation to setting a strategic framework for development and growth. There is a cluster of municipalities working to coordinate business promotion and working together on health and health promotion as well as climate change interventions. The municipalities have a long lasting and trustful collaboration in relation to business promotion and health, while climate change is a newer area, and one which is still shaped strategically by the available funds. Several interviewees mention an imbalance in the region between the population-heavy East Jutland and the production-heavy West Jutland. Specifically, there is a conflict around the location of the business

¹⁴ See more: https://www.kl.dk/media/15642/sammen_om_v-kst_-_ni_danske_business_regions_-_201.pdf

house of the region with the Western municipalities arguing that they should have their own business house. They claim that this matters in relation to gaining access to the regional development funds. Moreover, they mention that Job Creation West has been influential in generating jobs and securing infrastructural improvements both physically and digitally. Having central political representatives in key regional and national positions is imperative as this has been influential in securing funds for the area (the present Mayor and the previous Mayor who is now a regional politician).

Employment is a central policy focus for the Mayor (Sub_Pa_20). Horsens coordinates with the adjacent cities of Odder, Skanderborg and Hedensted, as well as with Business Region Aarhus. This is important e.g. for efficient active labour market initiatives focused on up-skilling. In order to succeed, business promotion in Horsens, which is organizationally placed in Business Horsens seeks to apprehend labour, education and business as one policy area, especially because the demand for labour is huge (Sub_Pa_3).

5.3.2 Examples of dilemmas

The stakeholders from Horsens Municipality describe the Business Region Aarhus as an important network, where executives, administrators and other professionals meet to discuss new legislation, competence development, mutual learning and various topics such as planning and mobility (Sub_Pa_1). BRAA is perceived as a crucial lobby organisation for getting infrastructural funding from central government, e.g. to highways and bridges, connecting the city region of Aarhus with the eastern part of the region (Sub_Pa_3). However, even if the organisation is mostly mentioned in much positive terms in the policy- and stakeholder analysis there are also examples of tension in the collaboration. For instance, the development of the new light rail, centred in the city of Aarhus and stretching outwards, is depleting most of the public regional funds and the associated traffic operators. The consequence is that the bus-routes in adjacent but more peripheral municipalities are closing down. Among other places, this consequence it witnessed in Horsens, affecting citizens from the rural parts of Horsens who use the bus routes to commute to Aarhus. Such dilemmas creates tension in the regional partnership organisation.

Concerning business promotion, the Central Denmark Region employs a dual strategy (praxis) in business sectors, such as foodies, in order to be impartial: one for the urbanized east and one for the more rural west. The Business Region Aarhus seems to fill a strategic void for the eastern, urbanized part, being a meaningful platform for national lobbying and cross-municipal business development, as well as for attracting international labour, and discussing detailed aspects of planning principles for business facilities and infrastructure.

Another issue in relation to BRAA is the labour market and attracting foreign talents to the business region, a task that Horsens Municipality cannot solve by itself. It matters from the perspective of local politics whether the municipality succeeds in attracting particular businesses, although the labour force itself is mobile (Sub_Pa_3). Finally, BRAA is used as a branding mechanism to highlight the foodie cluster and ICT, making it attractive for people to live and work there. In communicating with international relations, Horsens presents itself as being part of the 'eastern Jutland foodie area'; and having Agro Food Park in a business region is an important asset, because large industries in Horsens can draw on innovation by being in the vicinity. In conclusion, BRAA has succeeded in achieving that Horsens can draw on the territorial assets in Aarhus municipality in the form of specialized business parks and universities (Sub_Pa_3). According to some of the interviewees, the BRAA munici-

palties have no burning need for being interdependent. Horsens is growing as are other municipalities, so Horsens needs to be sharper in formulating what it can contribute with to BRAA and what it wants out of it (Sub_Pa_5).

Another issue currently being discussed in Horsens is the relation to BRAA and to Aarhus Municipality. Horsens to some extent becomes a suburb to Aarhus in relation to some policy areas but not for others (Sub_Pa_19). In this respect, BRAA is a more meaningful entity than the Central Denmark Region which has lost many of its responsibilities and meaningfulness for interviewees. However, the municipalities are challenged when it comes to delivering specialised services, especially municipalities smaller than Horsens. Even Horsens is challenged, e.g. when it comes to specialized immigration agendas or other kinds of specialised social services (Sub_Pa_19). Another issue relates to the identity granted through being located close to Aarhus. An interviewee responsible for development sums it up by saying that Horsens:

... will always be smaller than Aarhus, the ugly little duckling that both wants to be a settlement-municipality but also wants an independent business profile as part of its identity (Sub_Pa_2).

The business profile is, however, might be challenged within some types of business – the active port industry being the primary example. As one informant says, the great expansion of the Port of Aarhus may potentially outcompete the Port of Horsens (Sub_Pa_1). However, Horsens is pursuing a business profile. Having established an identity as being a settlement municipality and a place of culture, the focus is now on the business profile (Sub_Pa_3).

In these dilemmas, we see how location matters in the sense of imposing certain territorial similarities and differences on the regional coordination bodies. A final example of the internal dilemmas is the experienced tension between centralisation and decentralisation. The Structural Reform in 2007 affected the rural case area, Lemvig, far more than it did the other two case areas. Lemvig Municipality was merged with the (then) Municipality of Thyborøn-Harboøre and came under the Region of Central Denmark. The former region, the Region of Ringkøbing, was abolished. Among the stakeholders, it is described how the attitudes to these changes are divided. Some groups find that the reform caused a more distant and centralized way of running the political and administrative processes while others see these reform as one of the main explanations for the relatively high level of service and infrastructure in the municipality. Lemvig being a very well-run little town in the far west of the region seems to have achieved a position in the new region as an outsider/outlier that must be met with sympathy and resources. In this sense the regional reforms from 2007 play a more significant role for the municipality of Lemvig than it does for Horsens and Aarhus, although for both Horsens and Lemvig the reforms created closer dependencies to Aarhus.

5.3.3 Relations to the EU

The Central Denmark Region deploy EU-funding in most of its projects, using these to develop businesses and facilitate cross-sectoral collaboration in municipalities through linking together actors of education, active labour market policy, VET and business. Aarhus Municipality is less dependent on these development projects than the smaller municipalities of Horsens and Lemvig who have less capacity and funding for development. In Lemvig, development is tied closely to external EU and regional funding due to limited municipal budgets. One informant describes the crucial importance of development funds in these terms:

I have always complained that the municipalities did not do anything about this or that agenda, and why did they not develop this? But in reality, if something should be developed then the municipality has to go out and apply for money for it. Therefore, it often takes time to develop things. No development funds – no development in the municipality. That is how easy it is, since the money is tied up in operation. So, development depends on funds from the outside either from EU or from the region if something is to happen (Rur_Pa_12).

Meanwhile, this premise does not imply that local municipal strategies and priorities correspond directly to the strategies and priorities of the various funding bodies. The above interviewee argues that even though strategies are formed by the availability of development funds, there remains to be room for manoeuvring once you have secured the funding. He argues that the rural development funds have played a huge role in shaping municipal strategies and priorities over the past few years (Rur_Pa_12). With this he refers to the active municipal policy to apply for or support applications for national rural development funds to tear down unsuitable housing in the area. Another interviewee explains that as other municipalities have been rather passive in this regard, Lemvig has been able to use a relatively big part of the national funds for rural development.

Across the three cases, there is hardly any explicit mentioning of relations to EU regional policy. The only exception is the EU-funded project Coast to Coast Climate Challenge (2017-2022) led by the Central Denmark Region. The municipalities of both Lemvig and Horsens are partners in the project. Overall, therefore, there is no direct testimony of EU cohesion policy discourse influencing the way territorial cohesion is articulated in the Danish case areas. In a more indirect manner we do suggest that EU cohesion policy discourse influences Danish regional policy – how it is conceived and framed. Concerning the legitimization of the agenda aiming to improve urban competitiveness in the global perspective and concerning the visioning of growth as the answer to this need for thinking beyond localities, we do find that there is an influence from EU rhetoric. This rhetoric is found in all three cases in their policy discourses that focus on global positioning. Resonance with the EU discourses on cohesion can be found in relation to emphasising the community method in bringing about sustainable territorial development. However, not so much a collaborative form of territorial governance that mirrors the social concern with inequality and poverty that previously was dominant across Europe and more a call for the responsibility across local actors in bringing about “liveable” cities, which built on the broad facilitation of entrepreneurialism (EU Commission Cohesion report 2018, Atkinson and Zimmerman 2018).

One reason for this lack of explicit connection to EU policy discourses might be that the empirical data emphasised in the present report is in the form of local strategic policy documents and all of them focus on carving out an active local position. To clearly link up to a supra-national governance framework might be seen to undermine local action capacity. This is not something that is particular to the Danish case, but part of a wider move to “localism” in planning and territorial development (Allmendinger 2016).

In the Danish case, we can identify a general ethos of localism in planning in terms of focusing on maintaining the particularities and characteristics of local communities, keeping a varied urban pattern in the municipalities, and focusing on local resources and competitive strengths. Concurrently, there has been a shifting of power between urban, regional and national scales. This involves a devolvement of planning power to local municipal authorities rather than regional governance bodies, as the planning regulation have changed from a three-tier to a two-tier system. Moreover, there has been a devolving of planning power to the soft spaces of the BRAA and BRMV. These soft spaces

are a case of neoliberal re-territorialisation (Brenner 2004). They legitimize the spread of entrepreneurial and businesses oriented interest to the heart of planning for local territorial development (Olesen 2012, Richner and Olesen 2019, Haughton and Allmendinger 2015).

5.4 Conclusion

We have shown in the above how Danish territorial governance in its balance between facilitating entrepreneurial planning and social welfare is deeply committed to an agenda of delivering territorial cohesion. This takes the form of emphasis on balanced welfare services, even in the most remote areas. Moreover, it is visible in the emphasis on delivering social inclusion to the most vulnerable groups on the labour market through various projects involving corporate social responsibility but often also with close ties to urban or rural development. At the same time, the three case areas struggle with the effects of national meta-governance frames which both centralize and decentralize territorial governance, result in sanctioning forms of welfare, for example in disadvantaged areas, and increased emphasis on growth agendas, for example resulting from the changed framework for business promotion and economic growth.

The result is a mixture of bottom-up and top-down generated soft spaces of territorial governance, which in effect becomes post-political in the sense of moving responsibility outside of purely representative democratic structures (Olesen 2012, Allmendinger & Haughton 2013). There is nothing new in close collaborations with all sectors in the Danish territorial governance, the new element is that previous regional planning has been transferred to the soft spaces of the business regions (BRAA and BRMV) and the extent to which cross-sectoral partners are involved in territorial governance at the municipal level. Olesen argues that the new soft spaces becomes the glue that makes the multi-level functional planning and territorial governance stick together. We see examples of this in Horsens, where the Horsens Alliance is used as both for strategical and operational territorial development. Moreover, we see this in Aarhus when business sector is drawn in closer both in relation to developing the deprived areas in ways that live up to the National Strategy to Tackle Parallel Societies, thus adhering to national central governance frameworks, but also in relation to the growth strategy of developing Business park Skejby and Agro Food Park. In that sense, the new centres, alliances and coordination fora becomes both a question of alignment of the strategic spatial imaginary of the three case areas, but also strategic responses to competitive demands on the three localities (Sum & Jessop 2013, Haughton and Allmendinger 2015). We have in the above, shown how Lemvig aims to brand itself as a proactive municipality which have entrepreneurial solutions to pushing the green agenda of growth and ensuring the best possible conditions for new businesses. In Horsens, the idea of “pulling together as a unit”, although maybe originating partly from bottom-up cultural entrepreneurs have been pushed by successive political leaders as the framing narrative of Horsens. Both are examples of how spatial imaginaries have real effects in generating direction for cross-sectoral collaboration in the soft spaces of territorial governance. The narratives of spatial imaginaries becomes “common frames of reference” that guide the direction of the policy bundles between regeneration and ALMP and between urban planning and economic growth (Magalhães et al 2002, Fallov 2013). It would from our material be a mistake to interpret these developments as purely a question of governing at a distance through discourses of growth, rather as we have shown the facilitating of these soft spaces of territorial governance demand constant ongoing formal and informal governance practices and “work” from municipal administrations and political leaders. There are thus distinct practices of ‘rolling out’ involved when political leaders and municipal employees proactively generate new relations to new growth sectors. Moreover, the above have shown that local specificities and variations are used strategically in generating connections to other scales of governance.

It is important not only to focus on the extent of business driven territorial development and labour market oriented mechanisms in delivering balanced welfare services, although these are dominant dimensions of Danish territorial governance, and they do entail obvious democratic dilemmas, they do not represent the full picture of territorial governance. We have in the above outlined, how new soft spaces are generated, moreover, bottom-up. In Aarhus, they even try to capitalize on community innovation as a way to change, what is perceived locally as old-fashioned ways of doing things, and to bring new ideas of into the heart of municipal territorial governance. In Lemvig community networks have managed to mobilize territorial assets that not only generate growth and tourist incomes, as we have seen from the examples of Bovbjerg Fyr and the Museum of Religious art, but also generate particular networks between voluntary forces and territorial governance at different scales. The three Danish cases demonstrate that there is a need for agile territorial governance in order to utilize collective efficacy locally. The need for governance responsiveness and the demise of slow administrative procedures, therefore, are not only changes to territorial governance that benefit entrepreneurial investors, but also enable community, private and public partnerships to emerge and succeed. We have discussed how size matters in shaping the conditions for these types of collaborations and that local histories and cultures of ways of doing things generate both potentials and particular path dependencies. Furthermore, we have discussed how national and EU funding streams in the three cases serve to facilitate resources for many of these top-down and bottom-up generated soft spaces of territorial governance. In that sense, they are important conditions of possibility for innovations from below, especially in times when local municipal budgets are becoming increasingly tight leaving little room for strategic development. At the same time, difficult administrative procedures and demands involved serve as barriers for capitalizing on these funds, resulting in that such possibilities take up little space in how our informants image good territorial governance.

6 Discussion and conclusion

This final chapter provides a summary of the main findings in chapter 3, 4 and 5 and ends with a concluding reflection on how scale and ‘location matters’. Running through the report is the theoretical operationalisation of territorial cohesion as emerging from the relations between the concepts of territorial capital, collective efficacy and territorial governance. The extensive empirical work has added substantially to our knowledge of how this interplay differs between the three Danish case localities Aarhus, Horsens and Lemvig, and how national spatial imaginaries of the Danish welfare state and its emphasis on social inclusion and balanced welfare conditions this interplay. Chapter 3 outlined territorial assets and the mobilization of territorial capital in the three case areas; Aarhus, Horsens and Lemvig. Chapter 4 investigated the level of collective efficacy in the three cases, and analysed innovative ways of mobilizing collective efficacy. Chapter 5, investigated the characteristics of territorial capital, the forms of policy coordination and policy bundles that shape the mobilization of territorial capital and the utilization of collective efficacy and the innovative ways and dilemmas associated with the involvement of stakeholders in territorial governance.

As we have outlined in chapter 1, the present report is organised around answering the three research questions:

- How does urbanization and inequality (demographic change, life chances) affect the mobilization of territorial capital?
- What is the level of collective efficacy and how does it serve as a protective factor against territorial problems and lack of mobilization or of territorial capital?
- How can territorial governance, collaboration and coordination utilize collective efficacy and the mobilization of territorial capital? And how are the sectors child care, labour market, regeneration, VET and growth involved?

6.1 Summary of main findings in chapter 3 on territorial capital

The research question that guided the analysis and discussion in chapter three was how does urbanization and territorial inequality affect the mobilization of *territorial capital*. The first section outlined the general aspects of territorial capital in each of the three case areas. The second section was analytically focused on examples of mobilization (or not) of these territorial capitals and on the differences and similarities between the case areas. Theoretically, the approach draws on practice theory (mainly Pierre Bourdieu) and its empirical operationalisation by Sevillo, Atkinson, and Russo (2012).

We have shown how the political discourses and narratives of problems and advantages frame the political strategies for the mobilization of territorial capital in the three areas. We have shown that there is an interdependent relation between environmental, antropicand economic forms of territorial capital and the human, social and cultural forms of capital. However, how this relation plays out differ between the three localities. Varieties are generated both in relation to the mobilization and strength of environmental capital, and the importance and success in mobilising social and cultural territorial capital in the form of common local narratives of history and place identity.

Recently urbanization change the mobilization narratives of territorial capital calling for a strategic approach that couples increasing growth with balancing uneven development. These changes have led to the legitimacy of the growth discourse being at the heart of territorial development in all three cases. However, the three cases vary concerning how they mobilize different combinations of territorial capital to facilitate growth. In the more urbanized area of Aarhus growth is enabled through a strategic coupling of being an educational city and cultural capital based on developing human capital, and developing antropiccapital in harbour areas and business parks to facilitate and consolidate economic growth. In Horsens, the strategy is to utilize the connection between cultural and social capital to turn Horsens into an event city and that this will consolidate population and economic growth. Whereas, in Lemvig environmental capital in the form of landscape and natural resources are closely connected with bonding and bridging forms of social capital that facilitate entrepreneurialism and economic growth despite depopulation trends. To summarize our main findings in chapter 3. We find that:

- The articulation of territorial problems and advantages in policy discourses and local narratives among stakeholders conditions the possibilities for developing territorial cohesion.
- Each case area aim to mobilize particular bundles of territorial assets and transform them into territorial capital. In Lemvig, this is a bundle between environmental, economic and social capital. In Horsens, the strategy is to mobilize relations between economic, antropic and cultural capital, while in Aarhus the aim is to mobilize assets through relations between economic, antropic and human capital. These different bundles all, albeit in different ways enable an interdependent relation between strategies for growth and strategies developing liveability.

6.2 Summary of main findings in chapter 4 on collective efficacy

In chapter four, the conceptual focus was on *collective efficacy* and the research question that guided the discussion and analysis was what the level of collective efficacy is and how it serve as a protective factor against territorial inequality and lack of mobilisation of territorial capital. The chapter first outlines the nature and quality of collective efficacy in the case areas emphasising the activity patterns and the organisational infrastructure. The conceptual approach builds on Sampson (2011) as means of operationalisation and because this approach both includes a comprehensive variety of social interactions as well as a spatial perspective that speaks into the territorial focus of the project.

Our case studies have shown that the level and type of collective efficacy play a crucial role in order to sustain growth and succeed in being competitive and attractive to investors, business owners and inhabitants. Pro-activeness of municipal authorities is key to facilitating involvement from below. In all three case areas, the level of collective efficacy is high. However, local efforts differ as does the extent to which collective efficacy is organized and institutionalised. The three case areas range from the less formalized, loosely coupled networks of Lemvig to the highly organized and institutionalised collective efficacy of Aarhus, with Horsens in-between where the scale both enables close personal contact but at the same time a highly organized civil society.

If we turn to the definition of collective efficacy as: "...the link between mutual trust, shared expectations among residents and willingness to intervene and interact and dependent on patterns of social interaction, social organization and social control" (Sampson 2011:2), it is very clear that Lemvig and Horsens are marked by a high degree of mutual trust even between individuals of very different political observations and across cultural preferences. Despite social and cultural variations within the municipalities, there is a common perception of how to act in favour of the locality and a mutual

acceptance of individual differences as long as ‘everybody’ contributes to the community. This attitude relates to the wish of being an independent locality and to the tradition for local participation and cultural activity. In this way, the sparse population and the necessity to stick together in order to survive makes it easy to create and maintain shared expectations.

There is a lot of both formal and informal social interaction, networks and organizations. When it comes to social control, the local idea of “how people ought to behave” in social life and “how people define and respond to deviant behaviour”, Lemvig seems very homogenous. Horsens has a high degree of collective efficacy, illustrated by the substantial number of voluntary organisations primarily within the social and cultural area. But when it comes to social control, the municipality is socially segregated to a relatively high degree and therefore also home to rather different perceptions of behaviour, moral and cultural preferences. Aarhus is even more socially segregated which means that it takes much more political efforts to initiate and maintain collaboration between different central actors. In all three case areas, collective efficacy serves as a protective factor against territorial problems specific to each locality. However, the way it is tied to territorial governance differs as Aarhus appears to have a more top-down created bottom-up approach, while in both Lemvig and Horsens bottom-up initiatives have had a significant impact on the type of territorial capital mobilized and thus on the direction of territorial growth. We have shown how spatial hubs play a key role for the coordination and daily community collaborative practices. In Lemvig, the example of Bovbjerg Lighthouse shows how the actual place itself became a catalyst of bottom-up generated collective action, while in Horsens the Healthy city shop is an importance center for coordination of community action. Physical anchor points are similarly important in Aarhus, but there are multiple examples from each of the case sites in Aarhus.

The analysis of the empirical material showed many examples of how collaborations between community organisations, private actors and public authorities boost collective efficacy and deliver cross-sectoral collective action. These partnerships take the form of projects of CSR where private businesses are closely involved in solving social integrative tasks, as the integration of immigrants in Lemvig, or lifting vulnerable long-term unemployed in Horsens and Aarhus. In many of these examples, projects and initiatives should be seen as a continuation of the social investment path of Denmark in which the private sector is deeply committed to developing human capital and social inclusion. We have shown, moreover, that although local authorities play key roles in facilitating and underpinning collective efficacy locally it is not something that can be generated solely through top-down strategic interventions. The local cases show how the municipalities initiate initiatives from below by making local funds and delegating resources to local communities. However, collective efficacy is a complex measure that shows how the capacity for collective action and the shielding capacity of local communities depend not only on their relations to centers of local power and resources, but also on local spatial conditions, degrees of organization, forms of segregation and place identity and local belonging. Our main findings in chapter four can be summarized as:

- In all three case areas, we find a high level of collective efficacy. This high level of collective efficacy is crucial for the capacity to balance growth and liveability, and delivering on balanced welfare and thus sustainable growth.
- The dimensions of how collective efficacy levels are high varies with local conditions and specificities. To utilize collective efficacy we have to move beyond binary categories of distinguishing between social relatedness in places, e.g. formal and informal, top-down and bottom up.

- Collective efficacy can only to a certain degree be orchestrated from above.

6.3 Summary of main findings in chapter 5 on territorial governance

In the final part of the policy analysis, in chapter five, the empirical data was approached with regard to *territorial governance*. The research question that guided the discussion was how territorial governance, collaboration and coordination can utilize collective efficacy and the mobilization of territorial capital. In chapters three and four, we saw how policies on territorial cohesion are often connected either to the idea of legitimizing growth or to the development of more balanced welfare services. In chapter five, it is discussed how policy discourses pertain to territorial cohesion at different scales of government, and what is conceived to be ‘good territorial governance’ by different stakeholders (business, civic community actors, policy actors).

The central argument in chapter five is, that for territorial governance to utilize the shield capacities of local collective efficacy it needs to facilitate processes that ensure local communities have a say, which is not reduced to tokenism, and that bottom-up initiatives have a possibility for being involved in local development. This is not to say, that territorial governance is reduced to a question of ‘rolling back’ the state and governing through local communities (Rose 2000). Rather we need to investigate which forms of ‘rolling out’ of local, regional and national territorial governance that might serve as conditions for cohesive development (Allmendinger and Haughton 2013, Jessop 2002).

The three Danish case-locations demonstrate pronounced differences in the way they are handling natural given resources as well as local social resources. On the one hand, these differences are closely linked to the level and composition of these resources, and on the other hand a matter of local identity, history and local culture. Thus, the above analyses show the close interrelations between territorial capital, local governance and collective efficacy when analysing policy discourses on territorial cohesion. Generally, the political division of labour in Denmark is crucial to keep in mind when trying to understand the interrelation between territorial capital, territorial governance and collective efficacy through the five policy areas of Childcare, ALM, VET, Economic Growth and Urban Regeneration. The latter two policy fields are where local municipalities have the most influence on territorial development. Childcare policies are almost only a national affair, ALM and VET are primarily negotiated through the Danish tripartite system and local policies are articulated in close relation to national frameworks.

This division of labour within different levels of the political system gives evidence of a balance between local autonomy and imposed policies from national government level. In a Danish context, the division of labour is interlinked with the idea of the universal welfare state. The issue of social equalization and harmonization is a fundamental part of the Danish welfare system, which legitimises the co-existence of a strong central governance frameworks and relatively autonomous local municipalities. Freedom within limits is the condition of possibility for local policy arenas. Recently, however, the effects of the powerful force of urbanization change the narratives of territorial governance calling for a more targeted welfare approach to deal with the consequences of uneven development. This targeted approach is implemented through policy bundles between active labour market policies and urban regeneration policies in particularly in Aarhus and Horsens. Moreover, Horsens utilize a policy bundle between economic growth, VET policies and urban planning in their initiatives to establish the city as an educational city, while in Lemvig VET policies is coupled to welfare services

in order to maintain young people in the locality. This tendency to a more targeted approach is intermingled with a development towards neoliberal planning. There is an increased legitimacy of the growth discourse being at the heart of territorial development in all three cases. This mobilization of the growth discourse is organised in the soft spaces of the BRAA and Business Region MidtVest, with BRAA as the dominant player. Increasingly, the inter-municipal coordination become a more semi-hard alternative to these soft spaces of territorial government bringing a more direct link to territorial regulation and concerns about balanced development and access to services. Even here, however, welfare and growth agendas are coupled, and they must therefore be seen more as a local variant rather than an alternative to neoliberal planning of territorial development (Theodore and Brenner 2002).

Finally, we argue that in its entirety the Danish case represents a different approach than the ‘urban entrepreneurialism’ in David Harvey’s renowned analysis (Harvey 1989). We find that there is a tendency to a managerial form of urban entrepreneurialism, in which the facilitation of entrepreneurial growth is mitigated by a focus on balanced development ensuring liveability and inclusive territorial development. A key dimension of this mitigation is the importance of political stability. Albeit with a different political party in the lead, the Danish case areas are characterized by long-term political stability. The political stability, we argue, facilitates a growing network with many different local interests, or the interlocking of multidirectional relations, and enables a greater sensitivity towards territorial specificities. In Lemvig, a stable liberal local government has resulted in a strategic selectivity that prioritize the combination of the smallest possible local government with entrepreneurial pragmatism, and a social-liberal concern with standards of living. In Horsens, the stable social democratic local government has consolidated the tripartite alliance, which is closely involved in coupling welfare and growth. In Aarhus, a local government headed by the Social Democratic Party have meant that expansive growth is coupled with an emphasis on civic responsibilities.

Thus, the possibility for mobilising territorial capital towards the development of territorial cohesion is intrinsically coupled with the form of territorial governance and how these forms relate to collective efficacy. Lemvig is a small effective unit that has a high capacity to mobilize local resources across private and public sectors and take action, but with a limited governance capacity to address the complexities resulting from de-population and the wide range of problems the municipality is facing. The way residents of Lemvig form social networks and intertwine these with the political, institutional and administrative configuration is to a large extent the reason why Lemvig, as a peripheral and remote location, are able to manage the consequences of the population decline. Aarhus has, due to its size the governance capacity to address a wide range of problems, while communication, coordination and civic mobilization are demanding and difficult. Aarhus is a much larger city with a pronounced degree of specialization and division of labour, divided into large and separated municipal authorities headed by a counsellor. The size of the city makes the informal and intertwined relations more difficult and distant in relation to the local government. In Horsens, alliances between the local business-life and local government are extraordinary strong and tight-knit and that makes territorial development in Horsens possible despite territorial challenges. In Horsens, there is great local enthusiasm when it comes to business-actors involvement in all kind of development and investment in the municipality.

The social profile marked by relatively heavy social problems might play a role in explaining civil engagement and collective efficacy of the locality. The strong collaboration between local government and local businesses rely on a mutual understanding of local social responsibility and obligations and is mainly concentrated on creating and maintaining growth and social justice. Our main findings in chapter five can be summarised as:

- All three municipalities demonstrate focused welfare approaches to uneven development. Their focused approach builds on ‘policy bundles’. For example, in Aarhus and Horsens between active labour market policies and urban regeneration policies and in Lemvig between vocational and educational training policies and welfare services in order to hold on to the young populations.
- The weakening of regional governance and the increase of inter-municipal collaboration and competition during the past decade has resulted in a number of de-politicized local ‘soft spaces’. Examples were Business Region Aarhus and Business Region MidtWest.
- The Danish cases demonstrate a particular variant of neo-liberalism that we call ‘a managerial form of urban entrepreneurialism’. The essence is that the facilitation of entrepreneurial growth is continuously mitigated by a focus on balanced development ensuring liveability and inclusive territorial development. While strategic ‘soft spaces’ have increased local governance, in all three cases, demonstrate action and responsibility in insisting on social inclusion in growth initiatives. The latest example of this was the strength of the union of Danish municipalities.

6.4 Closing remarks on how location matters

Locations are causes for prosperity and progress as well as for misfortune and decline, and stating that location matters, therefore, immediately begs for precision. In the following reflection, we divide the question into two lines of reasoning. First, location matters for a municipality in the ‘absolute’ sense of localisation on a map and its principal extension in terms of numbers of inhabitants, workplaces, businesses etc. Secondly, location matters for a municipality in the ‘relational’ sense when, for instance, it is able to attract some cultural event far to ‘big’ for its size, increase its numbers of inhabitants even if it counters the general demographic trend or attract a business of highly skilled labour even if the local labour force is not. In the relational mode of reasoning, instances of size and scale alter their meaning. Small is not, by implication, unimportant and scales do not, by implication, follow each other in a hierarchical relation (Brenner 1998). In the operationalisation of the project, the selection of cases was set to follow the absolute mode of reasoning selecting a large municipality, a medium-sized suburban municipality and a small, rural municipality. In the policy- and stakeholder analysis, meanwhile, it has been possible to increase our knowledge of the second, relational mode of locational reasoning substantially. In the following sections, we summarise our reflections on how.

Firstly, the policy analyses indicate the existence of a municipal “spatial imaginary” (Sum & Jessop 2013), which works a common frame of reference or meta-governance framework. In Aarhus, it is the self-image as a ‘regional driver for growth’ and their notion of participation and civic engagement. In Horsens, it is the imaginary of how it is in the ‘DNA of Horsens’ that everybody are ‘pulling together as a unit’ and how this is fundamental to the mobilization of their territorial capital. In Lemvig, it is the idea of how strong collective efficacy help them do well despite peripheral odds. Either way, the spatial imaginary function as a collective frame of reference that provide further ideas of how the municipality can develop. In this capacity, spatial imaginaries in local discourse hold potential strengths (and weaknesses) when compensating for the effects of territorial inequality.

Secondly, although the national framework for tackling parallel societies and the approach to deprived areas, together with recent developments in active labour market policy signal a move towards tendencies to a more selective and sanctioning form of welfare, there are still emphasis on questions

of equality and spatial justice. The analysis indicate how Denmark is characterised by a social investment approach, which emphasise the combination of flows with strong buffers and stocks. That is, there is a strong tradition for integrating active labour market policies with other policy areas, and that this integration rests on the premise of universal access to services and relatively high levels of social security (Kersbergen and Kraft 2017). In all three case areas this result in emphasis on providing a high and balanced level of welfare services. Moreover, raising the educational attainment and securing access to local educational facilities is seen as a major driver of local growth. Furthermore, municipalities increasingly draw in local businesses and organisations to the provision of local welfare services as partners in welfare delivery and as drivers of innovative ways of integrating vulnerable groups on the labour market, for example through developing experiments with WISE, of developing liminal urban spaces. Our material demonstrate many examples of how experiments and innovations in mobilizing local resources towards lifting local welfare of vulnerable groups, or mediating on the unequal effects of structural changes. These innovations are best understood when taking care to study the local environment and the interactions between history, local forms of engagement and the facilitation of their mobilisation through either local significant leadership, local innovative small funding systems, or national funding streams emphasising innovation form below.

Third, the proximity or distance between local government and civil society influences the municipalities' ability to make the most, so to say, of their location. Compared to Lemvig, Aarhus is marked by a much longer distance between local government and the civil society in some areas. Horsens is characterized by a strong collaboration between local business and local government through the strong and relatively tightly organised "Horsens Alliance". It is very complex to explain these differences but a preliminary explanation can be found in differences concerning socio-economy, demography and local identity, and how these interact with different perceptions of local identity or persistent spatial imaginary. Lemvig can be seen as a "micropole" that has a lot of qualities and abilities of a large city but is challenged by the demographic development. Lemvig appears to be a small effective unit that has a high capacity to mobilize and to act but with a limited capacity to address all types of problems within the wide range of problems that Lemvig are facing. In Aarhus, the capacity to address a wide range of problems is present and easy activate while communication, coordination and civic mobilization is more demanding because it is more formalized and organized than in Lemvig. Horsens has traits of both being a small and transparent unit and from being a larger city with a larger administrative capacity and a higher degree of formalization.

When drawing together the above in relation to the three research questions guiding the present working paper the impression is that Lemvig does not want to be peripheral, Horsens does not want to be suburban and Aarhus refuses to be provincial. Thus we can sum up the three case studies as a story of denial and efforts to grow in a global world. In Lemvig they work against the forces of urbanization leading to depopulation by mobilizing territorial capital in the form of environmental, cultural and social capital. An international outlook is coupled with the historical path dependency to brand the municipality as an innovative location that can compete on the global scene for sustainability issues while maintaining a high degree of social security. This means, firstly, that Lemvig is vulnerable to changes in the international economy, for example those relating to the upcoming Brexit, due to its reliance on the export from the fishing and farming industries, secondly that inequality is less a local issue in Lemvig, and thirdly that local life chances are secured by both a high degree of social control and a high level of services due to the financial equalization and compensation between the different municipalities of Denmark. In Horsens, there is an ambivalent relation to its proximity to Aarhus, in that on one hand it provides the municipality with the opportunity to capitalize on the territorial advantages of Aarhus, while on the other hand leads to struggles for establishing its independent identity as a cultural and business-profiled city. In that sense, Horsens is struggling with typical suburban problems related to identity and population density (Nielsen 2015). The mobilization of territorial

advantages in the form of a cheaper housing market and infrastructural connections has served to attract the creative middle-classes. However, Horsens is still struggling to increase the life chances of parts of its population. Aarhus, in contrast, is capitalizing on its position as a university city and being the second largest city of Denmark. However, it is struggling with its provincial status compared to the capital region of Copenhagen, attempting to generate its own identity as the driving centre in an urbanized city region with international impact. Life chances are generally good in Aarhus with, however, a concentration of less good life chances in segregated, vulnerable areas.

The field work highlights the importance of networks across different sets of actors for mobilizing territorial capital and stabilizing territorial growth. However, the strategy and type of collaboration differs between the three case areas. It is not possible based on the present material to say that one strategy is more successful than others. On the contrary, the above shows how growth and territorial cohesion are complexly related to a range of territorial conditions. In Horsens, the formalized network of the Horsens Alliance has anchored territorial development plans in close collaboration with all partners on the labour market, securing not only political stability but also sustaining the corporate responsibility of the big employers in relation to complex social problems. It is clear in the case of Horsens that specific individuals have played a huge role in the new branding of the town, but it is the Alliance that have made the sustained development effort possible, ensuring the coordination between labour market and VET policies locally (child care plays a less strategic role). In Aarhus, the institutionalisation and strategic coordination enables the synergy between different efforts to mobilize territorial capital. There is a political focus on involving and collaborating with the civil society and the importance collective efficacy have for stabilizing growth in newly developing areas. However, the scale of the municipality means that there is a tendency to compartmentalize. Therefore, there is room for developing more collaboration between policy areas and bottom-up initiatives. In Lemvig, the role of informal networks is significant both locally and in terms of attracting external resources. The small scale plays a key role in enabling the development of such relations. However, it is also a conscious strategy of the public authorities to build on and develop informal relations of proximity as a way to mobilize territorial capital and attract businesses as well as residents, who are enveloped in relations of mutual care and obligation from the start. Lemvig consequently becomes an interesting case in relation to the importance of how economic growth is embedded in cultural and social capital. It shows that not only the personal relations but also the historical path dependencies matter for ensuring cohesive growth. It is clear that in all three case areas, the extensive municipal responsibility for welfare services means that the consequences of uneven growth for spatial justice are mediated. However, the three case studies also indicate the growing significance of cross-sectoral and public-private partnerships in delivering territorial development.

The European Social Model rests upon the balancing of economic growth with spatial justice and democratic forms of territorial governance. Conceptualising territorial cohesion as depending on the relationship between territorial capital, collective efficacy and territorial governance indicate that the European Social Model both are highly dependent on the recognition of the intricate relationships between the mobilisation of different forms of territorial capital, and that entropic and economic capital rests in the Danish case upon relations to social and cultural capital. These relations result in relatively high levels of collective efficacy, which are able to shield even remote areas partly from the harsh winds of global competition. However, our analysis above also shows that not only high levels of social welfare, but also collaborative and integrated forms of territorial governance are crucial elements to both the mobilization of territorial capital and the success of shielding facets of collective efficacy. This does not mean that there are not a range of dilemmas involved in the more agile forms of territorial governance, which increasing also draws upon soft spaces that move responsibility and democratic control to entrepreneurial and business oriented forces.

We can summarize our findings on how location matters in the following, which built on top of the findings from the previous chapters:

- That what matters in the locality is not only a question of assets and their mobilization but also the institutional infrastructure and the strategic use of size and scale and location. Small scale can be an advantage in terms of generating fruitful interplay between territorial capital, collective efficacy and territorial governance that facilitate the increase of territorial cohesion without hindering growth.
- The autonomy of local authorities is crucial for innovation and agility in territorial governance, while national systems of compensations play a key role in hindering growth of inequality.
- Local authorities play key role in facilitating collective efficacy in all three case areas. When looking in a cross-national comparative perspective we find that this role rests on a long tradition for collaborative and democratic territorial governance, which despite imperfections is characterized by inclusiveness and strategic use of stakeholder resources.
- We see therefore a particular Danish variety where the spread of soft neoliberal spaces of planning for territorial development is coupled with a strong tradition for public private partnerships and corporate social responsibility, which enable balance between growth and livability.

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7 Appendix

7.1 Appendix 1 Collective list of topics for additional interviews

The collective topic list (for section B questions). Task 4.10

Topic 1: Competitiveness and growth and territorial cohesion

Empirical finding:

There is a tendency that competitiveness and growth policies have a dominant role in territorial development.

Guiding questions:

- 1.1 How does the dominant role of economic growth increase or decrease territorial cohesion?
- 1.2 Does the dominance of competitiveness and growth result in market-oriented discourses of territorial development?

Topic 2: Welfare services and spatial justice

Empirical finding:

The supply or lack of central welfare services is of major importance for territorial cohesion and life chances.

Guiding questions:

- 2.1 How are case specific territorial inequalities related to access to welfare services (childcare, VET, ALM, regeneration)?
- 2.2 How does policy discourses of austerity-measures impact on access to central welfare services?
- 2.3 How do the lack of austerity measures relate to specific forms of territorial capital or discourses of territorial assets or governance alliances?
- 2.4 What are the potentials for using access to welfare services as a means to tackle territorial inequality/lacking territorial cohesion?

Topic 3: Policy coordination and territorial governance

Empirical finding:

The presence of informal governance processes based on interlocking networks play a central role in strategic territorial development.

Guiding questions:

- 3.1 Are these interlocking networks and governance alliances enmeshed in complex relations of belonging and place identity?
- 3.2 What are the potentials for the development of collaboration between business and civic sectors as recipes for cohesive development?
- 3.3 What are the examples of how this mobilization is facilitated and supported by pro-active and agile local governance?

Topic 4: Political capacity and policy bundles

Empirical finding:

The political capacity for dealing with crosscutting territorial issues is tied to the potentials and dilemmas related to issues of joining up policy sectors and developing policy bundles.

Guiding questions:

- 4.1 What are the case specific potentials for joining up policy sectors?
- 4.2 What are the case specific dilemmas involved in policy bundles or how are different sectors (childcare, VET, ALM, regeneration, economic growth) involved?

Topic 5: Politics of scale

Empirical finding:

Local governance has improved their capacity for using scale strategically in territorial development.

Guiding questions:

- 5.1 How is scale used as a case specific strategic potential for mobilizing territorial assets?
- 5.2 What policy innovations and new directions can be detected that mediate scalar conditions (e.g. being a remote place, small scale, metropole etc.)?
- 5.3 What are the potentials and dilemmas involved in missing alignment to functional regions?

Topic 6: The varied role of regional governance and funding

Empirical finding:

The structure of territorial (EU) funding means that issues of balanced growth and social sustainability are often coupled with infrastructure.

Guiding questions:

- 6.1 How do regional governance and EU funding supports policy focus on balanced development and social cohesion?
- 6.2 What are the dilemmas in aligning EU funding and regional development strategies focus on entrepreneurial development and infrastructure with the needs of local communities?

Topic 7: Collective efficacy, democratic capacity and territorial cohesionEmpirical finding:

Territorial development policies are dependent on the involvement of a very proactive civil society and/or private sector.

Guiding questions:

- 7.1 Are there innovative practices of territorial development that involve local communities?
- 7.2 What particular collaborations between private /business and civic sector drives territorial development?
- 7.3 What are the dilemmas related to NPM in territorial development in terms of squeezing out local ownership and engagement?

Topic 8: Territorial capital and development of territorial cohesionEmpirical finding:

In policy discourse on territorial development, it is visible how demography, history and place identity are important territorial assets that may work for or against territorial development.

Guiding questions:

- 8.1 How do policy discourses of territorial development reflect issues of de-population, growth and segregation?
- 8.2 How are identity and history of place mobilized strategically in policy discourses as territorial assets?
- 8.3 What is the link between demographic patterns and territorial development?

8.4 What is the link between migratory patterns (in and out of the location and within the location) and belonging?

7.2 Appendix 2 Overview of interview informants

In the table below and throughout the report we use the abbreviation Urb, Sub and Rur to designate informants from the urban, suburban and rural cases respectively, and PA, BA and COMM to designate informants stemming from the group of public actors, business actors and community actors respectively.

Urban Case: Municipality of Aarhus		Suburban Case: Municipality of Horsens		Rural Case: Municipality of Lemvig	
IP-kode	Actor	IP kode	Actor	IP kode	Actor
Urb_Pa_1	Public	Sub_Pa_1	Public	Rur_Ba_1	Business
Urb_Pa_2	Public	Sub_Pa_2	Public	Rur_Ba_2	Business
Urb_Pa_3	Public	Sub_Pa_3	Public	Rur_Ba_3	Business
Urb_Pa_4	Public	Sub_Pa_4	Public	Rur_Ba_4	Business
Urb_Pa_5	Public	Sub_Pa_5	Public	Rur_Ba_5	Business
Urb_Pa_6	Public	Sub_Ba_6	Business	Rur_Pa_6	Public
Urb_Pa_7	Public	Sub_Ba_7	Business	Rur_Pa_7	Public
Urb_Pa_8	Public	Sub_Ba_8	Business	Rur_Pa_8	Public
Urb_Pa_9	Public	Sub_Comm_9	Community	Rur_Pa_9	Public
Urb_Pa_10	Public	Sub_Comm_10	Community	Rur_Pa_10	Public
Urb_Pa_11	Public	Sub_Pa_11	Public	Rur_Pa_11	Public
Urb_Pa_12	Public	Sub_Comm_12	Community	Rur_Pa_12	Public
Urb_Pa_13	Public	Sub_Comm_13	Community	Rur_Pa_13	Public
Urb_Ba_1	Business	Sub_Comm_14	Community	Rur_Pa_14	Public
Urb_Ba_2	Business	Sub_Pa_15	Public	Rur_Pa_15	Public
Urb_Ba_3	Business	Sub_Pa_16	Public	Rur_Comm_16	Community
Urb_Ba_4	Business	Sub_Ba_17	Business	Rur_Comm_17	Community
Urb_Comm_1	Community	Sub_Comm_18	Community	Rur_Comm_18	Community
Urb_Comm_2	Community	Sub_Pa_19	Public	Rur_Comm_19	Community
Urb_Comm_3	Community	Sub_Pa_20	Public	Rur_Comm_20	Community
Urb_Comm_4	Community				
Urb_Ba_4	Business				
Urb_Comm_5	Business				

ⁱ The Healthy city initiative in Horsens started in 1987, and the Healthy city shop was the first of its kind to be established as a centre for voluntary activity. They are now part of WHO and the European Network of Safe Communities <http://www.horsenssundby.dk/English/Horsens%20Healthy%20City%20Shop>

ⁱⁱ <http://www.horsenssundby.dk/English/Horsens%20Healthy%20City%20Shop>

ⁱⁱⁱ <https://hsfo.dk/horsens/Panduro-slipper-toejlerne-paa-de-store-koncerter-her-er-afloeseren/artikel/126938>

^{iv} <http://aarhusforvelfaerd.dk/linux121.unoeuro-server.com/>, accessed Nov 2018.,

^v Mid-level in the sense that the plans are at a higher and more general level than local plans, but at a lower and more specific level than the Municipal Plan.

Project no.: 727058

Project full title: Inequality, urbanisation and Territorial Cohesion: Developing the European Social Model of economic growth and democratic capacity

Project Acronym: COHSMO (Former Hans Thor Andersen)

Deliverable no.: D4.6

Title of the deliverable: Report on policy analysis – Austria

Contractual Date of Delivery to the CEC:	31.12.2019
Actual Date of Delivery to the CEC:	20.12.2019, 01.07.2020
Organisation Name of the lead contractor for this deliverable:	Aalborg University (AAU) Uniwersytet Warszawski (UW)
Author(s):	Tatjana Boczy, Lukas Alexander, Nina Görgen, Ruggero Cefalo, Yuri Kazepov
Participants(s):	P1, P2, P3, P4, P5, P6, P7
Work package contributing to the deliverable:	WP4
Nature:	RE
Dissemination level:	PU
Version:	1.0
The total number of pages:	103
Start date of project:	01.05.2017
Duration of the project:	54 months

Abstract:

Territorial cohesion unfolds in quite different ways across the three Austrian case studies. Although there are similarities in the descriptions of challenges and solutions related to territorial capital, we found some differences with the other concepts under investigation. Collective efficacy is high in the rural case, though limited by a lack of resources. Overall, collective efficacy expresses mostly through formalised organisations. This mechanism puts the urban case at a clear advantage over other localities due to its socio-economic status within the country and administrative status as a federal state. Accordingly, cross-sectoral territorial governance is easier built in the urban case with diverse specialised networks and

organisations within the city. Still, also the suburban case strategically harvests resources from the federal state level. The rural case, however, does not collaborate well with higher tiers of governance, resulting in struggles for resources. In the Austrian cases, we observe some vital horizontal and vertical governance coordination but also Matthew's effect in different contexts favouring urban localities.

Keywords: Territorial Cohesion, Territorial Capital, Territorial Governance, Collective Efficacy.

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ABBREVIATIONS

ALMP – Active Labour Market Policies

AMS – Arbeitsmarktservice / Public Employment Service Austria

ECEC – Early Child Education and Care

ERDF – European Regional Development Fund

ESF – European Social Fund

FUA – Functional Urban Area

GDP – Gross Domestic Product

LAU – Local administrative Units

NPM – New Public Management

NUTS - Nomenclature of Territorial Units for Statistics

PPP – Public-Private-Partnership

RTI – Research, Technology, and Innovation

SGI – Services of General Interest

SME – Small and Medium-sized Enterprises

SUM – Stadt-Umland-Management / City-Environs Management (Vienna – Lower Austria)

UHI – Urban Heat Island

VET – Vocational Training and Education

WKO – Austrian Economic Chamber (interest group of employers of the social partnership)

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Executive summary

This deliverable summarises the main findings of data collection and analysis from WP4. The report is based on the data and insights collected in national policy review, interviews with different local stakeholders, discourse analysis of policy documents and interviews with key policy actors. Referring to the theoretical frame of COHSMO, we investigate the concept of territorial cohesion through the dimensions of territorial capital, collective efficacy and territorial governance, as expressions of cohesion on a local level.

The three selected case study localities are Vienna (urban case), Kleinregion Ebreichsdorf (suburban case), Kleinregion Waldviertler Kernland (rural case). The ‘small planning region’ (Kleinregion) is a governing instrument organised as a voluntary association of municipalities (LAU-2) that aims at inter-municipal collaboration. In line with the agreed selection process, cases show specific demographic trends, as well as combinations of intra-local differences in population size, commuting and local employment.

Vienna, as the main economic and employment centre of Austria, is characterised by population growth, high inward commuting, good accessibility with international, individual and public transport. It is also a centre of international migration, that concentrates in the so-called ‘Gürtel districts’ located in the less dense outer ring of districts of the city. Kleinregion Ebreichsdorf is an inter-municipal collaboration of ten municipalities, part of the NUTS-2 region Lower Austria but located within the Functional Urban Area of Vienna. High in-migration, population growth and high shares of commuting towards the capital significantly shaped the Kleinregion in the last ten years. However, connection opportunities and growth trends are unevenly distributed among the ten municipalities. The rural case Kleinregion Waldviertler Kernland consists of 14 municipalities. It is not well connected to motorways and public transport networks. Regional bus lines connect them to the most important regional centres, where vital services are located. Almost all municipalities show population losses and prevailing outward commuting dynamics, while the structure of the local economy contrasts national trends of tertiarisation.

Our results show that in Austria, the **territorial capital**, defined as relational opportunities and access to vital services, is distributed unevenly. Not only along a rural-urban divide, but also within the localities that try to combat territorial challenges. Urbanisation provides advantages in terms of governance, provision of education, and the local economy. In the Austrian governance set-up, this is true because of the federal status of the urban case as Vienna can easily influence vital policies and make them sensitive to the urban context. Mostly, mobilisation of territorial capital works through formal collaborations in favour of the urban case study as it has both federal status and hosts vital national government organisations and networks. The lack of competence and resources is the main issue for the inability to tackle territorial challenges, which the suburban and rural case suffer.

The level of **collective efficacy** varies significantly between the case study localities. National and local associations have their most significant networks in the capital, our urban case, with a positive impact on the level of collective efficacy. However, instead of a common identity that stretches over a large region on sub-district levels, identity is fine-grained. This fine-grained identification results in more segregation. In the suburban case, key public actors can follow higher tier requirements to tackle local issues, especially concerning transport. However, local residents do not show a high involvement in public issues, and civic engagement is comparatively low. Other than the suburban case, the rural community can spark collective identity but seems unable to collect necessary resources in order to tackle challenges of access to SGIs and childcare, depopulation and over-ageing. In the rural case, key actors are engaged with the development of the entire region and community. In part, this can be attributed to a long-standing tradition of bottom-up regional planning in the region.

As for **territorial governance**, we observed a high degree of formal collaboration between crucial interest groups (business, employees union), association representatives and public authorities in all cases. These networks tend to be structured within formalised settings, while new and innovative sparks are rare. In 2012, the federal-state started a rescaling and professionalisation process of the Kleinregion collaborations. The federal territory was divided into five regions that were managed centrally under the publicly owned NÖ.regional. This process especially affected our suburban and rural cases, as this agency is nowadays very significant both in terms of regional development and the ways in which the municipalities seek collaborations. The federal-state level still retains substantial influence in the Austrian territorial

governance structure. Vienna, as both a city and a federal state, has, therefore, a clear advantage in the Austrian political system. The city can give itself place-sensitive policies on crucial issues of local economic development, education, housing ALMP and ECEC. Other than the rural and suburban case, Vienna can form – at least in documents – holistic strategies and policy bundles. However, informal structures within the administration and the challenge of planning across federal state borders seem to hinder significant impacts of strategies with policy bundles.

1 Introduction

1.1 National context, purpose and main findings

Since Austria is a federal state with the NUTS-2 regional level (*Bundesland*) hosting their regional policies, Austrian case selection used the two-stage procedure defined in D4.2. Thereby, a clear metropolitan centre was found in a region with considerable variation of socio-economic conditions such as population growth, main economic sector and income. However, the procedure allowed no ‘perfect match’ that fulfils all indicators specified in D4.2 and D4.1. The rather complex interplay of the requirements for each of the three case study locations (urban, suburban, rural) forced us to choose two NUTS-2 regions. Therefore, we chose Vienna and its surrounding federal state, Lower Austria (*Niederösterreich*) and considered them as one study region. The three selected case study localities are Vienna (urban case), Kleinregion¹ Ebreichsdorf (suburban case), Kleinregion Waldviertler Kernland (rural case). Chapter 2 presents details on these cases.

We are aware that choosing Vienna and Lower Austria might come as a major exception, but seen as one region, Vienna and Lower Austria show the interesting mechanism of coordination between two federal states, but also stronger patterns of inter-regional disparities than the federal province of Styria, which would have been the alternative NUTS-2 region. For instance, the urban-rural disparities in terms of economic output (GDP) differ strongly amongst NUTS 3

¹ inter-municipal collaboration associations between individual municipalities collaborating voluntarily on diverse local aspects e.g. collaborative childcare provision.

level territories. Between Vienna and the Waldviertel, the difference amounts to 20.500€ per capita, while the difference between Graz and Östliche Obersteiermark is 10.100€ per capita.

In this deliverable, we summarise the main findings of data collection and analysis from our work in WP4. This report is based on the data and insights collected in national policy review, interviews with different local stakeholders, discourse analysis of policy documents and interviews with policy actors. Using the concept of territorial cohesion, we investigated territorial capital, collective efficacy and territorial governance as expressions of cohesion on a local level in the three case study areas. Thereby, we analyse subnational differences and similarities across cases regarding challenges and approaches to territorial cohesion.

All three empirical phases of WP4 used the theoretical frame of territorial cohesion as operationalised in the COHSMO project:

Territorial Capital	spatial growth aspects, i.e. advantages, strengths, challenges, problems
Collective Efficacy	activity patterns, social networks, participation and segregation
Territorial Governance	multi-level, cross-sectoral, place-sensitive

Table 1 Operationalised Territorial Cohesion (Guideline for D4.5.)

Under these three concepts, we analysed the collected data to contribute to answering the overall research questions set out in COHSMO:

- A. How does urbanisation and inequality (demographic change, life chances) affect the mobilisation of territorial capital?
- B. What is the level of collective efficacy, and how does it serve as a protective factor against territorial problems and lack of mobilisation or territorial capital?
- C. How can territorial governance, collaboration and coordination utilise collective efficacy and the mobilisation of territorial capital? Moreover, how are the sectors childcare, labour market, regeneration, VET and growth involved?

This final report for the WP 4 begins by describing the methods used in all three empirical phases. Afterwards, we introduce vital context information to the selected case studies. Under sections 3 to 5, we go into details about our findings in the case studies under the theoretical

frames of territorial capital, Collective efficacy and territorial governance. Finally, we summarise our main results and analyse the case studies in a larger context.

1.2 Methods

The following section describes the sampling and analysing processes in each of the three empirical phases in more detail. The present report ties the empirical work together and combines the insights gained from the analysis (see sections 3 to 6).

1.2.1 Interviews with local stakeholders

The Austrian team based its sample for local stakeholder interviews on theoretical guidance provided in the document *Researcher Toolbox 04/2018* and later adaptations by 05/2018 provided by WP 4 leaders UW and AAU. This theoretical sample proved reliable in the rural and, to some extent, the suburban case. For the urban case, the team added specifications in order to adapt the theoretical sampling to the metropolitan context.

In this section, we first outline the types of actors targeted for stakeholder interviews. Then, we briefly illustrate our response rate and overall sample. Lastly, we explain the methods and techniques used to analyse and prepare interview data.

Public authority actors (A)

For mayors or head of districts, we contacted the most and least populated municipalities in the Kleinregionen and looked for different party affiliation to cover the political spectrum. Within the urban case, we made further specifications based on district-images and information provided by the city council statistics office, e.g. income distribution within the city. For other public authorities we sampled according to welfare policy areas and for public authority actors, concerned with regional development strategies. We kept in mind to look for similar representatives in each case in order to build on collected data for comparison and conjunction. Therefore, in the urban case, we sometimes interviewed on district and sub-district level public authority actors who could tell us about both direct interactions with residents and institutional arrangements, e.g. district-based social management services.

Business stakeholders (C)

For business actors, we contacted most relevant businesses within each case already identified in D4.3 and used the information provided by first interviewees to guide us further (snowball-technique). In this actor type category, we found the most sampling issues and got most rejections or non-responses. Especially in the urban case, we encountered these difficulties. After interviewing two large profit-oriented companies in the urban case, we decided to interview one government-owned company and a small start-up company. The idea behind this was to illustrate long-standing involvement and collaboration with the city on the one hand and on the other hand, to exemplify opportunities and struggles for new, small-sized companies.

Community actors (B)

Again, for community actors, the theoretical sampling guide provided enough detail to search for interviewees both online and via snowball technique. In the urban case, we adapted to the situation found in Vienna and went down to the district or sub-district level as most community actors in the urban case worked on this level. In terms of content, we contacted local newspapers, revitalisation clubs, important and very active clubs or NGOs that are concerned with regional development. In the rural case, we also interviewed a representative of the aborted climate-energy-model region² there. With the latter, we wanted to tap into critical views in order to understand failed initiatives and collaborative structures.

Sample

Our sampling process entailed three main steps: We used context information from D4.3 and, later on, interviews (snowball technique) to search online for possible interviewees according to their position and expertise in an organisation (1). We contacted possible interviewees first via e-mail introducing COHSMO as well as ourselves. In the mail, we clarified key project

² Austrian funding initiative promoting autarkic energy solutions and regional climate-sensitive innovations in terms of mobility, sustainable building constructions, farming, renewable energies, reduction of energy consumption and creating awareness. (see: Klimabündnis Österreich GmbH (2017))

points, approximate interview duration, and that we were going to contact them via phone within the next days (2). Calling our interviewees after a few days, we got most interviews (3). We even persisted in some cases beyond five phone calls if the actor was very relevant to us, e.g. influential regional bank manager funding many events and projects as well as cooperating with municipal governments in rural and suburban case.

Overall, we contacted 126 local stakeholders and got 61 interviews that gave us insight territorial challenges, approaches and community organisation as well as territorial governance.

	<i>Rural</i>	<i>Suburban</i>	<i>Urban</i>	
<i>Public authority Actors</i>	10	11	15	
<i>Community Actors</i>	6	4	4	
<i>Business Stakeholders</i>	4	3	4	
	20	18	23	61

Table 2 Completed interviews local stakeholders

Case context

In our rural case, interviews seemed relatively easy to get, compared to urban and suburban case. Except for business actors, who had the highest refusal rate within the rural case (56 %). Contacted people from the rural case seemed almost happy to be part of a research project. In Vienna, we oversampled with public authority actors as the city administration has diverse branches and divisions dedicated to urban and regional development on multiple levels (15 interviews). Finding interviewees in the urban case proved most difficult. Comparatively, we received the most rejections and non-responses in this case area for all actor types (57 %). Closely followed by the suburban case (54 %). However, this informs our qualitative data, as we found the suburban interviewees as mostly unattached to their region compared to urban and rural case. Whereas in the urban case, we pushed a lot longer and tried to find business actor interviewees through gatekeepers. Unfortunately, we only got the highest refusal or non-response rate with the group of urban business actors overall cases out of this persistence (76 %). Our explanatory speculations for this are survey and interview over-saturation and/or busier schedules for managers in the city.

Transcription and analysis

Audio recordings of each interview were transcribed based on simplified, verbatim transcription guides by Dresing & Pehl (2011). This meant translating dialects, keeping word and sentence breaks etc. Afterwards, we coded transcripts according to the concepts of note templates that were discussed among partners and provided by WP-leader. The last step was to transform interview data into thick descriptions in the form of notes, including some vital quotations translated into English. All interviews were written up in this form. The collected data are German transcripts, German memos and English summarising notes.

1.2.2 Local policy document analysis

Using the insights from our work summarised in D4.3 and D4.4, we collected local policy documents vital for local development, education, childcare, labour market and community resources. In this section, we first outline the sampling of documents used in the three cases studies of Austria. Then, we briefly illustrate our selection of central documents used in the deeper analysis of constructions of territorial cohesion in policy strategies. Lastly, we explain the methods and techniques used to analyse the selected policy documents.

Sample

Following the collective guidelines for D4.5, we created an archive indicating the main themes of the documents and the connections to territorial cohesion (Appendix A of D4.5). Overall, we collected 65 documents. In the urban case, we covered the five policy fields (ECEC, VET, ALMP, Regeneration, Economic Growth) of concern in COHSMO with strategies, evaluations and project descriptions. In both the suburban and rural case, the policy fields covered mainly area regeneration and economic growth. This is due to the institutional set-up of federal states in Austria. The suburban and rural case are both in one federal state (Lower Austria), whereas the urban case is a federal-state on its own (Vienna). In the policy field of ECEC, the federal state and municipalities have mixed competences and divided finance structure. Here, the federal-state pays the pedagogic staff, whereas the individual municipalities provide infrastructure and pay all other staff. In the policy field of VET, the federal-state level funds, and organises education in the dual vocational system.

Since there are fewer strategy papers in the rural case in general, that sample included webpages, successful local projects, meeting protocols (highlighting issues with earmarked

budgets for project funding), regional newsletter (promoting solutions to regional challenges) and documents of the larger LEADER region (in which key actors of the Kleinregion are very active). These documents mostly deal with area regeneration and economic growth, sometimes addressing other policies like childcare. To get a more coherent picture, we also included information material from the regional public employment services (AMS) to assess at least the direction of regional ALMPs.

In order to keep up a comparative element, the Austrian team chose to concentrate on documents in the three policy areas that rural and suburban localities could influence (i.e. area regeneration, economic growth, to some extent ECEC). For the urban case, we refined this selection a bit more. In the urban case of Vienna, we sampled within these three policies taking into consideration the most influential strategies of the last decade as well as results from D4.4. We included documents in the archive, which interviewees specifically mentioned to us. Moreover, we collected strategies dealing with the most pressing issues, as identified by our respondents. These issues were childcare, education related to skills for labour work, and housing (i.e. sub-district segregation). Therefore, we collected policies of area regeneration (housing), ALMP (education and labour), economic growth (comprehensive strategy papers), and ECEC in the urban case. For comprehensive urban development and ALMP policies, we found relevant documents dating back to 2012 or 2005. This created a selection based on most relevant documents for the Austrian case regarding territorial cohesion in different case study localities. Of course, there would be much more to investigate in the urban case.

Selection for policy document analysis

To investigate the constructions of territorial cohesion in-depth, we needed to identify eight central documents leading the local policy discourse of each case study area.

The rural and suburban cases are inter-municipal collaboration associations (Kleinregion) that set out local strategies within their limited leeway of policy formulation and implementation. These strategies are mainly concerned with economic growth, area regeneration and local challenges that the collaboration of municipalities identifies and tries to solve. In both cases, the associations have formulated strategies for the period 2016-2020 (WaldKern20, Ebreich13). These documents are accompanied and heavily influenced by 2014 founded federal agency of NÖ.regional that produced larger regional strategy papers (WaldKern17 & 18, Ebreich01 & 02)

guiding the local policy documents. In order to investigate how the discourses have shifted from before this federal body was installed compared to today; we included in our deeper analysis earlier strategy papers of these two Kleinregionen (WaldKern01, Ebreich12). It is important to notice that prior to 2015, the suburban case was a cooperation of five municipalities. In 2015, the suburban Kleinregion association restarted with ten municipalities. Still, the central municipality (Ebreichsdorf) informally dominates the development discourse of the suburban case. In the urban case, the strategies are very comprehensive and based on a policy-bundle approach. Vienna's Urban Development Plans seek to guide the city for the next ten years, providing an overall framework for other urban policy areas.

ID	Title	Author	Date	Period
VIE01	Urban Development Plan 2005 (STEP05)	Municipal Department 18 for Urban Development and Planning	2005	2005-2014
VIE02	Urban Development Plan 2025 long (English version) (STEP2025)	Municipal Department 18 for Urban Development and Planning	2014	2014-2025
Ebreich01	Main region strategy Industrieviertel 2024	NÖ.regional (federal state agency)	2015	2015-2024
Ebreich12	Kleinregion concept 2011 (2008)	Private consultants: two from civil engineering and one architect	2011	2008-2014
Ebreich13	Kleinregion & KEM strategy Ebreichsdorf 2016-20	NÖ.regional (federal state agency)	2016	2016-2020
WaldKern01	Kleinregionaler strategy plan Waldviertler Kernland	Manager of Kleinregion	2012	2013-2015
WaldKern17	Main region strategy Waldviertel 2024.	NÖ.regional (federal state agency)	2015	2015-2024
WaldKern20	Strategy Waldviertler Kernland 2016-20	Manager of Kleinregion	2016	2016-2024

Table 3 Overview of central documents for analysis

We identified these central documents for a deeper structural agent-centred and a linguistic performance-oriented analysis based on insights gained from the archive overview, degrees of policy autonomy in the Austrian government context and interviewees' responses. Mainly, the selected central documents belong to the policy areas of area regeneration and economic growth. To a lesser extent, these strategies refer to ECEC, VET and ALMP. The documents only mention these policy areas in connection to overall economic growth.

Analysing methods

Following the suggestion of guidelines D4.5, we investigate the collected documents in three steps: Mapping out the collected document archive background (1), analysing central documents in a structural-agent-centred manner (Atkinson, 1999, 2000) (2) and linguistic performance-oriented ways (Kornberger & Clegg, 2011) (3). For the first step, we used details provided with the archive template and inductive coding of goals described in each document. We analysed these descriptions under the operationalised dimensions of territorial cohesion: collective efficacy, territorial governance, and territorial capital. Structurally, we outlined the relations and references to other policies and documents in order to explore governance collaborations on an institutional level (i.e. policy bundles, interlocking policies and sectoral policies). Following specific policies and trajectory of strategies, we could additionally identify breaking points in policy strategy discourses (e.g. budget restraints imposed by the federal state agency in rural case). For a deeper analysis of central documents, we coded thematic units with concepts outlined in the provided guideline. Leaving out general descriptions, we concentrated on text sequences describing structural and linguistic details. The coded units identified the relevant text sequences for deep structural-agent-centred and linguistic performance-oriented analysis guided by Atkinson (1999, 2000) and Kornberger & Clegg (2011). The analysis included the perspective suggested by Gervais, Morant, & Penn (1999) to detect the silence and absence of specific dimensions and positions.

1.2.3 Interviews with key policy actors

To complement data and insights from stakeholder interviews and policy document analysis, we conducted a final round of interviews with key policy actors. Each national team created their own interview guideline based on a list of common key topics and country-specific issues that emerged from national research so far.

Sample

Key policy actors were chosen according to the insights and questions gained from the discourse analysis of D4.5. For each of the policy areas and case study territories, interviewees were picked that could complement our research so far. Mainly, we identified intermediate authority actors from public, private and non-profit sector engaged with providing economic growth,

VET, ECEC and ALMP. Covering mainly the policy areas that were left out so far from the analysis. In total, we conducted 16 interviews, reaching out to 37 key policy actors.

Data preparation and analysis

Each interview was transcribed and summarised in English. The summaries followed the common key topic list and the operationalisation of territorial cohesion. This provided a base for placing the interview data within the collected material so far. This final interview data informs D 4.6, thereby going beyond a mere summary of D4.4 and D4.5.

2 Presentation of cases

Austria has a rather small-scaled spatial structure. The Western part of the country is dominated by the Alpine mountains whereas the Eastern part of the country is used primarily for agriculture including woods and industry. In this part of the country, one also finds the capital city of Vienna.

The most detailed ‘urban-rural typology’ on the municipal level is provided by Statistics Austria. This classification accounts for 58% of Austria’s population to urban and metropolitan regions. The urban-rural structure is very much dominated by the metropolitan region of Vienna. Approximately 2 million people, nearly one-fourth of Austrian’s population, lives in Vienna and its surroundings located north and south of Vienna. The capitals of the federal states (*Bundesländer*) also form large urban and metropolitan centres, and in addition, mid-sized and small-sized urban centres, as well as regional centres, distribute dispersed across Austria. On the other hand, 15% of Austria’s population lives in rural areas surrounding centres (based on strong commuter relations to urban and regional centres), and another 27% lives in rural areas (with weak commuter relations to urban and regional centres).

Austria’s population grow between 2005 and 2015 concentrate on urban areas like the wider Viennese metropolitan region, but also on Graz, on Upper Austria and Salzburg along the west axis, as well as on the valleys in Tyrol and Vorarlberg. On the other hand, ongoing population decrease concentrates along the inner alpine regions as well as in structural weak border regions in the northern and eastern parts of Austria. Especially those regions with losses in the population are characterized by decreasing shares of children, adolescents and active population, but increasing shares of population aged more than 65 years and therefore the provision of services of general interests are endangered.

Economically, Austria has not been hit as severely as other countries by the Financial Crisis of 2008. Most of its subnational NUTS-2 regions recovered fairly quickly around 2011 (Eurostat, 2018a, p. 197). The government, at that time, took an active role in tackling the crisis. Employment programmes to keep workers in employment with reduced hours, bonuses for employing people over 50 and re-training are some of the main policies that attributed to the recovery of the Austrian economy. Currently, the Austrian economy is in a phase of stagnation.

Similar to other West European countries, Austria is undergoing a tertiarisation of its economy, particularly in urban areas.

Economic disparities on NUTS 2 level tend to decrease over time, but higher disparities at NUTS 3 scale are observable. At NUTS 2 scale, Vienna produced the highest GDP per capita in Euro in 2015, whereas Burgenland produced the smallest amount of GDP per capita. However, growth rates are relatively similar amongst all NUTS 2 regions, beside of Vienna, which grew approximately 50% less than the other regions. At NUTS 3, the range between the regional minimum and maximum of GDP per capita widened between 2004 and 2014. Therefore, the difference between the region with the lowest amount and the highest is much higher than at NUTS 2 level and shows a clear urban-rural divide.

Both employment and unemployment increased nationally between 2005 and 2015. Total employment rates and employment rates between males and females show no strong territorial disparities, although the employment rates of males are higher than the one of females. Territorial inequalities based on the employment levels per educational attainment show a very dispersed pattern of people with higher education. They predominantly concentrate in urban and suburban regions (especially Vienna). The coefficient of variation for employed people with tertiary education amounts to 0,364, more than 50% higher than the coefficient of variation of employed people with primary and basic vocational education. Regional patterns of higher unemployment are likely to be found in peripheral regions and agglomerations – mostly suburban areas and Vienna as a special case, whereas industrial regions in Upper Austria and touristic regions in the west of Austria tend to have lower unemployment rates.

The territorial disparities in relation to educational attainment tend to increase with higher levels of education. Whilst regional disparities of people with secondary and upper secondary education are not concise, but still present, the distribution of people who attained tertiary education is very much concentrated on urban and suburban regions. This relates to the ‘central-place principle’ applied in the provision of educational services. According to that principle, upper secondary level schools are located in small and regional centres but normally they concentrate only in a few large and medium-sized urban centres. Universities of applied sciences also concentrate on a few large and medium-sized urban centres, whereas universities concentrate only on federal-state capitals.

The regional knowledge on poverty and income disparities in Austria are rather scarce. Nationally, the rate of people at risk of poverty after social transfers counts to 13.9% in 2015. The rate is only marginally higher amongst females than the male's rate. Regional data on poverty, however, is scarce for Austria. 2015's people at risk of poverty rate on the NUTS 2 scale, however, show no clear territorial pattern. Nevertheless, the range between the minimum and the maximum is approximately 10% according to Eurostat data. Vienna, due to its high international migration, is characterized by high shares of people at risk of poverty. This trend is also supported by strong concentrations of high wages in the Viennese metropolitan region, whilst low wages concentrate in peripheral inner alpine and border regions.

Table 4 Information sheet on Austria

Information sheet AUSTRIA	
Number of inhabitants, 2019	8.8 Mio
Size in km2, 2014	83.878,99
Name of the largest city, 2019	Vienna
Number of inhabitants in the largest city, 2016	1.8 Mio
Size of the largest city in km2, 2018	414,87
The proportion living in a settlement with less than 1,000 inhabitants, 2018	3 %

Sources: (Statistik Austria, 2019a)

2.1 The region: Vienna and Lower Austria

Lower Austria and Vienna are two federal states in the East of Austria. While Lower Austria is the largest federal state, Vienna is the smallest. Vienna is the densest city in the country, while Lower Austria's territory has the most farming land per km² in the country. Vienna and Lower Austria show interesting mechanisms of coordination between two federal states, but also strong patterns of inter-regional disparities between urban – suburban – rural regions. Urban – rural disparities in terms of GDP differ strongly amongst NUTS 3 level within this part of the country.

Table 5 Information sheet on the region: Vienna & Lower Austria

Information sheet on Vienna & Lower Austria ³			
	combined	Vienna	Lower Austria
Number of inhabitants, 2017	3,533,335	1,867,5	1,665,753
Size in km ² , 2017	19,607,14	414,87	19,186.27
Proportion of 0-17 years, 2017	17 %	18 %	17 %
Proportion of 18-64 years, 2017	64 %	66 %	63 %
Proportion of 65 years or older, 2017	18 %	16 %	20 %
Proportion of women, 2017	51 ⁴ %	51.3 %	51 %
Old-age dependency ratio ⁵ , 2017	27	24	30
Net-migration, 2015	58,698	39,185	19,513
Natural population change, 2015	746	3,405	-2,659
Population density (as inhabitants per km ²), 2017	2330.5 ²	4,574	87
Average household income ⁶ , 2018	42,662.5 ²	45,667	39,658
The proportion of employed individuals working in the primary sector, 2015	3.1 ² %	0.1 %	6.1 %
The proportion of employed individuals working in the secondary sector, 2015	17.95 ² %	11.8 %	24.1 %
The proportion of employed individuals working in	78.9 ² %	88 %	69.8 %

³ For the detailed selection process on why two NUTS-2 regions have been chosen in Austria, see D4.3.

⁴ Average of combined region

⁵ Calculated as old dependency ratio 1st variant (population aged 65+ to population 15 to 64 years).

⁶ Disposable income of private households per year, arithmetic mean of province (NUTS-2).

the tertiary sector, 2015			
Full-time unemployed persons in per cent of the labour force ⁷ , 2015	11.3 ² %	13.5 %	9.1 %
The proportion of people AT-RISK OF ⁸ living in poverty, 2018	15.85 %	22.7 %	9 %
Proportion aged 15-69 with UNIVERSITY DEGREE ⁹ as highest attained level of education, 2018	20.4 %	25.7 %	14.6 %
The proportion of men, aged 25-64 ¹⁰ with compulsory education or less as the highest attained level of education, 2017	16.9 %	21 %	12.1 %
The proportion of women aged 25-64 ¹¹ with compulsory education or less as the highest attained of education, 2017	21.5 %	23 %	19.7 %
Pre-school enrollment rate ¹² (%), 2017	56.9 %	73.7 %	NA
Name of largest city, 2019	Vienna	Vienna	St. Pölten
Number of inhabitants in largest city, 2017	1,867,582	1,867,582	55,044
Size of largest city in km2, 2017	414,87	414,87	108,44
Proportion living in settlement with less than 1,000 inhabitants, 2018	2 %	0	4 %

Sources: (Bundesministerium für Digitalisierung und Wirtschaftsstandort, 2019; Eurostat, 2019; Statistik Austria, 2017, 2018, 2019a, 2019b)

Selected case study localities

Within the region of Vienna and the surrounding federal state Lower Austria, we selected the following case study localities:

1) The metropolitan case locality is Vienna – a federal state (NUTS-2) and a municipality (LAU2) in at the same time that hosts around 1.8 million inhabitants and is the clear administrative, educational, economic and employment centre of the Functional Urban Area

⁷ National classification based on registered unemployed people at the Public Employment Service.

⁸ EU-SILC Definition

⁹ Data classified as sums of all tertiary education (ISCED 2011 level 5 to 8)

¹⁰ National collected data refers to this age group.

¹¹ National collected data refers to this age group.

¹² Own calculation: Children in institutional childcare facilities to children aged between 0 and 6 at LAU level.

(FUA) as well as the whole of Austria. Especially in terms of employment opportunities, the city's economy even reaches across Austria's boundaries into the Czech Republic, Slovakia and Hungary.

2) The suburban case locality is '*Kleinregion Ebreichsdorf*' located in the southern part of the FUA of Vienna. Formally, the governing instrument 'small planning region' (Kleinregion) is organised as a voluntary association that consists of ten municipalities (LAU-2) and aims at inter-municipal collaboration which is strongly supported by the federal government of Lower Austria. Furthermore, it is a 'Climate and Energy Model Region' which focuses on the inter-municipal collaboration in the specific areas of environmental issues, energy, infrastructure and transport. Additionally, the case study locality shows considerable intra-local disparities in terms of resource distribution and power among the municipalities. It has a typical suburban setting as commuter towns. The municipalities have high in-migration, high outward commuting and therefore a rather weak local economy. We also choose this locality because of the involvement of local residents in current planning processes (as part of temporary enacted projects).

3) The rural case locality is located in the north-western part of Lower Austria, in the NUTS-3 region *Waldviertel*. This region is a well-known case for depopulation, a still dominant role of agriculture, and overall economic weakness. It is one of the very last regions, which lack accessibility via motorways. We opted again on a set of municipalities that organize via voluntary governance instrument of a 'small region' (*Kleinregion*). The '*Kleinregion Waldviertler Kernland*' consists of 14 municipalities and the population size accounts to reasonable 14.022 inhabitants. It is also part of the larger LEADER region, which consists of 33 municipalities with around 50,000 people. The local action group seems very active according to their website, but the municipalities of the case study are rather inactive. It makes for an interesting case about the local community and limitations of public administration in rural areas.

Location of Austrian case study localities

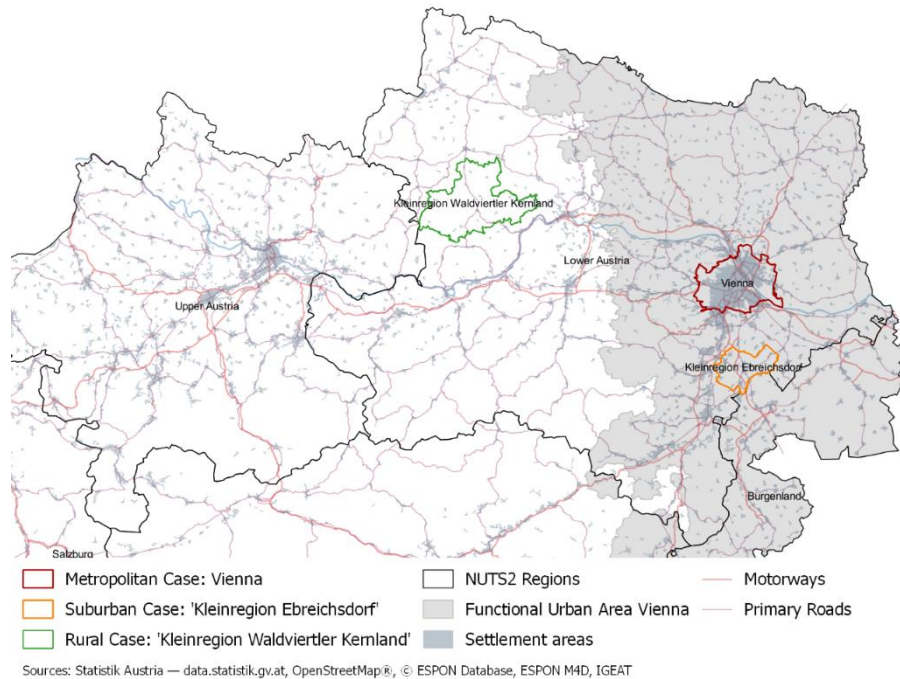


Figure 1 Location of Austrian case studies

Within the selected region(s), the main differences in terms of demographic trends are first and foremost found population growth and loss. Whilst the metropolitan and suburban case show substantial population growth; the rural case is characterized by population loss. Vienna, as the metropolitan case is much more affected by international migration, both by high and by low-status groups. This leads to strong patterns of intra-local socio-economic disparities for the metropolitan case. Interestingly, this stands in contrast to what interviewees had to say about segregation in the city of Vienna (more in sections 3 and 4).

However, the highest disparities between the cases exist in childcare provision, representing a typical Austrian urban-rural disparity. Whilst the supply in Vienna is to a large extent - around two-third - provided by private operators, the provision of childcare in the two other cases are mostly provided by public authorities. The supply of Kindergartens is in all cases very good, although afternoon care is tied to fees in the suburban and rural case, whereas the local supply with day nurseries is generally lower. Vienna, however, shows a considerable number of nurseries, whereas in the suburban case the supply is clearly limited and shows distinct intra-local disparities. Other than expected, the situation in the rural case seems less critical, where one provider offers a day nursery in nearly every municipality.

Politically, Vienna has been under social-democratic leadership since its instalment as a federal state in 1920 (interrupted 1934-1945). The city council is integrated with the federal state government administration. Since 2010 the social-democratic party, SPÖ, is in coalition with the Green party of Austria. The social-democratic mayor was in office for 24 years, from 1994 to 2018. His successor took over in 2018 already in preparation for the next elections of 2020, since the right-wing party of Austria, FPÖ is seen as a threat to the long-standing political power in the city. In fact, the main challenger of becoming city mayor was Mr Strache who is at the centre of the 2019 turmoil dissolving the national government in the wake of a scandal surrounding party finances and a video filmed in 2017 in Ibiza. Up until these very recent events, the FPÖ was believed to would have changed a lot of the social-democratic approaches of social justice, migration and public spending in the city.

The rural and suburban cases also have been ruled exclusively by the same political party, the conservative party ÖVP, on the federal level since 1920 (interrupted 1934-1945). The 25-years-serving governor of Lower Austria also just announced his retirement in 2017, handing over both the federal government and federal party chair to his successor. The reason why Vienna became a federal state even though geographically it is within the region of Lower Austria is precisely this long-term political differentiation. In 1919, the social-democratic party won federal elections because of the increased share of metropolitan citizens. At this point, the city was not separated from the surrounding region but one federal state. The SPÖ would have ruled over the city as well as the rural farmer's land. Agreeing to a mutually beneficial separation for both urban and rural regions, Vienna was created as a federal state. Other Austrian federal states agreed since Lower Austria, and Vienna combined would have been very powerful as they had (and still have) the largest share of population and economic development in Austria.

From here on out, Vienna has been a special case within Austria¹³. Most importantly, under the social-democratic rule, the city expanded and maintained affordable housing policies in its 100-year history. Today, the share of affordable housing is 39 % in the city. This includes municipalities owned and non-profit housing. The tension between the two federal states is also

¹³ Sparking even a long-standing marketing slogan for the city – „Wien ist anders“ / „Vienna is different“ since at least 20 years.

visible in this context as Lower Austria competes with Vienna both for residents as well as business settlements. Lower Austria uses its land resources, transportation expansion and subsidies to attract people to move outside of the city. That way, the federal government gets more revenue in taxes and economic prosperity.

2.2 The urban case: Vienna

Vienna, the Austrian capital city, is the only large metropolis of Austria and lies in the eastern parts of the country. The city is fully surrounded by the NUTS-2 region and federal state of Lower Austria. The closed settlement area of the city has already exceeded the city limits and expands north and south over the administrative boundaries of Vienna into Lower Austria.

Table 6 Information sheet on the urban case: Vienna

Information sheet on Vienna, Urban Case	
Number of inhabitants, 2017	1,867,582
Size in km ² , 2017	414,75
The proportion of 0-17 years, 2017	18 %
The proportion of 18-64 years, 2017	66 %
The proportion of 65 years or older, 2017	16 %
The proportion of women, 2017	51.3 %
The old-age dependency ratio ¹⁴ , 2017	24
Net-migration, 2015	39,185
Natural population change, 2015	3,405
Population density (as inhabitants per km ²), 2017	4,574
Average household income ¹⁵ , 2018	45,667
The proportion of employed individuals working in the primary sector, 2015	0.1 %
The proportion of employed individuals working in the secondary sector, 2015	11.8 %
The proportion of employed individuals working in the tertiary sector, 2015	88 %

¹⁴ Calculated as old dependency ratio 1st variant (population aged 65+ to population 15 to 64 years).

¹⁵ Disposable income of private households per year, arithmetic mean of province (NUTS-2).

Full-time unemployed persons in per cent of the labour force ¹⁶ , 2015	13.5 %
The proportion of people AT-RISK OF ¹⁷ living in poverty, 2018	22.7 %
Proportion aged 15-69 with UNIVERSITY DEGREE ¹⁸ as highest attained level of education, 2018	25.7 %
The proportion of men, aged 25-64 ¹⁹ with compulsory education or less as the highest attained level of education, 2017	21 %
The proportion of women aged 25-64 ²⁰ with compulsory education or less as the highest attained level of education, 2017	23 %
Pre-school enrollment rate (%) ²¹ , 2017	73.7 %

Sources: Bundesministerium für Digitalisierung und Wirtschaftsstandort, 2019; Eurostat, 2019; Statistik Austria, 2017, 2018, 2019a, 2019b

Furthermore, Vienna is Austria's economic and employment centre, and adjacent functional urban area spreads across the eastern parts of Lower Austria and nearly all of Burgenland but also reaches across Austria's boundaries into the Czech Republic, Slovakia and Hungary.

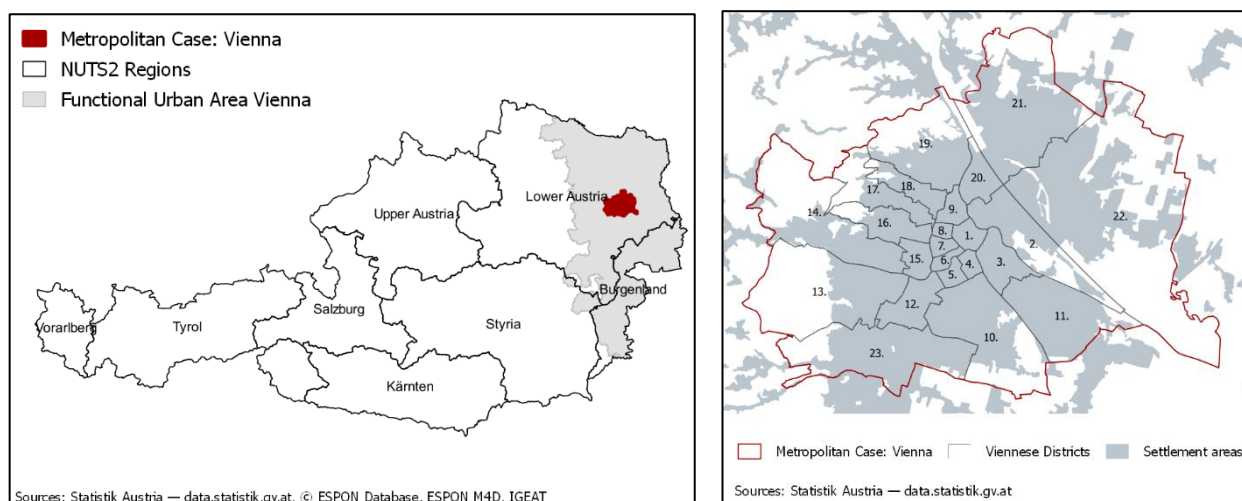


Figure 2 Location and schematic overview of the metropolitan case locality

¹⁶ National classification based on registered unemployed people at the Public Employment Service.

¹⁷ EU-SILC Definition

¹⁸ Data classified as sums of all tertiary education (ISCED 2011 level 5 to 8)

¹⁹ National collected data refers to this age group.

²⁰ National collected data refers to this age group.

²¹ Own calculation: Children in institutional childcare facilities to children aged between 0 and 6 at LAU level.

Not surprisingly, Vienna, as the economic and employment centre is characterized by good accessibility with international, individual and public transport. The city has a little over 1,8 million inhabitants, which is around one-fifth of Austria's population. The most important **demographic trend** that characterises Vienna is population growth. Between 2007 and 2017 the city grew by 12.4 %, which is compared to Lower Austria (4.9 %) quite high but is still lower than the suburban case (16.5 %). In 2015 net migration (around 40.000 people) prevailed the natural population growth by a factor ten, but still, both contribute to the growth. The importance of it as an economic and employment centre is reflected in the commuting figures of Vienna. Nearly 260,000 inward commuters and around 90,000 outward commuters were measured in 2015, resulting in relatively low shares of outward commuting.

Compared to other cities in Austria and especially to Lower Austria, Vienna presents itself as a centre for international migration. Within Vienna, the **immigration** concentrates on the so-called 'Viennese districts' that are located in the less dense outer ring. These districts still host enough building land resources for major housing developments and allow for major population growth. Donaustadt (23.5 %) in the east, Simmering (23.5%) and Favoriten (16.9 %) in the south are the most growing districts. This is also where the most amount of net migration flows to. Nevertheless, after years of depopulation, a trend that was reversed by Austria's accession to the EU and the further enlargement of the Union, also inner-city districts are experiencing growth. Hatz, Kohlbacher & Reeger (2016: 97), for instance, show two distinct patterns of immigration. Immigrants from the EU-14 predominantly settle in the "classical 'bourgeois' housing areas in the inner districts (3, 4, 6, 7, 8, 9), as well as in the cottage areas of the north-west". Immigrants from former Yugoslavia and Turkey, on the other hand, settle rather in the outer western and southern districts 5, 10, 12, 15, 16, 17. The settlement pattern of the latter groups is also related to lower rents in low-standard housing.

Regarding age, it must be said that the general structure of Vienna lies within the trend of Austria, but the share of the working population is slightly higher. In the inner districts, higher shares clearly relate to the young urban professionals described above, whereas high shares in the western outer districts (14-17) relate to the presence of immigrant groups. On the other hand, the share of elderly people is very high in the districts 1, 13 and 19, which is related to home-ownership of wealthy retired people. Finally, a moderate **ageing** trend is observable since the share of elderly people are either stagnating or growing, although this trend is dampened by

the immigration of younger people. According to the latest small-scaled population prognosis (ÖROK 2015), Vienna will, in general, face the highest population growth in the country. The city should grow by 17.6 % until 2030. It is expected that the growth of the young population under 19 (16.1 %) and working-age population (14.3 %) will be of major importance for Vienna. Way more important as for other regions in the country.

In terms of company size, the **local economy** is mainly structured by small and middle-sized companies. According to the register-based census of 2011 on workplaces, 99.7 % of all 139,523 workplaces are employing less than 250 people, whereas around 90 % of the workplaces employ less than 10 workers. Nevertheless, the most important employers according to the AMS (2016) are the municipal administration of Vienna, with 71,350 employees, the University of Vienna with around 9.500²² and Vienna Public Transportation Lines (Wiener Linien) the operator of the public transport network with 8,800 employees. All three are publicly owned. This clear dominance of government-owned companies and employers affects the entire urban economy especially when it comes to territorial cohesion aspects of territorial capital (more under section 3) and territorial government (more under section 5).

Vienna's **federal government** is tightly linked to the city council. Each of 7 administrative groups is headed by a city councillor, which leads to a rather politicized administrative body. Other important administrative players are the Viennese districts, as they fulfil decentralized duties and are equipped with a budget from the city administration. The main tasks of the districts are the maintenance of childcare facilities and schools, maintenance of streets and recreational areas and playgrounds²³. District council elections are usually held simultaneously with the elections to the city councils, but a separate ballot is used. It is also important to note, that, in contrast to city council elections, citizens of member states of the EU are eligible to what for the district council. In line with city government, most of the Viennese districts are run by Social Democratic (SPÖ) borough mayors, but some of the elected district leaders are from the Austrian People's Party (ÖVP). They govern the rather conservative and 'bourgeoisie'

²² <http://www.univie.ac.at/en/about-us/at-a-glance/facts-folders/>

²³ <https://www.wien.gv.at/bezirke/dezentralisierung/entscheidungsrecht/index.html>, 05.04.2018

districts 1, 8, 13 and 19. The Green party has been very strong in the past two elections in the rather ‘hip’ and gentrified 7th district. In the 2nd district, the Green party won the results for the first time, which is related to the socio-economic upgrading of this district. The 10th district, Simmering, is the only district that is run by the right-wing populist Austrian Freedom Party (FPÖ) and their power relates to high unemployment and the presence of the lower strata of residents with Austrian citizenship.

2.3 The suburban case: Kleinregion Ebreichsdorf

The Austrian suburban case of Kleinregion Ebreichsdorf is an inter-municipal collaboration of ten municipalities. It is part of the NUTS-2 region Lower Austria (see Figure 4.1) located within the ‘Functional Urban Area’ of Vienna in the eastern parts of the country and lies approximately 40 kilometres south to Vienna at the border to the NUTS-2 region Burgenland. The case study location is also well connected to the public transport network and roads, but connection opportunities differ between the individual municipalities. The municipalities in the middle of the Kleinregion (Pottendorf and Ebreichsdorf – see Figure 4.1) are directly connected to Vienna via rail network and the travel time to Vienna’s centre is about 45 minutes. Building a new train station in the central municipality Ebreichsdorf is a hot topic for regional development at the moment.

Table 7 Information sheet on the suburban case: Kleinregion Ebreichsdorf

Information sheet Kleinregion Ebreichsdorf, suburban case	
Number of inhabitants, 2017	36,601
Size in km ² , 2017	189,9
The proportion of 0-14 years, 2017	16 %
The proportion of 15-64 years, 2017	68 %
The proportion of 65 years or older, 2017	16 %
The proportion of women ²⁴ , 2017	50.55 %
The old-age dependency ratio ²⁵ , 2017	24

²⁴ Median percentage of all 10 municipalities within Kleinregion

²⁵ Calculated as old dependency ratio 1st variant (population aged 65+ to population 15 to 64 years).

Net-migration, 2015	789
Natural population change, 2015	51
Population density (as inhabitants per km2), 2017	192
Average household income of the administrative district of Baden ²⁶ , 2017	2,098
The proportion of employed individuals working in the primary sector, 2015	4.3 %
The proportion of employed individuals working in the secondary sector, 2015	21.9 %
The proportion of employed individuals working in the tertiary sector, 2015	73.8 %
Full-time unemployed persons in per cent of the labour force ²⁷ , 2015	7.2 %
The proportion of people living in poverty	NA
Proportion aged 15-69 with UNIVERSITY DEGREE ²⁸ as highest attained level of education, 2017	10 %
The proportion of men ²⁹ with compulsory education or less as the highest attained level of education, 2010	18 %
The proportion of men, aged 30-69 with primary education as the highest attained level of education	NA
The proportion of women ³¹ with compulsory education or less as the highest attained level of education	28 %
Pre-school enrollment rate ³⁰ (%), 2017	74.1 %
Name of the largest city, 2017	Ebreichsdorf
Number of inhabitants in the largest city, 2017	10,762
Size of the largest city in km2, 2017	43.2
The proportion living in a settlement with less than 1,000 inhabitants, 2017	0

Sources: Bundesministerium für Digitalisierung und Wirtschaftsstandort, 2019; Eurostat, 2019; Statistik Austria, 2017, 2018, 2019a, 2019b; Wirtschaftskammer Niederösterreich, 2019

²⁶ The case study Kleinregion is part of this administrative district. There is no data available on average household income available on municipal level.

²⁷ National classification based on registered unemployed people at the Public Employment Service.

²⁸ Data classified as sums of all tertiary education (ISCED 2011 level 5 to 8)

²⁹ We were unable to find data on municipal level that indicated age groups, educational level and gender

³⁰ Own calculation: Children in institutional childcare facilities to children aged between 0 and 6 at LAU level.

The ten municipalities of the Kleinregion Ebreichsdorf together account to 36.601 people. The most important **demographic trend** is, as in Vienna, population growth. Between 2007 and 2017, the population of the case study area grew by 16.5% - which is slightly more than in the urban case. Mostly, this trend is based on domestic migration rather than natural population growth. Nevertheless, a positive natural population growth (in 2015: 51) indicates the well-known importance of suburban locations for family housing.

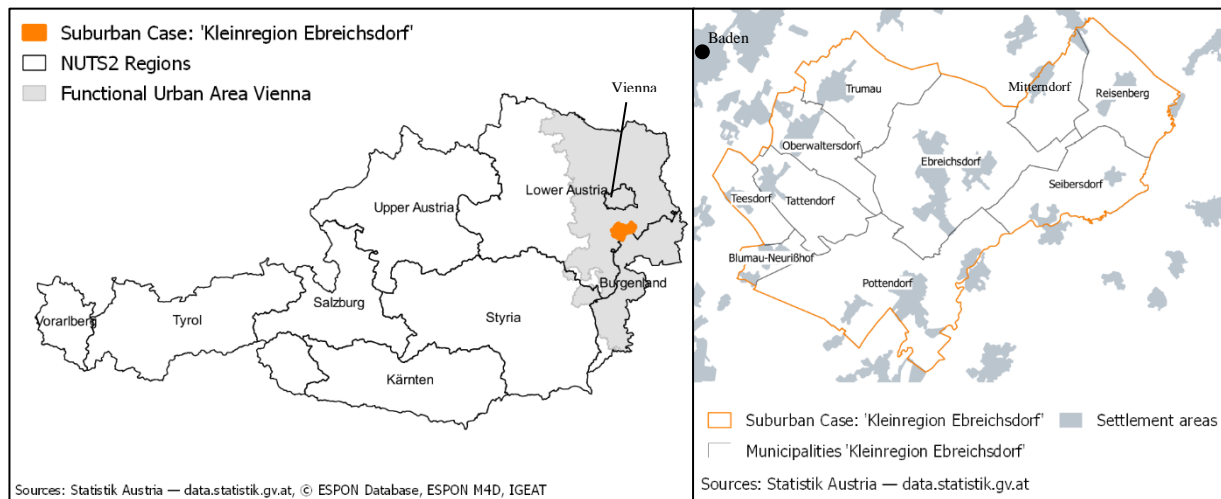


Figure 3 Location and schematic overview of the suburban case locality

Another classic suburban characteristic is the substantial share of outward commuters (81.1%), working mostly in Vienna. High in-migration, population growth and high shares of commuting towards the capital significantly shaped the Kleinregion in the last ten years. Still, there are variations within the Kleinregion. Especially population growth is unevenly distributed. The lowest growth rates are concentrated to the south-west and eastern municipalities – but still with growth rates of 4.8 to 10.7 % from 2007 to 2017, whereas the highest growth rates (13.5 to 40.3) concentrate in the municipalities in the north (closer to Vienna) and in the middle of the Kleinregion with good (public) transport connections. The highest amount of outward commuters can be found in the municipalities with the best rail network. These are Ebreichsdorf (4,046 commuters) and Pottendorf (2,550) in the middle of the region as well as Oberwaltersdorf (1,790) and Trumau (1,437) in the east. Connectivity and population growth have been the key issues for the Kleinregion both with regard to regional development and community life (more on that in the respective sections 3 – 5).

The **population structure** of the suburban case is characterized by even shares of females and males. This is similar to the average figures at NUTS-2 level with no variation between the municipalities within the Kleinregion. The share of residents with Austrian citizenship just varies slightly within the Kleinregion. It ranges from 84.4 to 94.9 % and is quite similar to the NUTS-2 average of 90.3 %. However, the average of the whole Kleinregion reduced since 2007 by approximately 4%, indicating that suburban residency attracts residents with migration background as well. Residents without Austrian citizenship come either from the European Union, the European Economic Area and Switzerland (6%) or from other countries (6%). The highest share within the case study area can be observed in Seibersdorf, which can be explained by the Seibersdorf Laboratories, a life science research facility focused on radiation safety and pharmaceuticals, founded in its current form in 2008. In general, the share of the working-age population stagnated in the last decade while the share of elderly residents increased. Even though migration remains the main demographic trend, the ageing of the suburban case's population should not be underestimated. Due to the settlement of other age groups dampened the overageing effect, but the ageing trend is expected to continue (ÖROK 2015).

Overall, the **local economy** is structured by small and middle-sized companies (99.9 % in 2011). There is no one single company that dominates the region. In 2018, however, the opening of a 'Research and Technology Hub' funded partly by the ERDF in the municipality of Seibersdorf was advertised by the government of Lower Austria as a major project for improving the local economy in our suburban case. The main renter is AIT (Austrian Institute of Technology), Austria's biggest Research and Technology Organisation (RTO) and Seibersdorf Laboratories (with around 70 employees)³¹. Seibersdorf serves as a local hub for research, also hosting the International Atomic Energy Agency Laboratories and nuclear research reactor operated by Nuclear Engineering Seibersdorf.

The **administrative status** is that of a voluntary Kleinregion, an inter-municipal collaboration of ten municipalities. This governance instrument aims to foster the inter-municipal cooperation and is supported by the federal state with extra resources. The Kleinregion Ebreichsdorf was founded originally in 2008 by five (core) municipalities (Ebreichsdorf, Pottendorf, Mitterndorf,

³¹ <https://www.ecoplus.at/newsroom/tfz-seibersdorf-eroeffnung>

Seibersdorf and Reisenberg). Since 2012, ten municipalities cooperate with each other under the label of a ‘Climate and Energy Model Region’ (KEM) which is funded by the National Climate and Energy Fund promoting bottom-up approaches to climate change and energy. In 2015, the Kleinregion collaboration was reinstalled and extended by five municipalities. Based on the recent expansion, we observe a lot of activities and a lot of enthusiasm in media accounts, but some municipalities seem to have a stronger lead while others seem less present.

2.4 The rural case: Kleinregion Waldviertler Kernland

The rural case Kleinregion Waldviertler Kernland locates within the NUTS-3 region ‘Waldviertel’ in the north-western parts of the NUTS-2 region Lower Austria (see Figure 5.1). Waldviertler Kernland lies outside of the catchment FUA of Vienna and consists of 14 municipalities. It is considered as peripheral as it is not well connected to motorways and the connection to public transport is even worse.

Table 8 Information sheet on the rural case: Kleinregion Waldviertler Kernland

Information sheet Kleinregion Waldviertler Kernland, rural case	
Number of inhabitants, 2017	14,022
Size in km ² , 2017	544.20
The proportion of 0-14 years, 2017	14 %
The proportion of 15-64 years, 2017	65 %
The proportion of 65 years or older, 2017	21 %
The proportion of women ³² , 2017	49.59 %
The old-age dependency ratio ³³ , 2017	32
Net-migration, 2015	-95
Natural population change, 2015	-53
Population density (as inhabitants per km ²), 2017	25
Average household income of the administrative district of Zwettl ³⁴ ,	2,005

³² Median percentage of all 10 municipalities within Kleinregion

³³ Calculated as old dependency ratio 1st variant (population aged 65+ to population 15 to 64 years).

³⁴ The case study Kleinregion is mostly part of this administrative district. There is no data available on average household income available on municipal level.

The proportion of employed individuals working in the primary sector, 2015	26.2 %
The proportion of employed individuals working in the secondary sector, 2015	31.8 %
The proportion of employed individuals working in the tertiary sector, 2015	42 %
Full-time unemployed persons in per cent of the labour force ³⁵ , 2015	3.4 %
The proportion of people living in poverty	NA
Proportion aged 15-69 with UNIVERSITY DEGREE ³⁶ as highest attained level of education, 2017	6 %
The proportion of men ³⁷ with compulsory education or less as the highest attained level of education, 2010	20 %
The proportion of women ³⁸ with compulsory education or less as the highest attained level of education, 2010	38 %
Pre-school enrollment rate ³⁸ (%), 2017	54.1 %
Name of the largest city, 2017	Kottes-Purk
Number of inhabitants in the largest city, 2017	1,463
Size of the largest city in km2, 2017	58.48
The proportion living in a settlement with less than 1,000 inhabitants, 2017	22.8 %

Sources: Bundesministerium für Digitalisierung und Wirtschaftsstandort, 2019; Eurostat, 2019; Statistik Austria, 2017, 2018, 2019a, 2019b; Wirtschaftskammer Niederösterreich, 2019

³⁵ National classification based on registered unemployed people at the Public Employment Service.

³⁶ Data classified as sums of all tertiary education (ISCED 2011 level 5 to 8)

³⁷ We were unable to find data on municipal level that indicated age groups, educational level and gender

³⁸ Own calculation: Children in institutional childcare facilities to children aged between 0 and 6 at LAU level.

The rural case municipalities are not at all connected by train, but regional bus lines connect them to the most important regional centres, such as the district capital Zwettl in the north, Krems and St. Pölten in the east and Melk in the south. In these regional centres, vital SGIs are located, such as medical specialists and secondary level schools. It is also important to mention that the case study area is somewhat overshadowed by the touristic hotspot Wachau, which lies south-east to the case study area. Parts of the Wachau are inscribed in the UNESCO Heritage list and therefore attract a considerable amount of international tourists. The rural case study Kleinregion is in competition to attract some of this tourism business to its localities

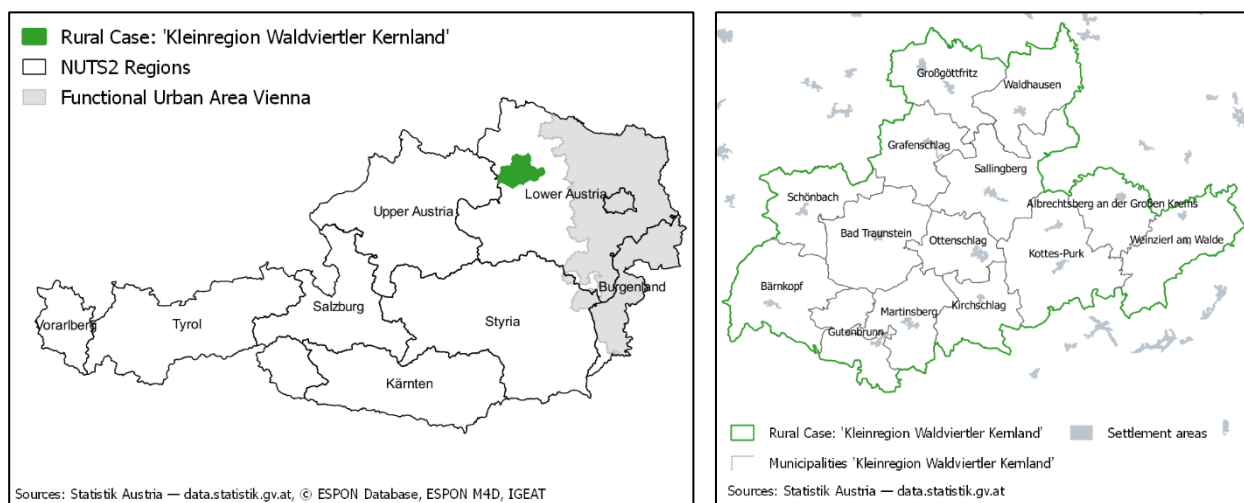


Figure 4 Location and schematic overview of the rural case locality

The Kleinregion Waldviertler Kernland has 14.022 inhabitants, and the most important **demographic trend** is, in contrast to the other two cases, population decrease. Between 2007 and 2017, the population of the case study area decreased by 5.4 %. Both net out-migration and natural population decrease contribute to the population losses of the rural case. In 2015 net migration (-95 people) prevailed over natural population decrease (-53 people). Not surprisingly, outward commuters also prevail inward commuters. The most important commuting destinations are the before mentioned regional centres surrounding the case study location. In general, differences within the region exist but are not as high as in the other cases. The sizes of the municipalities are small, ranging from 350 inhabitants (Bärnkopf) to 1,463 (Kottes-Purk). Almost all municipalities show population losses (from -3.8% to -10.5 %). Only one municipality has stagnating population numbers (Grafenschlag: + 0.5 %). In terms of commuting patterns, it is interesting that the only municipality with more inward commuters than outward commuters is Ottenschlag. This provides evidence that Ottenschlag serves as the economic centre within the case study area. Also, the figures on Großgöttfritz provide evidence

that the municipality hosts regionally important companies, whereas the other municipalities are characterised by stronger outward commuting patterns and low importance for the local economy.

In terms of **population structure**, the case study locality is characterized by slightly lower shares of females than in the NUTS-2 region of Lower Austria. Interestingly, there are considerable differences within the region. Lower shares of females, such as in Schönbach (45%) or in Weinzierl am Walde (47,6%), might relate to the out-migration of young women due to the lack of opportunities. The number of people with foreign citizenship is rather low, approximately 7% percentage points lower than the NUTS-2-regions average. Not surprisingly for rural areas, the average household size is higher than in other parts of the country. Compared to Lower Austria (2.31), the average household sizes range from 2.21 to 2.89, again showing some local variations. Unlike the suburban and partly to the metropolitan case, **ageing** is a crucial challenge for the rural case. Compared to the other cases, the share of the population aged more than 65 years is around 20 % higher. And, furthermore, this age group tends to grow. In contrast, the population aged less than 15 years lies around 15 % and is comparable lower to the other case study areas. But, importantly, the overall trend indicates decreasing shares of young residents. The pattern for the working-age population is ambiguous. Stagnation coexists with high growth, like Kirchschlag, and declining shares, like Sallingberg, for instance. According to the population prognosis from ÖROK (2015), the population for the case study area should decrease by another -6.2% until 2030. The population aged less than 19 years is expected to decrease by -10.7 % and the working-age population by even -15.7 %. In contrast, the number of elderly people will increase substantially (26.4 % for 65 or older; 34.4 % for 85 or older).

The structure of the **local economy** shows a contrast to national trends of tertiarisation and separates the rural case specifically from the suburban and urban case study. Furthermore, most local companies (95.8 %) employ less than 10 people³⁹. Waldhausen hosts the only big company (a sawmill run by Stora Enso Timber AG⁴⁰) with around 680 employees⁴¹. Other than

³⁹ Data retrieved from STATcube – Statistische Datenbank von STATISTIK AUSTRIA (2018)

⁴⁰ <http://storaensowald.at/news-stora-enso-wood-products-starker-arbeitgeber-in-oesterreich/>

⁴¹ http://arbeitsmarktprofile.at/335/teil_04.html

in the urban and suburban case, the role of the agriculture and forestry for the rural case is quite high (26.2 %). Within the case study locality, severe differences exist. Municipalities, like Weinzierl, Kirchschlag and Bad Traunstein nearly half of the local employment is based on agriculture and forestry. Ottenschlag offers mostly workplaces in the tertiary sectors. There, 71.7% of the workforce are employed in the tertiary sector. This can be attributed to its health centre. This also relates to the relatively higher shares of people with tertiary education in this municipality. In other municipalities, the production sector is responsible for local employment.

The rural case's **administrative status** is the same as the suburban case. It is a voluntary Kleinregion, an inter-municipal collaboration of 14 municipalities. The municipalities cooperate since 2001 and have already implemented several regional development projects in the past. Their focus lies on the one hand on health and social services, like childcare during summer breaks. On the other hand, they collaborate on a common regional identity and touristic marketing, for instance, to brand regional companies within one frame, including a regional voucher system. Since 2002, additionally, the municipalities (except for Weinzierl am Walde) form a core part of the larger LEADER region.

At the subnational level, the federal **government** (NUTS-2 level) is very important for the suburban and rural case. Their particular federal state of Lower Austria is run by the Austrian People's Party (ÖVP) since 1945. Besides the departments of the government administration, outsourced organisations like NÖ.regional GmbH, which understands itself as the centralized support for regions and municipalities. NÖ.regional organises Kleinregionen in the entire federal state and is mostly responsible for area regeneration and local development policies.

3 Territorial capital

In the COHSMO-project, territorial cohesion has been conceptualized as the interplay between territorial capital, collective efficacy and territorial governance. This conceptualisation indicates that territorial cohesion is a dynamic result of relations between assets, the political strategies for utilizing them and the webs of social relatedness generating both specific demands and solutions to territorial challenges. What becomes clear from the following analyses is that not only is there a dynamic between potential assets and their utilisation (Sevillo, Atkinson and Russo 2012), but also a different relationship between key actors on different scales. This means that mobilisation strategies should account for the specific sets of relations between the different groups in each territory. Therefore, territorial development requires a focus on not only the static stock of concrete assets but also on the utilisation of these stocks and the political strategies involved (Camagni 2017).

The purpose of the next sections is to address the following overall research question: How does urbanisation and inequality (demographic change, life chances) affect the mobilisation of territorial capital? We address this question by first summarising local problems, advantages and informant's reflections. Afterwards, we reflect on the question of mobilising territorial capital in relation to urbanisation and inequality. For these sections, we use insights from our desk research (D 4.3), information from qualitative interviews (D 4.4) and policy document analysis (D 4.5) from each case study location. Interviews with key policy actors complement the information collected for these two reports. These last interviews clarify interpretations and open questions.

3.1 Territorial problems and advantages in each case

As mentioned in section 2, within Austria, there is a clear urban-rural divide below the NUTS-2 level (D3.1). Of course, this indicates territorial problems as well as advantages. While urban centres, especially the capital city of Vienna, consistently grow demographically, rural areas slowly shrink. Looking at labour statistics in the entire country, both total employment and unemployment grew slightly from 2010 to 2015. This means that there are more people employed but that there are also more people explicitly looking for a job (Friesenecker, Cefalo, Boczy, & Kazepov, 2019). We found the highest employment rate in areas surrounding urban

centres. These are suburban living areas with high shares of commuting to workplaces in city centres. Low employment and high unemployment characterise urban centres, especially large urban centres like our urban case Vienna. Whereas smaller and regional centres, as well as rural areas with higher distances to centres, rank in the middle tier. According to the Eurostat Living Conditions report (Eurostat, 2018b), within Austria, Vienna has the highest share of people at-risk-of-poverty compared to the rest of the country.

Despite the high share of unemployment in Vienna, we also found that the capital city, together with other urban centres, is an employment hub for the larger FUA, especially in the third sector economy. This indicates that people who work in Vienna live in the surrounding suburbs and the wider FUA. Within the cities, though, particularly in Vienna, social disparities grow mainly along with different **educational attainment**. Mainly, this affects people with lower skills that attained up to compulsory or low-level secondary education. Aside from labour market disparities, we also identified demographic issues dividing the country: Young people leave rural areas for living and working in and around the city centres. Ageing demography is of great concern not only identified in statistical data but also expressed prominently in the interviews that we conducted in rural and suburban case studies. This demographic trend has an additional educational component. We find people with tertiary education concentrated in urban areas. Higher vocational education is mostly suburban, while basic vocational training and compulsory education are rural (D4.3 Austria, 9).

We selected our three case study areas according to these **demographic** and economic characteristics to represent urban-rural disparities in Austria. Whilst the metropolitan and suburban case show substantial population growth; the rural case is characterized by population loss. Vienna, as the metropolitan case has much more international migration, both by high and by low-status groups. Although not necessarily the only explanation, this leads to strong patterns of intra-local socio-economic disparities for the metropolitan case. Our rural case shows considerable intra-local socio-economic disparities, mostly related to disparities in the structure of the local economy as some centrally connected municipalities have a better economic output than the other ones. The central municipality, for example, has a rehabilitation centre and clearly, whereas other municipalities rely on agrarian production. This ties in with population change as well as access to vital services, e.g. supermarkets within the municipality.

Intra-local differences in population size, commuting and local employment characterize the suburban case. Between 2007 and 2017, the population of the suburban case grew even more (16.5 %) than that of the urban case (12.4 %). However, other than in the urban case, the suburban documents and interviews highlight the growing population, but not as an advantage for the local economy. Rather, in the suburban case increasing in-migration is seen as a threat to a “rural” way of living. Interviewees describe it as the source of increasing land prices, an ecological danger and even as a disturbance for local businesses.

What makes it even harder for us is that Vienna [meaning Viennese] moves even further out, so the prices around us rise dramatically, this makes it difficult for us, partly our staff can't afford to live nearby.

(CS02, para. 50)

Still, interviews, as well as strategies, highlight the proximity to the urban case and the regional secondary city as the primary territorial asset – both for companies and living there. The suburban case seems to be a typical commuter and family residence, while the urban case has a high influx of young people, and the rural case becomes demographically older.

Although ageing will affect all case studies, the rural case is particularly prone to this dynamic. There, the working-age population will decrease even more through ongoing out-migration. In contrast, the share of elderly people will grow of the suburban case, but at the same time, the working-age population will grow as well, although less than in the metropolitan case. There is also another typical difference in local economic structure. The rural and especially the suburban case show weak local economies in terms of local employment and high figures of outward commuting. Vienna, on the contrary, is an (inter)national employment and economic centre. The urban case has a major tertiary sector, whereas the rural case is characterized by substantial amounts of employment in agriculture. All three cases, though in different qualities, **invest in tourism as an economic pillar**. Each region highlights different assets to attract tourists in the hope of boosting the local economy. Both the rural and suburban case highlight nature as an asset. While the rural case focuses on wellness and health with its resorts and rehabilitation centres, in the suburban case, municipalities underline their sports activities like horseback riding and golfing. There, the potential guest seems to be the urban resident that goes on short vacations outside the city on weekends as well as high profile international guests who

work in the city for a short time. In the urban case, the tourism sector markets the city's historical legacy, culture and special features of vineyards as well as coffee houses.

3.1.1 Territorial capital in stakeholder perception

For the stakeholder interviews, we sampled across three actor types in each case study: public authority (10), business (5), and community (5). These interviews gave insight into vital perceptions of strengths, assets and challenges in each case area. Overall, when it came to questions about challenges in the area, many interviewees avoided talking openly about problems. Instead, many highlighted how public (federal or local) institutions face these challenges. Especially rural interviewees downplayed negative demographic trends. Some interviewees almost promoted the location, trying to build a positive image of the area instead of talking about local issues with us.

Urban

All interviewee types highlighted how high the **living standards** in Vienna are, compared to the rest of Austria, but also compared to other cities. Demographic growth of the city was also on every interviewee's mind, as was the increasing demand for housing. In this regard, the public, but also community actors praised the city councils' tradition and ongoing efforts for affordable housing supply, which releases pressure from the general housing market compared to other European cities. Moreover, governance and business actors focused on how Vienna is an **economic hub and doorway** towards Eastern European markets, especially due to its historical ties and increased cultural diversity in recent years. (Increasing) demographic density within the metropole was addressed never directly as a problem or disadvantage. Some interviewees saw the increased migration as a not yet mobilised asset for socio-economic development.

[T]he internationality, the different countries of origin [are] a treasure (...), so we have an incredible potential; which, I do not think is used, (...). We have, through history, a traditional connection to Eastern Europe. (...) it is always said that Vienna is the hub to the East, (...) Czech Republic, Hungary, Slovakia, etc., there are important markets for us. Simply put, we have benefited incredibly from the eastward expansion (...).

(AU04, para. 42)

All interviewee types reported of a **(mild) segregation** within the city based on education and financial resources, also related to migration backgrounds of residents. Particularly, an informal divide of secondary schools between (richer) German-speaking and (poorer) non-Austrian young people are felt throughout the educational system and, later on, the labour market. Our urban interviewees across actor type mentioned unequal benefits from the demographic and economic growth. They described growing inequalities between people with lower and higher or specifically technical education.

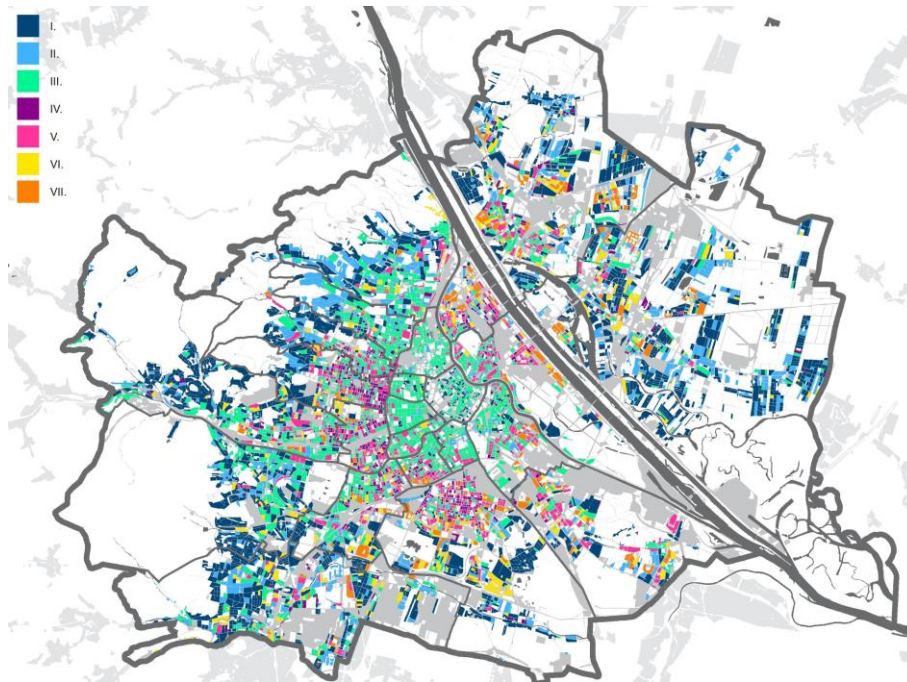


Figure 5 Social clusters in Vienna (Sozialatlas 2012)⁴²

The reported (mild) segregation is manifest in some spatial patterns, though. As already mentioned in the introduction to Vienna as our urban case (2.2.), spatial segregation is felt in terms of housing quality and affordability. While the inner districts and the city centre are well maintained and residents there are from an international elite, the districts outside the second main road within the city have a lower quality building stock. The share of residents with a non-EU migration background, lower education levels as well as employment rate and working poor is higher than in other districts. However, rather than manifest in specific districts, this segregation can be described as circles across the administrative city districts as they follow the roads rather than district borders (Magistrat der Stadt Wien, MA 18 - Urban Development and Planning, 2012).

Even though interviewees attested educational disparities within the city, almost every interviewee maintained, that Vienna is not very spatially segregated compared to other European cities. Some districts have the image of housing a large share of blue-collar workers,

⁴² Colours represent different social clusters according to income, education, migration, fluctuation, number of children, unemployed, working poor within buildings. Basically, clusters higher than III (violet, pink, yellow, orange) represent lower strata of the population.

people with lower educational attainment and/or migration background (see also Figure 5 Social clusters in Vienna (Sozialatlas 2012)). Still, urban interviewees maintained that Vienna has a socially blended urban fabric in general. They particularly referred to a pool of affordable housing in Vienna that – in their view – mixes different socio-economic groups in each district. There are also new large-scale housing projects that use the remainder of city brown-fields to be prepared for the increasing housing demand. New public transportation lines will connect these areas. Despite this current building activity, business actors mentioned a still insufficient **infrastructure expansion**, especially for large-scale producing businesses.

Such activities of the city of Vienna are often reported in relation to the surrounding NUTS-2 region of Lower Austria (both rural and suburban case). Public authority interviewees reported of **competition** between the federal state/city of Vienna and the federal state of Lower Austria and its municipalities surrounding the capital Vienna. Research funding, as well as settlements of businesses and residents, fuel this competition. Even though there are organisations that try to collaborate across the city/federal state borders, actual coordination or innovative projects are rare, e.g. City and Surroundings Management (SUM). The idea behind the SUM collaboration is to start a dialogue exactly between these two federal states, to use common assets, regulate traffic and develop solutions beneficial to all. Aside from declarations and conferences, no major issues have been tackled.

Several respondents reported that an educational divide had increased in recent years, especially at the expense of lower educated people with only compulsory education⁴³, particularly for those with non-German mother tongues. At the same time, business actors reported a lack of qualified staff and that basic skills from compulsory **education** are declining. Interestingly, urban interviewees made specifications that this dynamic of poor compulsory education and vocational training was special to Vienna. Outside the metropolitan area, they explained, upper secondary education is much better due to a lower percentage of non-German speakers in classes. Although they described Vienna as the educational and economic hub, interviewees qualified that lower education was not meeting the objectives of equal access as well as

⁴³ In the Austrian educational system, this means nine years of education. It starts from the age of six (sometimes seven) to 15-year old young adults: Four years of primary, four years of lower secondary or grammar school, the last, mandatory year can be undergone at a polytechnic institute or continued in a higher upper secondary school.

employability (mismatch of skills). Also, the supply and quality of childcare facilities were criticised by our urban interviewees. Even though our overview of childcare (D4.3.) found that facilities in Vienna are better equipped for current family-work balance, interviewees perceived flaws in city childcare services as with compulsory education. They pointed out that schools and teachers lack the proper funding and structures to deal with the particular challenge of more non-German speaking pupils. Again, migration was depicted as one of the main challenges and driver of inequality within the city. In our interviews, migration was thereby depicted both as a challenge and an asset to the city. Respondents outlined the ways to resolve these specific challenges of newcomers to the city to be the public authorities' responsibilities instead of part of civic mobilisation.

The challenges of education within the city were prominent topics in the interviews across actor types. Respondents mentioned a decrease in public funding for tertiary education. One business actor interviewee described this lack of funding as costing the city international reputation, especially within rankings of universities and education systems. As the city promotes its knowledge economy, it is crucial that tertiary education is not seen as being particularly well supported. Business actors also reported struggles to find qualified workers, although there are unemployed people in the city. These responses again indicate a mismatch between education and labour market demands. The lack of innovation and quick reaction to changing conditions was a prominent theme with regard to education that business actors wished for. One interviewee found that a cultural change in the educational system was needed: "We have to teach people to learn permanently" (CU02, 20:00).

Suburban

In the suburban case, interviewees highlighted the **proximity to the capital city** of Austria, Vienna. All interviewees see a huge benefit in this closeness to the city. They think it as an asset that promotes the regional labour market, but it also raises the quality of life. Being close to the city gives suburban residents access to general services such as hospitals, leisure as well as businesses. The good connection to Vienna is maintained by a well-developed traffic infrastructure. This characteristic is the second most important point and is reflected in all of the interviews. In particular, the connection between one municipality, Ebreichsdorf, and Vienna is developed for both cars and public transport systems. A large proportion of

respondents believe that well-developed transport infrastructure is of great importance to their quality of life. They mentioned other advantages of the region, such as the good provision of education and a wide range of public services, such as childcare and care for the elderly, but also leisure activities. In particular, interviewees highlighted the availability of childcare had improved significantly in recent years. The suburban case seems to be well equipped for middle-class families that move out of the city, but profit from the vibrant activity of the metropolis.

Surprisingly, the interviewees characterised the region as **rural instead of suburban**. Both for new as well as native residents, the rural character of their hometown seemed to be a vital anchor for their identity. Living in less urbanized areas leads to more solidarity and community feeling shared by long-term residents if compared to urban areas. Nevertheless, interviewees reported that new residents do not show the same sense of belonging. We go into more detail about the special perception of suburban identity in chapter 4 – Collective Efficacy.

These paradoxes might indicate a common suburban temperament: There is a longing for a rural living while remaining connected to urban services and socio-economic opportunities of major cities. According to our suburban respondents, the regional labour market in the Kleinregion Ebreichsdorf is well established. One respondent mentioned that the labour market is constantly growing and that the case study region has a lot of potentials. Especially the service sector is still expanding. The respondents also mentioned that completely new forms of self-employment (not specified in terms of sector or typology) make up for significant job opportunities. This **well-developed local labour market** makes it easier to find employment. However, it remains unclear if respondents are able to separate the particular labour market of the suburban case from the urban labour market, in which many commuters actually work.

Similar to what we heard in other case studies, the suburban region is confronted with a **changing labour market due to digitalisation**. Interviewees identified the challenge of how to train and educate people for the new demands of the labour market, not only concerning commuters jobs in Vienna. In consequence of these developments, occupational profiles are changing rapidly. At the same time, there is a lack of skilled workers in the local economy.

Well, a general topic not only in the district of Baden, is the change of jobs, now concerning digitalisation,...), what qualifications are needed, how the jobs develop from unskilled jobs to specialized jobs.

(AS06 para. 12)

The interviews indicate that digitisation will be a particular challenge for the region. From the point of view of the interviewees, the challenge is to adapt qualifications to a rapidly changing labour market.

Another prominent topic in the interviews was **inward-migration**. The central municipality of the case study region is confronted with strong population growth due to inward-migration mainly related to available building sites for one-family homes outside the city. One interviewee mentioned that, in their view, migration is necessary to counteract the demographic change. Not all interviewed persons, however, shared this opinion. One public authority actor commented that population growth is too rapid. In this view, this results in a lack of services of general interest, insufficient infrastructure and traffic congestion. Due to population growth, there is a need for better **infrastructure** in terms of schools, kindergartens, local supplies, but also in terms of good transport connections. In addition, **housing prices** are rising. Respondents mentioned that the community is evolving into a larger city and that social life has changed significantly towards more urban blasé mentality (for instance, people are not greeting each other on the street anymore).

In the peripheral areas of the suburban case study region Kleinregion Ebreichsdorf, the problem is reversed. There, another demographic trend is noticeable; the average age in these areas is increasing more and more. This is also due to migration from the periphery to cities and affluent suburbs. Within the suburban case, this leads to an emptying of villages in the periphery and, at the same time, overcrowded central municipalities that are well connected to Vienna. One interviewee mentioned that "young people simply go away" (AS07). Another respondent from a peripheral village in that region with less than 2000 inhabitants explained that educated young women, who find better jobs in the city mainly drive this process. The interviewee continued to explain that this happens due to the establishment of **new gender roles** and more opportunities for social class mobility. This is especially problematic for villages with less than 20.000 inhabitants and a strong primary economic sector (Bundeskanzleramt Österreich, 2010).

The demographic trends are visible in **problems of financing** infrastructure in these villages as municipal budgets depend on resident numbers. Classified rural municipalities (case study) that struggle significantly with resident numbers get special funding by federal initiatives. The peripheral suburban towns fall through these definitions, as they are between the central suburban municipalities that are better connected to the city and struggling rural villages. For instance, the interviewees complain that areas that are more rural do not have (high-quality) medical care infrastructure: in particular, a single doctor/ general physician may need to cover a large region. The ageing society and the need for more nursing staff have been evident for years. Due to the strong population growth, the existing care facilities such as childcare and nursing care for the elderly are no longer sufficient in the central municipalities. Both newcomers and surrounding villages use these facilities. Peripheral areas of the case study region also face an ageing demographic and a demographic exodus, especially driven by women that are usually identified in rural regions.

In terms of vital infrastructure and SGIs, we can describe the suburban case area as internally divided: While central municipalities profit from location, connection and attraction to middle-class families, peripheral municipalities struggle with issues associated with rural villages.

Rural

In the rural case interviews, most often the issues of digital broadband connectivity, traffic connections and roads, demographic changes such as ageing and depopulation came up. Interviewees talked about the need to commute for work, as there are not enough companies within the area. Although nearly everybody mentioned positive developments and activities to tackle the particular issue of missing job opportunities. For example, two new spa hotels opened there recently. However, the region struggles to keep services within the region as banks, schools and groceries move to bigger towns nearby (11,000 and 24,000 inhabitants). Interviewees explained that young residents move away from their hometowns for higher education and jobs. Although some of them move back with their families, the region struggles with out-migration, according to our interviewees. Urbanisation to some degree plays a role in this case, as services, people and companies leave the region and residents with them. The region has a very low unemployment rate and, as our interviewees mentioned often, companies **struggle to find (qualified) labour** or young people for in-company vocational training.

Paradoxically at first, this demand for labour force seems to confirm out-migration trends among the youth. As young people might perceive higher individual life chances and well-being elsewhere in the cities. Although when it came to answering the questions on life chances directly, almost all respondents gave positive answers. They explained, “everything is within reach” referring to nearby larger towns or cities that provide education, jobs (to some extent or beneath certain qualification levels), art events and social services. These towns have to be reached by individual transport, as public transportation is scarce. Critical responses mentioned **infrastructure** as an issue for life chances as well as a general failure of the political class and governance forms to transform the prospects of the region. Interviewees saw especially childcare services as a central challenge for the region’s development. Public authority actors connected childcare to job opportunities for women and their independence.

On the other hand, the region’s collaboration of municipalities, the “Kleinregion”, has a high awareness of these challenges and tries to tackle them in collaboration with 14 municipalities. We found highly active collaborations between the municipalities meeting at least once a month to discuss collective issues and current projects. This collaborative is skilled at applying for funding. Although there is resentment by individual municipalities/mayors as each municipality has to contribute financially to each project. This is because projects are often not fully funded by federal, national state or the EU. Other issues with funded projects were expressed to us: specific, bureaucratic requirements, short-term funding for e.g. childcare services that go beyond federal provision standards (opening days and number of children needed to provide 0-2-year-old childcare), and changing conditions for earmarked budgets. Although the collaborative can implement many positive projects, they feel the adverse effects of **bureaucratisation and limited budgets**. High costs of resource investment in funding application procedures, particularly at the EU level may in the future lead to a withdrawal from this funding stream. This might have a negative impact on the high level of cooperation and ability to tackle challenges.

Respondents of the rural case often named nature as a major asset. Aside from that, many interviewees mentioned hard-working “Waldviertler” **people as their biggest asset**. Interviewees reported of high praises the “Waldviertler” people get and seemed to be very proud of that label. Regional, economic challenges, on the other hand, mostly concerned matching problems: a lack of labour force along with a lack of attractive job opportunities (intersecting

with depopulation issues). While the growth of some industries or sectors in the Kleinregion was given as positive examples, such as the Wellness and Healthcare services and facilities, tourism infrastructure, and artisan and craft collectives, employment opportunities are restricted. Overall economic development depends on migrant labour (interregional and international), for example, in gastronomy or care-work, but much of this labour is also seasonally dependent and does not attract new permanent residents. Whereas medium-sized or large enterprises may profit from the low wages in the region, demographic stagnation and out-migration of young people put pressure on small manufacturers and craft enterprises in finding workers and apprentices.

The municipal collaboration actively promotes the rural case region for tourism in different forms. There is an economic specialisation of the region as a site of tourism, for rehabilitation as well as leisure. **The natural environment**, freshwater sources, lakes, forest and relative lack of transport infrastructure and urbanisation are seen as assets for the touristic marketing. Nevertheless, the touristic potential comes into contradiction with other interests, i.e. highway connection to increase the attractiveness to potential new residents or for the domestic and regional commuting labour force.

3.1.2 Territorial capital in policy documents

The Austrian document analysis mainly focused on the two policy areas of economic growth and area regeneration. These are the policy areas that the rural and suburban case can influence at least to some degree. This is especially relevant for comparison. The overall discourse was concerned with local economic development, infrastructure, housing, education and environmental issues. While in the discourse in the urban and suburban case, the increase of residents was a key problem, the rural case highlighted the struggle to keep and get people in the area. As a typical issue of global trends to live in cities, this did not surprise. Additionally, the ambiguous position for suburban areas did not surprise.

In terms of suburban assets, (public) traffic infrastructure is the main asset to build upon for commuting. At the same time, due to its proximity to the city, the suburban documents problematized the loss of SME local business. However, by actively subsidising and harvesting funds, the suburban case seems to be able to get big companies to the area. SMEs, on the other

hand, seem to struggle. In the suburban discourse, **touristic marketing** was one of the central activities to achieve local economic revenue.

For the rural case, we found a different paradox: While the municipalities have a successful health centre as well as farming businesses, they lack (qualified) workforce. The settlement of new residents and especially young families were described as key to keep local economic development positive. Issues for the rural case were the access to SGIs, childcare and vital supplies. Due to the depopulation trend, these facilities moved further away, affecting especially old residents. More than both the urban and suburban, the discourse in the rural case indicates a **can-do attitude** to local issues by setting up many initiatives. Since this can-do-attitude has to do with the level of collective efficacy in the rural case study, we come back to this in chapter 4 – Collective efficacy. However, other than the urban case, the rural case does not have the political connections or institutions nor the resources to tackle these challenges in the envisioned, ambitious way. From the document analysis, we also found that, other than in the suburban case, the rural documents do not indicate a strategic collaboration with the federal state level. Rather, the rural case seeks to solve their issues on their own in their own ways.

The documents in all cases indicated a good economic development as well as the **preparation for knowledge or green economy**. For the rural and suburban case, this meant to establish local value chains as not to lose revenue to the dominant capital. Additionally, Vienna sees itself as the economic and educational hub. Unlike previous strategies, the city documents today are little concerned with the national competition. The urban discourse outlines its assets much more in relation to neighbouring countries and the EU. (More on scale jumping in section 5) Here, the international economy and higher scale discourses play a much bigger role in development strategies. Predominantly, the urban case values its geographical position to East European countries as capital to use for economic development. Vienna seeks further to develop its knowledge economy and natural environment to attract business investment. Similarly, the suburban and rural case see their green spaces as valuable assets. However, in those discourses, these assets are part of leisure attractions and a tourism economy. Other than both rural and suburban case discourse, the urban case discourse indicates a key concern with education and re-training as to help NEETs and older worker back onto the labour market. This is not only because these policies are federal, but also because the city struggles with a higher unemployment rate than other NUTS-3 areas in Austria. Both interviews and documents

indicate a special focus on unemployment of low-skilled and/or elderly people. The urban case invests in training programmes to address the consequences of automatisisation and global competition as well as to establish an envisioned local knowledge economy.

3.2 Mobilisation of territorial capital across cases

3.2.1 Formal collaboration for mobilisation of territorial capital

In Austria, place-based approaches to territorial challenges and endowments are in place, although not always explicitly formulated. Overall, public authorities on different levels coordinate mobilisation of territorial capital. They invite associations, interest groups, businesses and other stakeholders. Long-lasting mobilisation had to have public authority backing, either in terms of funding or coordination in order to tackle territorial challenges or boost assets. Civic engagement also seems to need political backing. This highlights the importance of policies as well as public authority institutions in each territory.

Vienna tries to use policy bundles to achieve economic growth and cohesion with 5-year strategy frameworks that encompass from land-use planning to business plans a wide range of topics (see documents VIE01 and VIE02 in Appendix A of D4.5). However, this holistic planning mostly stays on the paper. Urban key actor interviewees from the administration indicated that not only has this wholesome planning been around for more than 20 years, that the actual organisational sectors of the city administration are prone to personal quarrels or friendships.

But they overlooked the fact that the biggest obstacle to implementation is their own administration, which cannot understand this from the outset. So, the internal ones, experts from the internal administration work together, but the actions of the departments, they have their own work program. This is incredibly difficult, which means that internal PR is one of the biggest challenges to make something like this effective.

(KU02, para. 33)

Effectively, this limits cross-sectoral coordination even if it was envisioned in strategy papers. Nevertheless, other than the suburban and rural cases, the metropolis clearly attempts policy

bundles. This might also be a result of the special governance set-up since it is both, a municipality and federal province at once. With this status, Vienna has the means to experiment with various policies. Its long-term social democratic government (1920-1934 and again after 1945 until today) built a distinct socialist urban legacy. This is based on a tradition of social housing, a high share of people employed in municipal administration as well as semi-public organisations, as well as more generous social policies, compared to other federal provinces. Overall, current local strategies indicate a perceived growth potential, particularly in the segment of **research, technological and innovation** (RTI) on a national level. However, we found references to RTI only in the suburban and urban case documents, whereas only the urban case had a fully committed strategy. Documents, as well as interviews, indicated the city's status as Austria's hub for higher education and third sector workforce. This status is depicted as very useful to create a local knowledge economy. To a lesser degree, also the suburban case tries to attract high-skill-demand companies in the life science sector. However, here, the strategies play on advantages of availability of cheaper land with reasonable proximity to vital infrastructure like airports. The urban case strategies want to use Vienna's geographical position as an asset to serve as a doorway to Eastern Europe for large companies' headquarters.

Suburban case's inter-municipal collaboration focuses mainly on transport and ecological projects, which most probably results from growing ecological pressure due to population growth. Suburban case strategies for local economic growth have a less clear outline but are described as key in the inter-municipal collaboration, for instance, in the zoning of industrial sites. Furthermore, some suburban municipalities are more active than others in the suburban case. While the suburban inter-municipal collaboration only was established quite recently (originally 2008 and revived in 2015), the rural case has a long history of bottom linked regional planning. Well established since 2001, the rural case collaboration's focus is to foster cohesion, the local economy as well as demographic growth. Local-based development has an even longer history there, as key actors for regional development in Austria started the pursuit in the area in 1982. In the rural case, small businesses and local initiatives play a much bigger role. The association highlights nature, agricultural products and traditions as its asset as well as family life in the countryside. Other than in the suburban case, collected data in the rural case indicates that there is no outlined pursuit of large company settlement. Rather we found a 'Can-do-on-

our-own' attitude, which is also part of the perceived territorial capital and proud identity in the rural case.

Well, one says of the Waldviertler [citizens from the rural case region] that he is hard-working, [...] modest, without taking it to extremes. Or humble.

(AL05, para. 482)

[Companies] balance the location's disadvantage by simply having capital in human resources. Employees are the essential (...) capital of a company, and that is what all companies say. (...) There is, (...) this saying: 'A Waldviertler is three people'

(ibid, para. 30)

In truth, our potential is the people and the mentality of the people of the Waldviertel.

(ibid, para. 34)

However, both suburban and rural case strategies show limitation to specific sectoral policy elements. Most prominently, these are service delivery, e.g. in health and social care as well as branding of regional companies and products. This limitation might come from the fact that federal agencies clearly define areas of local competence. Nevertheless, the rural case has a rather high mobilisation rate when it comes to promoting territorial capital. Key agents and stakeholders are limited to a handful of people who also have intersecting roles within the communities. There, small businesses and community events are highlighted. Politically, the rural case municipal councils have a quite constant political representation with not much diversity or change of the local political leadership. While this more or less fixed conservative rule is true for the rural case, we also find a still constant social-democratic rule in the urban case study. It is not just the political ideology that remains constant in the urban and rural case; also, personnel stay quite constant. Whereas the rural and urban cases show a fairly high amount of connections among relevant players activating territorial capital in their respective ways, the suburban case indicates far more fragmentation. This we see in regular changes of political leadership in municipal councils, different alliances and diverse political parties (e.g. specialised local parties). This affects the streamlining of regional development strategies.

While the rural case remains clear on the goals it pursues, in the suburban case, we miss a clear line of building up territorial assets. Both strategies and interviews indicate this fragmentation.

There are very many 'Kleinregionen' that just do a bit of municipal cooperation. Others, like us, have put it on a completely different level [...] we are also taking action in other areas. [...] The federal state government of Lower Austria does not always welcome that.

(CL01, para. 165)

The 'Kleinregionen' mainly have the task of municipal cooperation (...) in our case this is far more advanced and much more widely spread than is actually desired by the federal state government. The federal-state wants very strict criteria.

(ibid., para. 409)

Nevertheless, the suburban case municipalities collaborate to attract businesses and establish industrial zones out of brownfields. Renewable energies are also on the agenda of the municipal collaboration. Although federal agencies support such efforts, internal tensions between municipalities as well as within them are clear from document analysis and interviews. This highlights a fragmented landscape for mobilising territorial assets in the suburban case. Still, suburban assets to attract particularly new companies rely on existing good transport connection and existing regional industrial and research parks.

I think the individual places (...) have found their identity, but since the Kleinregion is relatively different hmm I don't know if there is now a common identity. There are common problems, ah now also traffic connections, for example in the direction of Baden.

(AS05, para. 143)

The whole topic about renewable energies actually connects all of them [different areas of the case study region] as well. And this is why, as I said, it made sense to put on the climate and energy model region here, and all of them get involved.

(AS02, para. 119)

There is no actuator, in Ebreichsdorf there is always fragmentation, and one always waits that something comes from outside and the basis is so to speak still not existent.

(AS01, para. 220)

In all three cases, the protection of nature and local natural resources (especially water-resources) is also seen as crucial, especially to guarantee high levels of life quality. The rural and suburban inter-communal cooperations are seen as crucial to improve and enhance the local economy and employment and protect the natural resources in an efficient manner. In combination with climate strategies, the collaborations seek to address environmental issues, but specifically energy efficiency, transport and infrastructure (public transport infrastructure, broadband internet and the mentioned economic infrastructure). In the rural case, a specific programme that addresses these issues has been abandoned, while the suburban case still has such a strategy. Strategies in the urban case increasingly seek to combat Urban Heat Islands (UHI) and protect public green spaces within the city limits.

In general, we observed a high degree of formal **collaboration** between key interest groups (business, employees union), association representatives and public authorities in all cases. Especially the federal and municipal government level played the main role. However, the federal-state level is more influential than municipal. Lower Austria's federal discourse on regional development guides the municipal level in both rural and suburban case, particularly after a rescaling process in 2015. Vienna, as both city and federal state, has a clear advantage in the Austrian political system. The city can give itself place-sensitive policies on key issues of local economic development, education, housing ALMP and ECEC. Key actors are clearly the city administration with its political influence as well as its long-standing and wide networks. Aside from the federal state level, we found that for the suburban and rural case mayors and city council engage mostly with local developments. Collaborations, participation and projects are legitimized either on the federal or municipal level. Whereas the urban case has clear governance advantages (cross-sector, place-sensitive), the suburban case can strategically use its influence to harvest resources from the federal state level due to its increasing population numbers. The rural case, on the other hand, does not incorporate the federal state discourse well. However, in the rural case, local key actors try to improve the local development very creatively and show a high level of collective efficacy. These actors are not

solely community but have intersecting responsibilities, roles and networks across the community, business and public authority. This allows them to mobilise local assets and effectively influence local development. Nevertheless, the issues concerning the rural case are not well transported upwards onto the federal level. Rather, with the recent rescaling of regional growth strategies and area regeneration, the rural case loses autonomy over agenda-setting in these areas.

Still, in all case study areas, documents show a lack of real participatory practices. Even though the strategies outline such initiatives, the people invited are often interest group representatives, or, the actual integration of civic knowledge is unclear. Also, interview responses underline this observation. Especially the suburban case documents address identity and community as a challenge to be tackled with internal marketing. Documents, as well as interviews, declare a strong sense of community as vital for area development. However, the actual involvement of the community is vague or under promotional purposes to sell already outlined initiatives. Documents, as well as interviews, indicate an absence of real openness for participatory elements and bottom-up initiatives.

3.2.2 Segregation and Mobilisation

The absence of actual openness and mobilisation becomes even clearer when focussing on the mechanisms of segregation within and between the case study localities. In the case of Vienna, segregation is particularly pronounced along educational lines between, but also within districts. In general, the share of residents with tertiary **educational** attainment is usually higher in Vienna (especially compared to Lower Austria), but disparities along the Viennese districts are high and socio-economic indicators relate to ethnic lines of segregation. Even though interviewees tend to negate or downplay this segregation, a demographic distribution is observable. Especially the inner districts 1, 4, 6, 7, 8, 9 serve as popular residential areas for well-educated people, but also the single-family housing area in the western district 13 and north-western districts 18 and 19 are popular amongst these population groups. In those districts, more than 30% of the residents attained tertiary education. Additionally, these districts are - on average - characterized by smaller households, which fit the presence of the professional urban clientele. The 10th, 11th and 21st districts, in contrast, show relative low amounts of highly educated people (around 10 %), which are additionally characterized by the

highest amounts of unemployment. But also in the 12th and 20th district, the lower-income strata of the Viennese society are prevailing, whilst the other districts seem relatively mixed in socio-economic terms.

In terms of **spatial segregation**, there is a clear ethnic dimension that characterises the city. It is important to note that this is related to the spatial distribution of the condition and type of housing stock. From 1970 to 1990, limited access to the social housing stock for newly arrived migrants led to concentrations of immigrants with socio-economic lower status (usually from former Yugoslavia and Turkey) in the western districts around the belt⁴⁴ (Gürtel) with rather bad housing quality. Large scale social housing developments, which has been realised from the 60s and 70s ongoing in the southern and eastern districts, serve the lower strata of the city (although with a less clear ethnic dimension of segregation). The higher strata of the city concentrate in the outskirts of the western districts (often characterized by single-family house structure), but highly educated urbanites also reside in the popular inner districts 2, 3, 4, 6, 7, 8, 9. However, it is important to note that Vienna is not as segregated as other European cities – a fact which public authorities, documents and our interviewees repeat constantly.

In the suburban case, patterns of segregation relate more to traffic connections, employment and local economy structure rather than ethnic dimensions. Overall, the population structure of residents in the suburban setting is rather homogenous. No considerable patterns of ethnic, cultural and class **segregation** are determinable. Local disparities can be found in the share of employment and unemployment, but most crucially in population size, population dynamics, commuting and local economy. Commuting, at least for some municipalities, seems to affect social cohesion in a negative manner or at least it is perceived by old-established residents as negative. The latter is, for example, indicated by the report on the smart city project of Ebreichsdorf. Based on open questions about problems in the municipality, some residents express concerns towards high in-migration and newly built residential areas which, they state, led to declining social cohesion (Kühnberger & Assmann 2016).

⁴⁴ The belt (*Gürtel*) that divides inner districts (4, 5, 6, 7, 8, 9) from the outer districts in the south and west (10, 12, 15, 16, 17, 18, 19) by busy, major traffic road. The belt also works as a mental barrier, where the inner districts are usually considered as wealthier and the outer districts are usually considered as ‘working-class’ or ‘immigrant’ districts.

The **employment** rate in the suburban case study area is 74%, and the unemployment rate is 7.2%. Whilst the employment rate is in line with the NUTS-2 trend; the unemployment rate is significantly lower than the average of the federal state Lower Austria (NUTS-2). Within the suburban case study, both indicators show moderate patterns of variation along the main traffic routes. This indicates the importance of the transport connections to the capital city (urban case) as a vital economic and employment market for the suburban case. Moreover, variations of employment and unemployment seem to be related to variations in terms the **education**. Municipalities with high shares of residents that obtained tertiary educational attainment show lower unemployment rates. These findings tend to concentrate on municipalities with good transport connections. Nevertheless, the educational structure is quite similar to the federal state average. The local tertiary sector clearly employs a majority of the local labour force (74 %) and is slightly higher than in the NUTS-2 region (70 %). In turn, this means that the secondary and primary sector are comparably smaller.

Similarly, the rural case shows internal segregation more along with employment and traffic access to SGIs rather than ethnic lines. Mainly, this has to do with the homogenous population (see section 2). Socio-economic differences are more important but still limited. The internal differences are not as pronounced as in the suburban case. Bärnkopf, the smallest municipality, has a considerable high share of unemployment and very low population, leaving it rather marginalised within the Kleinreigon collaboration. Ottenschlag, however, serves as the local centre for (health) services. It's leading role in the municipal collaboration is only highlighted by its centrality in terms of traffic connections as vital roads meet within the municipality. In general, socio-economic disparities in the rural case are closely linked to the local structure of employment.

While the **employment** rate in the rural case study (78.8%) is higher than the average figure for Lower Austria (73.1%), we find rather severe differences in employment within the case study locality. Bärnkopf, for instance, is characterized by comparably low employment (69.5%) and high unemployment (6.3%), whereas the employment rate of other municipalities lies over 80%. In general, the regional average of unemployment (3.4 %) is very low compared to Lower Austria at average (9.1%). More than the employment rate, the employment sector highlights the regional difference and, with it, different importance. As mentioned in section 2, the rural case has still a high share of economic activity in agriculture and forestry. However, while some municipalities have nearly half of the local employment based on agriculture and forestry, Ottenschlag offers mostly workplaces in the tertiary sectors. This also relates to the relatively higher shares of people with tertiary **education** in this municipality.

Overall, we found a vital connection between education, employment and segregation. The possibility to mobilise territorial capital or improve well-being on a local level relates very much to these three aspects. Our analysis of the case study shows that central municipalities – or districts in the urban case – adapt, form and improve local conditions much easier than others. On the one hand, it relates to opportunities of getting heard, but also to the access of vital SGIs that structure the entire community life.

3.2.3 Vital challenges of welfare services

Overall, these discourses of segregation and formal collaboration highlight the (unequal) access to SGIs, ECEC, education mismatch as well as the diverse local economic patterns. The latter is directly linked with both ECEC and **education mismatches**. While ECEC is vital in all territories, each case study struggles with different aspects of it. In the urban case, documents and interviewees highlight the challenge of citywide access to high-quality ECEC. Here, the issue is connected with social mobility and implicitly with territorial inequality. In the suburban strategies, matters of quantity due to the increase in population is much more relevant. Other aspects, like social mobility, do not play a role there. In the rural case, ECEC is connected to both female employment and the attraction of new residents.

The Waldviertler Kernland is really a role model, not just for the Waldviertel but for all of Lower Austria in rural areas. With those 6 or 7 early childcare facilities in the region, so practically from 13 municipalities, every second has an early childcare facility. Ah, I

think this is very essential to attract young people and tell them: if you come here you will have all opportunities and can start to work when you want and give your children to good care facilities.

(AL01, para. 227)

Thereby it is also connected to the area's most pressing issues of over ageing and local socio-economic development. Aside from ECEC, education plays an important role in the local economy. Both rural and suburban case problematise the out-migration and commuting to the (regional) cities as it leaves the local economy lacking skilled workers. Moreover, regional cities and the capital pull young as well as highly skilled residents away from rural, but also suburban localities. Particularly the rural case struggles with this vicious circle of out-migration and lack of locally-based economy due to missing workforce.

Of course, there is the situation that residential buildings are empty. Yes, there is a vacancy. But we have the problem that companies there are rather looking for workers.

(AL02, para. 30)

In the suburban case, residents settle there, but their work and cultural life centre are not there. The suburban case struggles with a sleep-town image as well as a lack of community. Projects to re-vitalise the community are in place, but identities are fragmented as is visible in the local political landscape.

3.3 Conclusion

Concerning territorial capital, our interviewees from Vienna generally agreed on the superiority of living “in the socio-economic hub” of Austria. Suburban interviewees concluded that their proximity to the city along with still available land for building houses and companies was their biggest asset. Rural respondents were aware of the need for inward migration to keep their region alive. Their collective efforts in this direction; however, only accomplished stagnation so far. Childcare, Education and access to education beyond compulsory schooling were the services that interviewees referred to as relevant for moving, both internally (between municipalities and districts) and between the three cases. Overall, Vienna attracts and pulls young people from the outskirts and rural areas, leading to ongoing urbanisation processes in

Austria. Moreover, since Vienna offers more variety of jobs for higher educated people, the urban job market was another reason for young people to move to the city. The suburban case on the other hand attracts young families from the middle-class looking for non-urban living, but urban employment. Suburban interviewees saw themselves able to attract people outside of the city as they could provide the infrastructure to live in a less dense area as well as infrastructure to consume the benefits of urban services, labour market and culture.

The overall discourse was concerned with local economic development, infrastructure, housing, education and environmental issues. While in the discourse in the urban and suburban case, the increase of residents was a key problem, the rural case highlighted the struggle to keep and get people in the area. As a typical issue of global trends to live in cities, this did not surprise. Additionally, the ambiguous position for suburban areas did not surprise. One of the suburban assets often indicated was the availability of cheap building land close to an urban area for housing. (Public) Traffic infrastructure was the main asset to build upon for commuting. At the same time, due to this proximity to the city, the documents problematized the loss of local business. However, by actively subsidising and harvesting funds, the suburban case seems to be able to get big companies to settle in the area. SMEs, on the other hand, seem to struggle. In suburban discourse, touristic marketing was one of the central activities to achieve local economic revenue. For the rural case, we found a different paradox: While the municipalities have a successful health centre as well as farming businesses, they lack (qualified) workforce. The settlement of new residents and especially young families were described as key to keep local economic development positive. Key issues for the rural case were the access to SGIs, ECEC and vital supplies. Due to the depopulation trend, these facilities moved further away, affecting especially old residents. More than both the urban and suburban, the discourse in the rural case indicate a can-do attitude to local issues by setting up many initiatives. However, other than the urban case, the rural case does not have the political competences nor the resources to tackle these challenges in the envisioned, ambitious way. From the document analysis, we also found that, other than in the suburban case, the rural documents do not indicate a strategic collaboration with the federal state level. Rather, the rural case seeks to solve their issues on their own in their own ways.

Mobilisation of territorial capital mostly works through formal collaborations in favour of the urban case study as it has both federal status and hosts vital national government organisations

and networks. Influential actors are able to use these connections to increase local agendas and raise resources for particular interests like international competition in the RTI sector. Opportunities to mobilise and get one's interests heard are not evenly distributed. Segregation mostly ties to education, employment status as well as the quality of employment. While segregation is rather clear along ethnic and socio-economic lines in the urban case, in the suburban and rural case, things are complicated by traffic connections, access and quality of welfare services. Central to the latter is ECEC as it ties to economic opportunities for women, demographic trends and the local economy in general.

In Austria, the territorial capital, defined as more than a static stock, but relational opportunities and access to vital services, is distributed unevenly. Not only along a rural-urban divide, but also within the localities that try to combat territorial challenges. This is especially true when looking at formal collaboration structures that can mobilise territorial capital. However, things get more complicated when looking at the community on the ground in terms of collective efficacy in the following section.

4 Collective efficacy

In this chapter, we focus on the community and collective action aspect of our case studies. Face-to-face interactions among residents of a location may stimulate social ties among residents that support collective action in the pursuit of public or collective goals. These shared expectations and mutual trust among residents promote a sense of cohesion or belonging, which Sampson (2011) calls collective efficacy. This aspect of face-to-face interaction is better understood in small units where people recognize each other than in large, anonymous units. According to Sampson, the root of the collective efficacy of a location is the intersection of practices, social meanings and their spatial context (Sampson, 2011, p. 230). Robert Sampson is critical of the way Coleman defines social capital as primarily a resource that is realized through social relationships (Coleman, 1988) and argues that: “Social networks foster the conditions under which collective efficacy may flourish, but they are not sufficient for the exercise of social cohesion and social control (Sampson 2011). Networks have to be activated in order to be meaningful” (Sampson & Morenoff, 1997). In some of the first sociological works by authors like Tönnies (2019 [1887]) and Simmel (1971 [1903]), the difference place makes to social networks, and community life has been investigated as effects of differentiation and specialisation in the modernisation transition of European societies at the turn of the 20th century.

In this Sampsonian perspective, location can be defined by the social features, the variably interacting population and the institutions of a commonplace. The capacity of collective efficacy to influence territorial development depends on how local social ties coalesce and make connections horizontal and vertical ties to non-profit organisations, government institutions, businesses and local decision-makers (Sampson, 2012). This means that network-density, civic participation, disorder, organisational density, identity, and capacity for collective action are variable and analytically separable from structural variables and possible consequences. Moreover, it means that when we deploy the concept of collective efficacy we argue that collective action in pursuit of public goods and territorial development cannot be read as simple measures of the organisational density and the levels of participation in relation to these organisations. Consequently, when analyzing the role of social ties for territorial development we have to take into account the effects of **daily**

routine activities and the spatial organisation of services and facilities such as schools, shopping, bars, public transportation, tourist facilities, residential areas etc., which permits a variety of social interactions and social behaviour (Sampson, 2011, p. 234).

The purpose of the next sections is to address the following overall research question: What is the level of collective efficacy and how does it serve as a protective factor against territorial problems and lack of mobilisation or of territorial capital? We address these questions by first summarising informant's reflections and the document discourse on the level of collective efficacy. Afterwards, we reflect on the capacity of innovative community practices and collaborations in territorial development in Austria. For these sections, we use insights from qualitative interviews (D 4.4) and policy document analysis (D 4.5) from each case study location. Interviews with key policy actors complement the information collected for these two reports. These last interviews clarify interpretations and open questions.

4.1 Level of collective efficacy in each case

4.1.1 Territorial dimensions of the third sector

In general, the **third sector** is well developed in Austria, especially in the realm of health and social care. NGOs like Caritas, Diakonie, Volkshilfe, Hilfswerk or Red Cross usually operate all over Austria and have regional offices with varying amounts of voluntary engagement. In Vienna, NGOs work, especially the sectors health and social care for retired citizens, care for homeless people and refugees. The cooperation between the municipal administration and professionalized NGOs (which means that they also employ people) are rather institutionalized, and collaboration has a long history. Participation of the local society is predominantly used in the urban case development projects. There, the forms of participation differ in scope, ranging from the reconfiguration of public spaces to the development of neighbourhoods and, therefore, the participation processes have a limited time frame. Depending on the concept of public consultation, different forms are used. The instruments can range from information only, to the use of questionnaires and gathering of ideas in workshops, mediation, moderation and citizens' councils. A rather long-term time frame, to the contrary, is pursued by the 'Local Agenda 21'. As a rather institutionalized form of participation, it heavily relies on professional consultants that accompany the consultation between citizen and district governments in the Viennese

case⁴⁵. Nine out of 23 districts are engaged with the program of the ‘Local Agenda 21’ based on a legal resolution by the district councils.

In the suburban and rural case, the third sector is rather limited to traditional associations organised around leisure, fire brigade, health, and social care. Family, youth and retired person associations exist. Unlike in the suburban case, the rural case community is also very active in terms of cultural events and associations promoting the Kleinregion brand. Rural and suburban case NGOs are specialised on health, and social care like Caritas, Diakonie, Volkshilfe, Hilfswerk or Red Cross. These organisations operate all over Austria and have regional offices. Outside urban agglomerations, they mostly rely on voluntary engagement. For both the suburban and rural case, village renewal associations are important, albeit in quite different forms. While in nearly every municipality in the rural case study hosts such an association for the community, in the suburban case these associations are splintered. The central municipality of the suburban case has four of these organisations corresponding to the former villages that are still part of the community’s identity rather than the municipality. The quality of activities is also quite different between these two cases. Whereas the suburban village renewal associations focus on public space beautification projects, the rural sister-organisations strive for collective action, socio-economic development and improving well-being in the locality. In 2008, a trade association between companies of the rural case study municipalities was formed. The aim of that association is predominantly to raise awareness and visibility of local businesses and thereby foster the local economy (Wirtschaftsverein Waldviertler Kernland, 2018).

4.1.2 Formal collective efficacy structures: Austrian Social Partners

Most collective civic action is channelled through formalised associations and interest groups that have a long tradition. The most influential mechanism is the Austrian social partnership. Specifically, this means that branch-specific unions, employee and employer organisations are part of vital policy formation processes. Even though these key actors have seats on boards, their involvement is not formally established in the legislation. Rather, they are invited due to custom, and their position often depends on the ruling political party. Key actors from the

⁴⁵ <https://www.la21wien.at/>, 05.04.2018

employees' chamber (*Arbeiterkammer*) criticised the last far-right national government of less collaborative work with them. Particularly, the chambers of both employees' and employers' (*Wirtschaftskammer*) as well as the industrialist association, yield significant power when it comes to policy. These interest groups draft policies and make recommendations to the government. Following the federal set-up of Austria, the chambers have federal branches and regional branches according to administrative districts all over the country. However, national as well as local associations, have their most significant networks in the capital, our urban case. This effects territorial governance (more in section 5), but also collective efficacy as networks are more significant in the urban case both in terms of quantity as well as quality.

So, I know, as a young company, you have to move to Vienna in Austria, because otherwise, you have - unless you do something highly technical, or something extremely niche, which you can also do somewhere else. But in our field, the fact that we are in Vienna is a very important factor for our success. (para. 183) (...) Especially I never had to go anywhere else. So, I never have been told that I have to go to Graz or Linz or anything else. Everything is always here. Because of that, I can do a lot more or attend it or just come somewhere and see if it is important or not. (para. 191)

(CU 04)

Following the classic interpretations of the modernisation of community life (Simmel, 1971; Tönnies, 2019), we found unsurprisingly higher specialisation and differentiation in the urban case. Impacting the level of collective efficacy, interviewees and key actors confirmed that in the urban fabric, one has more opportunities to get heard, address problems and find solutions with like-minded people. However, compared to the rural case, segregation is practised much stronger with regard to separating practices of everyday life, e.g. restaurants, events, social contacts. Identity is finer-grained than in the suburban or rural case. This means that instead of a common identity that stretches over a large region, residency in neighbourhoods is used as indicators of social status to distinguish social groups. In the suburban case, a common identity is complicated by the large increase of newcomers and their lifestyle as commuters. However, surprisingly, collective efficacy is not lower in the suburban case due to the lack of shared identity. Especially central municipalities' key political actors are able to harvest resources and invest in infrastructure strategically. Nevertheless, the yearning for a more "rural", meaning

lively, community and identity remains both for political actors as well as residents. (More on rural longing later under *identity and civic engagement*.)

4.1.3 Identity and civic engagement

Through our analysis, it became important to talk about the scale on which collective efficacy is performed. A pattern can be observed throughout the Austrian cases: Identity and civil engagement is perceived and formed on a rather small scale. As mentioned before, in the urban case, collective efficacy expresses through shared identity mainly on a sub-district or neighbourhood level, which is also the scale on which citizen participation is exercised the most. An extensive number of diverse voluntary and community organisations exist in the city, but they act on a sub-district level rather than for the whole administrative district let alone beyond it. There is even a specific branch by the city administration dealing with issues in (sub-) districts, providing meeting spaces, organising festivals and participatory events. Through this and further initiatives, the city administration actively tries to spark lively communities and participatory processes, which is also indicated by the results of the conducted document analysis. A wide range of actors participate in the organisation and use its facilities, although not all social groups are committed to it on the same level. Most of the time, however, participation in decision-making processes is performed through representatives. This dynamic accounts for all of the case regions selected that usually initiate participatory elements in land development processes.

As a citizen, I think I am like most others. I too don't know anything about the Kleinregion.

(BS01, para. 167)

Moreover, in the few participation practices that do exist, mostly certain kinds of actors – educated, female – are more involved than other parts of the community. Especially people with a lower socio-economic status, a migration background or higher age are not equally involved in these processes due to a lack of social and financial resources.

In the rural case region, the public involvement is channelled through a certain group of highly committed individuals, often also within formal organisations and with multiple positions among these organisations. The amount of different community organisations is rather high in

relation to the total population size. Collaborations and cultural events, but also regional challenges are addressed and directed by the ‘Kleinregion management’. We found a common Can-Do-Attitude in the rural case study as not only challenges are addressed, but the people to talk to are generally known.

The relations. You know all mayor, all members of the (regional) parliament, [...] I have that thing, and it should be done, exactly. That is how the business still runs with networks.

(BL04, para. 214)

As facilities of every-day needs are limited in number, people working there are commonly known. Even more, the small number of active key actors grew up in the villages and knew almost every soul in their town. This is true for mayors of the small villages, but also for key policy actors like the staff of public employment services. The latter explained to us in one interview that they get approached on the street to “do something for my son” on a regular basis since their key role is known to everybody. Organising community events and building a local economy are key goals of the inter-municipal collaboration “Kleinregion”. However, the residents do not refer to the Kleinregion label in their identity, but the perceived identity corresponds very highly to their home-village and/or the broader region of “Waldviertel” within Lower Austria.

Well, many feel themselves as Waldviertler. Ah but as Kernländer [Kleinregion]. Yes, they know, I think a high percentage knows that they are part of the Kernland, but not that they identify themselves with it.

(CL01, para. 302)

The actors involved in the regional development are especially innovative business actors, public authorities and civil community organisations.

In terms of the canalisation of public involvement through community organisations, similar dynamics are observed in the suburban regions. However, a decisive difference is made by the felt identity within the region. The level of shared identity is noticeably lower than in the rural case. This is partly due to the merging of former communes into one in 1972, but also due to

the strongly felt differentiation between old and new residents. The long-term residents are actively involved with community associations and mobilise common interests. In contrast, the majority of new residents are commuting, which leads to less involvement in community life and its associations.

And the Piestingau is somehow a gooseberry of Ebreichsdorf but never really connected. There were people who went away in the morning [to work] and got back in the evening; practically they were only here to sleep, nobody knew them.

(BS01, para. 70)

For the municipalities in the suburban case study, this leads to an image as “Sleeptowns”. A place where people build homes due to cheap land prices and have their beds, but resident’s life their active life, work and leisure elsewhere. For these reasons, it seems that the town marketing of the municipality of Ebreichsdorf advocates a new identity for its commune. Tactics of community building are one of the central points in regional development documents, and marketing tools are used to disseminate the idea of a common identity. Interestingly, suburban residents expressed the feeling that they live in a rural area. As mentioned in chapter 3, this resonates with the middle-class aspiration of moving to a single-family home on the countryside. In the interviewees, we found a longing for a romanticised way of rural living close to nature. At the same time, new residents seemed to shy away from typically strong community ties with a high level of social control (Müller, 2014; Schmitt, Dombrowski, Geyer, Murat, & Seifert, 2006, 86f.). Urban interviewees also expressed this aspiration of moving out of the city, but not too far in order to still benefit from the local urban economy and labour market.

That is the dream for Viennese, a free-standing single-family house that is still affordable, green, relatively calm, although the structure, the city has by now reached the region too.

(AS01, para. 377)

Effectively, this renders the suburban community caught between the strong rural community-life and the strong structural networks of the metropolis. Neither one nor the other, it becomes a functional home, but not a lively community that expresses most of its concerns with land-

use and infrastructure - either be it with Not-In-My-Backyard (NIMBY) protests over plans for a new railway or the demand for more childcare facilities.

In terms of population growth, the suburban interviewees see the high inflow of new residents as Janus-faced: On the one hand, some perceive the increase in population as problematic in terms of urbanising processes that change the landscape, the mentality of the population and therefore the community life. On the other hand, some see the increased inward migration as a chance for positive socio-economic development or necessity to counteract negative demographic trends such as over-ageing. We found this last interpretation both with the rural as well as the suburban interviews.

On participation, there is the challenge and here we are somehow at the inflow topic, that people don't identify with the municipality and then they are of course not willing [...] to participate in a public cleaning action and even less they are willing to take an official function in e.g. the village renewal association.

(AS09, para. 156)

The domestic in- and outflow of inhabitants is an issue for every community within the selected case regions. The rural region is experiencing a strong exodus of inhabitants while the suburban region experiences a drastic increase in newcomers. This happens not least because of some competition with the urban regions, in particular with Vienna since taxes and federal funds increase according to resident numbers. Between the rural and urban case study there is another aspect of competition for residents: Although the rural-urban commuters identify themselves as inhabitants of the rural municipalities, many still register their main residence in Vienna in order to have access benefits of the city. Among these benefits that are only accessible for inhabitants with the main residence in the city, are parking permissions, voting rights and rent or heating subsidies. These of these social benefits are the highest in Vienna in all of the Austrian federal states. Nevertheless, for those living in the rural case study are, community life remains stable and – with the strong intervention of the inter-municipal collaboration - alive.

The people are coming back on Thursday or on Friday at the latest, they have community life and partially their houses here, but they need the parking space permit [only available for main residents of Vienna]

(BL04, para. 257)

As mentioned before, cooperation and involvement of non-public parties are channelled through representatives in all of the cases. Furthermore, in neither of the cases, it is clear how exactly civilian initiatives influence vital development strategies or even policies.

And in the city of Vienna, it is still handled that way; we know what is good for the citizens because the citizens don't know that.

(AU08, para. 39)

Specifically, the document analysis showed that although bottom up-initiatives are seen as vital in every region, the actual involvement of civic knowledge and bottom-up initiatives are rare. Our interviewees indicated that even though key actors are aware of the need to involve civil society, the way to do it is unclear. Moreover, since there are a high diversity of interest groups and social partners in Austria on different governance levels, the need for more civilian involvement in specific policies but also territorial development puzzled some key actors.

4.2 Innovative community practices and collaborations in territorial development across cases

In general, the Austrian case studies did not show high potential for innovative projects or radical changes on any level. Rather, established institutions, formalised channels and interest groups were defended against a too radical shift. This is especially true for variations of NPM, which are discussed in the general public health care organisation. Although key public authorities on national level argue for more cost-effective structures, social partners and federal states governments defined the system up until 2018. Even though leaner structure will be introduced, there are many exceptions and the processes is envisioned to take a very long time. This resistance to (radical) change prevails both in horizontal as well as vertical institutional structures. Innovation, be it bottom-up or top-down, is not introduced easily due to a large number of various established interest groups of social partners both for employers as well as employees and formalised lobbies for Austrian communes. Again, the federal-state system plays a major role in resisting centralisation processes or ideas of leaner structures since the fear of losing influence is high.

In our research, mostly documents, but also interview respondents in the **urban case**, expressed the desire to **improve governance**. Be it technology-driven by improving public administration with new ICTs or cooperation-driven by establishing formal organisations across the city boundaries. In 2005, this aspect was addressed with ideas of PPP for some interventions in the comprehensive urban development plan (see VIE01 in Appendix A of D4.5) which remained unclear ideas about collaborations. Afterwards, civic participation increasingly took over the descriptions in the strategy documents. Throughout, the documents described how participatory workshops, surveys and civic involvement would improve urban planning and, consequently, city development. Many evaluations and workshops have actually been realised. Nevertheless, there was also criticism about the lack of outreach to certain minority groups and the actual missing incorporation of civic impulses. Most strongly, though, the need for collaboration with the surrounding federal state and suburban municipalities remained throughout the years on topics of **housing, local economy, and infrastructure**. The policy documents expressed an urgency to coordinate instead of competing with the surrounding federal state, particularly in 2005 (VIE01). A formal organisation (SUM - City-Environs Management) was established operating across the federal state level. Particularly, it improved the coordination of public transportation infrastructure, but the organisation struggles with institutional differences and communication.

Overall, the documents in the urban case identified challenges typical to the transformation of socio-economic conditions today. The documents outlined solutions to these issues that built on Vienna's strengths as an educational and political hub. These proposed approaches described the **fostering of collaboration** between key interest groups and **subsidising target groups** with high economic potential. The described challenges also referred to classic issues of social inclusion, spatial aspects and civic involvement in metropolitan areas. Generally, the documents did not simply outline economic growth as the key to local development. Social mobility, inclusion and the redistribution of wealth were often addressed both on a systematic and individual level. In some instances, civic involvement was addressed, albeit vaguely and as "soft resources". Still, we also identified a commitment to evaluate programmes at least somewhat critically.

Rather than innovative practices, strategy documents highlight traditional spatial planning issues. Predominantly, the documents in suburban case identify **infrastructure** as the main

issue. Under this topic high-speed internet connection, opening hours of childcare facilities and lack of physicians are of concern; however, mostly the documents refer to traffic and transport. In their words, the municipalities suffer under missing parking lots and the individual traffic through their area. Therefore, the documents and projects propose noise protection and traffic claiming measures. These issues come from civil society and area regeneration association. Together with the municipal council and some funding from the federal state, they realize smaller actions within a municipality. For bigger projects like a new railway station, the solutions get more complicated. Especially in the suburban case, the strategic character in using innovative labels in order to invest in vital infrastructure becomes clear. Under the project of “Smart City Ebreichsdorf”, the Technical University of Vienna and the ÖBB (Austrian Railway Services) got involved. Finding a solution was a one-year project in which public authorities and residents participated in workshops to agree on an area-planning scenario (Ebreich03-11). Interestingly, the project partners used the concept *Smart City* to solve area planning issues rather than the traditional meaning of Smart City planning as high tech solutions for densely populated urban areas. This indicates the strategic use of available funding of the Kleinregion association members, but particularly of the municipal council of Ebreichsdorf. Rather than using new concepts like *Smart City* for innovative projects, we found that these labels were used for traditional measures in regional development.

The rural case, Kleinregion Waldviertler Kernland, is in an ambivalent position when it comes to innovative practices. On the one hand, the community show high levels of community life and interaction. On the other hand, the innovative practices do not seem to spark any structural changes for improving the rural situation of depopulation. Strong elements are community building and identity to solve challenges collectively. This is especially visible in the community organised childcare service projects, elderly leisure activities and festivities. Funded by federal state or EU programmes, the village communities organise their own leisure events, activities of elderly and childcare. However, mostly a handful of key actors with interlocking memberships have a say in the projects. Actual cross-scale collaboration happens on the level of the town council, especially with mayors and federal or EU-funded formal cooperation organisations like Kleinregion or LEADER.

Throughout the document analysis, it became clear that some projects discontinued. Two examples are the early childcare initiative for under 5-year-olds and the climate and energy

model region (WaldKern10-11). The latter project focussed on energy consumption and tried to create awareness as well as initiatives for renewable energy sources that would ultimately lead the region to more energy autocracy. Moreover, descriptions in the document envisioned this local energy source model as part of a local economy cycle with which to stop “money flows out of the region” (WaldKern10, 31). After two years, the initiative did not apply for new funding, also indicating little resonance to the goals seen in the descriptions within the one-year report (WaldKern11). However, **environmental** issues, as well as childcare service, still play a role in the strategy documents of Kleinregion (WaldKern01 and WaldKern20). Envisioned marketing campaigns often relate to ideas of green economy connected to a natural environment that is valuable for tourism.

4.3 Conclusion

Unsurprisingly, the level of collective efficacy varies greatly between the case study localities. We also found different qualities of community organisation corresponding to the effectiveness of their efforts. While urban matters were generally more successful due to organisational specialisation and the higher number of networks, the suburban case highlighted a different way of getting things done. Key public actors in the suburban area were able to follow higher tier requirements to tackle local issues, especially with regard to transport. However, local residents do not show a high involvement in public issues unless it concerns their immediate surroundings. Participation in associations is comparatively low, as is civic engagement. This is especially visible when compared to the level and quality of collective efficacy in the rural case. There, key actors are engaged with more than their own backyard, but the development of the entire region and community. Collective efficacy is high, but the opportunities to act influential are low. Other than the suburban case, the rural community is able to spark collective identity but seems to be unable to collect necessary resources in order to tackle challenges of access to SGIs and childcare, depopulation and over-ageing. Forming multiple initiatives and collective events for the region, actors in the rural case showed a Can-Do attitude. Key actors feel the need to get involved and do something that benefits their community. They are able to form collaborations among businesses as well as mayors. In part, we attribute this attitude to a tradition of bottom-up regional planning which we go into detail in section 5.2.

All three case studies show a lack of real participatory practices. Whereas the rural case struggles particularly with the involvement of women, it is difficult to mobilise residents overall for public concerns. In the urban case, an educated and well-connected elite can make their concerns heard. Overall, even though the strategies outline such initiatives, the people invited are often interest group representatives, or, the actual integration of civic knowledge is unclear. Especially in the suburban case, the discourse addresses identity and community as a challenge to be tackled with internal marketing. Many of the documents in all cases declare a strong sense of community as vital for area development. However, the actual involvement of the community is vague or under promotional purposes to sell already outlined initiatives. Document and interview data indicate an absence of real openness for participatory elements and bottom-up initiatives. Innovative practices were hardly addressed by interviewees. Only documents indicated some forms of innovative practice. However, when looking closer at the addressed issues and solutions, we usually found classic spatial planning approaches under innovative labels.

5 Territorial governance

In this chapter, we investigate the role of territorial governance in mobilizing territorial capital and the effects of collective efficacy. We analyse how the ‘capacity to act’ depends on strategic forms of policy coordination (Servillo, Atkinson, & Russo, 2012). Policy coordination refers here to the formation of policy bundles generating synergy between policy areas, such as labour market and regeneration policies. Corresponding with differences between the case study communities, policy coordination also refers to different forms of coordination fora. Consequently, strategic policy coordination indicates forms of collaborative governance (Healey, 2006 [1997]) which indicates practices of territorial cohesion. In turn, these practices of territorial cohesion could promote new initiatives for policy innovations beyond familiar community borders.

Policies on territorial cohesion are often connected either to the idea of legitimizing growth or to the development of more balanced welfare services. This makes it imperative to analyse the policy discourses pertaining to territorial cohesion at different scales of government. Focusing on the discourses of collaboration, we also investigate narratives of what is conceived to be ‘good territorial governance’ by different stakeholders (business, civic community actors, policy actors).

The purpose of the next sections is to address the following overall research question: How can territorial governance, collaboration and coordination utilize collective efficacy and the mobilisation of territorial capital? How are the sectors childcare, ALMP, urban regeneration, VET and growth involved? We address these questions by first summarising informant’s reflections and the document discourse on the characteristics of territorial governance in each case study locality. Afterwards, we investigate the coordination of territorial governance across cases and the capacity of using policy bundles in the Austrian governance system. In the third section, we reflect on the relations between regional, national and EU-governance bodies in supporting balanced development. For these sections, we use insights from qualitative interviews (D 4.4) and policy document analysis (D 4.5) from each case study location. Interviews with key policy actors complement the information collected for these two reports. These last interviews clarify interpretations and open questions.

5.1 Characteristics of territorial governance in each case

5.1.1 Urban – Vienna: City-State Powerhouse

Citizen's participation in Vienna is predominantly organised by the city administration, although the participation focuses mostly on “soft urban renewal” integrating resident's ideas in the city's urban concepts on a rather small-scale level (e.g. farmers market, mobility concepts). However, there are also small participatory events, where politicians exchange with the residents and explain their decisions and plans for the district. Attendees of such events are mostly homogenous, migrants, older people or disadvantaged social people do not attend these events much. However, high-educated residents can already use their informal knowledge and contacts to get their interests heard.

The city administration works together with NGOs in a more top-down manner, through integrating them into boards where their local knowledge is taken into account. This kind of collaboration is legally based on short-term contracts with NGOs. The contracted NGOs and the Local Agenda 21 are the main drivers for citizen participation, although heads of city administration groups also organize many other participation opportunities. Still, the decision-making on the integration of local knowledge depends on the city administration or district officials and politicians. Some of the public authorities interviewed reported of budget cuts in recent years, which resulted in tensions between the national and federal government (far-right national government from 12/2017 to 5/2019, social-democratic federal government). Furthermore, political tensions between federal and national government level, but also with district governments often came up as hindering local knowledge integration and social initiatives.

The regional governor and [key regional developer] at some point had a power struggle between them. [...] Once Adi Kastner left his official functions, all his initiatives were extinguished.

(CL02, para. 17)

Sometimes difficulties emerge also with sharing knowledge between the city administration units, because of bureaucratic overburdens, especially in terms of childcare and education

sectors. However, the planning department of the city makes a conscious effort to integrate qualitative data and local knowledge in their work for city development of infrastructure, public space and urban renewal. In the future, it will be necessary to create new institutional arrangements in order to account for city growth and increased infrastructure.

Similar to the national government, the city of Vienna puts efforts into project-based collaborations between scientific research centres and private companies in order to boost economic development

The coordination of business actors with public authorities takes place especially on a district level, concerning amongst others planning of the infrastructure for the direct location of the companies. Additionally, there are a large variety of business networks for (larger and smaller) private businesses. These networks provide collaboration opportunities and distribute information about socio-economic development - not just on a city level, but also national and EU-wide. A highly influential business actor is the Austrian Industrial's association, where some of the members also have important formal board positions, which are used to integrate business interests into national policies. The city administration seems to focus on supporting certain business branches (e.g. creative industry and Life Science Research) more than other branches, although it provides many diverse networks and resources overall. In addition, businesses on their own are very actively supporting and collaborating with each other.

Overall, community, public and business actors profit a lot from the strategic excellent geographical and structural position of Vienna. Vienna functions not only as a link between Western and Eastern Europe, but it is also the capital of Austria and the only city with more than 300.000 inhabitants. This fosters the concentration of all relevant players in Vienna. Therefore, the quality of the infrastructure, networks and collaborations are unique in Austria and build a solid basis for knowledge, collaboration and innovation. The key actors interviewed also highlighted the productive collaboration between the actors. However, participatory processes are more likely to serve marketing purposes than a sustainable integration of civic knowledge into governance processes.

[...] there is a phase where one provides an open discussion phase and asks for inputs of the whole population, and that will be made public with PR. My impression is that this is a fig leaf or placebo. Not with bad intention, but because human thinking doesn't work that way. Because de facto I think now one is currently achieving this.

(AU05, para. 180)

5.1.2 Suburban – Kleinregion Ebreichsdorf: Strategic Governance

Collaborations and cooperation between different kinds of actors are very productive within the region. Civil associations are frequently involved in the planning and integration processes of the municipality and social partners. Furthermore, public actors mentioned high civic participation with the motivation to improve the region in terms of safety, family-friendly businesses and family-friendly municipalities. In addition, the municipality of Ebreichsdorf tries to involve citizens in the political decision-making process. For instance, the Village Renewal Association was actively involved in the spatial planning process of the main square refurbishment, and a civic organisation works together with the Austrian labour market service to integrate people in the local labour market. On the one hand, majors are seen as central players with the capability to actively improve conditions in the region, although, strong networks are necessary to initiate, plan and execute projects successfully. On the other hand, the document analysis showed that the democratic initiation of new projects, amongst others within the local city council, but also in general, is a constant challenge.

Overall, a high level of formal and informal cooperation (horizontal and vertical) between all actors can be observed in the region. Influential public actors are endeavoured to involve the local business actors in the regional development not only through formal and informal cooperation but also through project grants and subsidies for companies, as well as associations. As mentioned before, under section 4, these collaborations remain in traditional ways concerned with spatial planning, infrastructure and traffic connections. However, clearly, key actors are able to use of shifts in the general funding of regional development via grants and project subsidies. For example, public actors cooperate with research institutions such as the Technical University of Vienna and the School of Natural Resources and Applied Life Sciences mainly in order to improve regional conditions in terms of digitalisation. In addition, there is an

increasing number of measures and collaborations between the different municipalities on the topics of broadband expansion and digitalisation, but also in relation to climate change and renewable energy. In particular, there is a motivation to prepare for digitalisation in order to keep local industrial enterprises marketable.

All actors emphasize the high importance of the well-developed infrastructure between the region and Vienna. In particular, for the central municipality of the case study region, the well-developed transport infrastructure unburdened access to societal goods. Additionally, the provision of building land for companies, but also for new private housing is an important focus in regional development strategies.

In general, there are regular regional meetings all over Lower Austria where politicians, local representatives of the Kleinregion, business actors, representatives of the industrialist associations, Austrian Federal Economic Chamber, Chamber of Labour and Chamber of Agriculture, meet and discuss the most important topics, such as challenges due to digitalisation. Interviewees mentioned that involvement and mobilisation of interest groups are based on a long tradition as well as strongly depending on the task. Federal state government structure supports both informal and formal frameworks. The key actor from regional labour market service office mentioned that her good overview of the regional actors makes it easier to mobilize them.

[...] simply foster the contact and immediately know those are the actors with whom to sit on a table and do something. Yes, those structures are simply present, yes.

(AS06, para. 144)

However, the document analysis provides evidence that although the strategies indicate some cross-sectoral thinking, multilevel collaborations are limited to a small number of key agents. From the overall discourse analysis, the impression emerged that the central municipality benefitted more from federal funding as well as the collaborations, leading to some tension between the municipalities within the region.

5.1.3 Rural – Kleinregion Waldviertler Kernland: Can-Do-Attitude

In the rural case region, all actors identified the mayors as the most important actors due to their decision-making freedom and local power relations. What is notably in the rural case are the multiple functions of single persons within different organisations or associations. Overall, the regional development is heavily steered by a very committed circle of few people. This circle bemoans a lack of mobilisation of new people willing to take formal positions within the community organisations and politics in the smaller municipalities. Especially women seem to be hard to mobilise for local politics.

Well, concerning work where you need to work with your hands and so, there are very often women involved, but in decision-taking committees [...] it is rather male-dominated.

(AL01, para. 287)

[...] I mean there is a reason why fewer women are in the municipal council because the meetings are always in the evening and what should the woman do with the children [...]

(AL02, para. 648)

Women still play a minor role both in politics and economic spheres. Women's main role as caregivers is tied to conservative attitudes, but also structural conditions. First and foremost, childcare services are usually limited to the early morning hours and school days. Commuting takes longer and local jobs are mainly in the first and second economic sector.

In terms of regional cooperation, there is also an inherent contradiction between different political levels and entities. These are striated through multi-level governance regimes and to a certain degree, competing for resources. At the municipal level, actors often lack the resources necessary to engage and implement complex governance projects effectively.

[...] small unites are better than gigantic blown-up Molochs. [...] That is, of course, very challenging, and you see that in the region to how everything goes down. The bureaucracy overgrows all and you don't come to operative things.

(BL04, para. 40)

This also leads to a lack of coherence in the regional growth strategy. Bureaucratic burden overshadows even perceived successful initiatives and projects, especially childcare. In general, uncertainty and administrative objectives seem to limit local agents' resourcefulness on the horizontal level. Mostly this can be attributed to a lack of the specialisation to use available grants and funding as the suburban case can.

Although collaboration for area improvement between and within the municipalities seems to work, vertical collaboration does not. From the document discourse, we understood that especially the federal state level is not seen as a reliable partner, but rather a top-down manager. Whereas the informal distribution of resources seemed to be a common practice previously, the in 2015 launched federal agency NÖ.regional limited and standardised the use of resources much more. Within our research of strategic documents and analysis of interviews, it became clear that this new approach limits both autonomous self-help and misuse of funds. Furthermore, the federal agency for regional development streamlines local challenges, solutions and objectives on a higher regional and federal level. In terms of territorial governance, the rural case Kleinregion seems to seal itself off as much as possible in the face of this strategic alignment.

5.2 Coordination of territorial governance across cases

In general, we observed a high degree of formal **collaboration** between key interest groups (business, employees union), association representatives and public authorities in all cases. As mentioned before, these collaborations organise more in formalised settings and with traditional key actors. New and innovative sparks are rare.

In the rural case, the outline for regionally based collaboration dates back to 1980ies. To this day, the municipal coordination seeks to strengthen both economic development and welfare issues in the region. The federal-state government financially supports this model of collaboration and encourages the tackling of local challenges that way. In 2012, the federal-state started a **rescaling and professionalisation process** of the Kleinregion collaborations. The federal territory was divided into five regions that were managed centrally under the publicly owned NÖ.regional. Four out of these regions had traditional names and identities corresponding to their main economic focus and territorial capital dating back to the 19th

century: forestry, industry, winery and cider. Almost all regions changed their economic niche, but the traces of these name-giving economies are still there to different degrees. Each of the five regions has a designated manager employed by NÖ.regional. This agency is owned and funded by three public entities: an agglomeration of municipalities, the federal town regeneration organisation, and the federal state government. NÖ.regional sets out federal goals for development and funding of projects in the municipalities. The five regions write their own regional development strategies in accordance with a federal strategy. These five main strategies are then adapted by the local Kleinregion collaborations. Regional and local managers were introduced as spokespersons for all local topics, including cross-border collaborations with other EU-member states. For the latter, local projects receive funding from the EU Interreg. Projects also receive funding from the ERDF. In both the suburban and rural cases, this agency is very significant both in terms of regional development and the ways in which the municipalities seek collaborations.

In the suburban case, the position of locality manager is held by a federal-state actor, whereas in the rural case, the manager is a central local figure dedicated only to the specific Kleinregion. Other than the suburban case, rural case's municipal collaboration has a long history of coordinating the towns in order to improve their surroundings and socio-economic development. Overall, the suburban case is much more managed in a top-down way by the federal agency than the rural case. While in the rural case, the collaboration still tries to manage their challenges by themselves, but the introduction of NÖ.regional makes their traditional way of dealing with issues more on a local level a lot harder. Even though the agency claims to manage both in top-down and bottom-up style, the reality of the rural case indicates a strong centralising process. Aside from structural changes, the NÖ.regional agency also introduced new issues to the rural case. These mainly infrastructure-oriented ideas for the much larger region were visions that need a high financial commitment both by the federal and national government. Before, the rural case collaboration focused very much on small-scale issues and immediate impacts that would rarely affect surrounding regions. The professionalisation and centralisation of regional development strategies brought the bigger picture into the local collaborations that could streamline issues between the local and federal level in both directions. However, the top-down direction seems to prevail in practice.

Other than the rural case, the suburban municipal collaboration has a much shorter history and seems to be more pragmatically than ideologically motivated. For one, the rural case was part of the first wave of locally-based regional development. One interviewee (CL02) that was part of these early collaborations called their group “disciples” of the central figure at that time. In the suburban case, on the other hand, strategically uses the collaboration to tackle local issues across municipal borders and policy field. Concretely the suburban Kleinregion uses the federal state funds to increase internal as well as external marketing for local economic development, building infrastructure and involving residents in spatial planning processes. Documents reflect the strategic application for funding and harvesting of a complementary relationship between federal state agencies and local public figures. Other than in the rural case, the suburban case Kleinregion uses professional services for document writing, surveys and collaborates in research projects for spatial planning. However, beyond the collaboration with federal state agencies and research teams, we found no other coordination efforts, for example, with private businesses or NGOs. Compared to the rural case, territorial governance and cooperation within the suburban Kleinregion seemed to be a constant challenge. Even though the strategies indicate some cross-sectoral thinking, multilevel collaborations are limited to a small number of key agents. In the general discourse, the central municipality seemed to benefit more from the allocated federal funding as well as the municipal collaborations. This leads to tension between the municipalities since each project has to be funded in part from each of their budgets.

For the suburban and rural case, interactions between the federal and municipal government level play the most important role. However, the federal-state level is more influential than municipal. The federal discourse guides the municipal level in both rural and suburban case, particularly after a rescaling process in 2014. Vienna, as both a city and a federal state, has a clear advantage in the Austrian political system. The city can give itself place-sensitive policies on key issues of local economic development, education, housing ALMP and ECEC. Key actors are clearly the city administration with its political influence as well as its long-standing and wide networks. Aside from the federal state level, we found that for the suburban and rural case mayors and city council engage mostly with local developments. Collaborations, participation and projects are legitimized either on a federal or municipal level. Whereas the urban case has clear governance advantages (cross-sector, place-sensitive), the suburban case can strategically use its influence to harvest resources from the federal state level due to its increasing population

numbers. The rural case, on the other hand, does not incorporate the federal state discourse well. However, in the rural case, local key actors try to improve the local development very creatively and show a high level of collective efficacy.

Overall, the discourses in the Austrian case studies highlight common collaborative elements between different representatives of interest groups. On this level, horizontal coordination works through all cases, even though there are differences in the intensity due to the number of involved parties and the degree of urbanisation. We also observed that in all cases, vertical coordination is limited to the perceived most vital partners. Whereas for the suburban case references mostly the federal state level, its strategies and agents directly involved in regional development, it is the EU for the urban case. In the rural case, the documents indicate almost a fight against external influence, even though their own strategies and budgets heavily depend on the federal state government. Territorial governance shows two sides of multilevel governance:

On the one hand, the corporatist federal set-up of Austria is a key aspect, visible even in local documents. The document discourses describe the involvement of representatives of different interest parties on the horizontal level almost without any legitimation. Even though in the urban case, we see limitations to cross-sectoral collaboration, the documents indicate the wish to overcome the strict separation of policies.

On the other hand, vertically, coordination is more complex. The documents mostly reference one higher tier level: Either federal state or – jumping the national scale – EU, in the urban case. The national scale is almost never mentioned in the discourse of the analysed documents. This further highlights the vertical coordination limitation as well as the dominance of the federal state. Moreover, the involvement of lower-tier levels is scarce. We observed some limitations of active subsidiarity, civic engagement and integrative participation in all cases. Especially in the urban case, the documents indicate the difficulties to hand down responsibility, including necessary means.

While improving governance is relevant in the discourse overall, the solutions seem to follow the traditional federal set-up. Relevant actors are those already familiar with the processes. This indicates that risk-taking or governance innovation is very limited. Even though there are formalised collaboration between interest groups and government parties, only traditional civic

partners are invited, leaving new ideas, issues and innovation mostly outside. Rather than de-centralising, we observed more re-centralising processes back to federal state levels. Whereas the suburban actors strategically used their networks to harvest resources, the rural case struggled with the standardisation of processes. To some degree, we found that the rural town councils and their employed Kleinregion manager fought for their way of doing things instead of adhering to the new federal rules.

In terms of policies, **childcare and education** have been the most pressing issues in the discourses. The issue of education and more specifically, VET emerged as a crucial focus of collaboration. Public authority actors, as well as business actors, actively look for ways to collaborate between and among them to respond to the growing need of qualified workers, in all case studies. Here, the highly cooperative Austrian governance regime is visible as formal as well as informal contacts and networks are used to find solutions. In this, the set-up of regional branches of public employment services and employers' chamber supports the horizontal coordination. Nevertheless, coordination and possible synergies are easier found in the urban case. Urban business interviewees described a huge variety of networks for business actors and companies to exchange information and find collaboration opportunities. In the rural case, opportunities to collaborate are much more focused on specific issues. There, public authority and business actors (mayors, job service representatives and regional entrepreneurs) work together effectively on issues like childcare, senior activities, local economy, labour market initiatives and VET — issues like climate change, inward migration or regeneration lack behind the current interests of influential agents. Moreover, the bureaucratic burden overshadows even perceived successful initiatives and projects, especially childcare. In general, uncertainty and administrative objectives seem to limit local agents' resourcefulness on the horizontal level in the rural case.

Apart from education and childcare, interviewees from all case studies expressed concern with **demographic changes** (rural: de-population and ageing, suburban: massive domestic in-migration, urban: high level of domestic and international in-migration). Dedicated city administration departments of Vienna are highly involved in addressing demographic changes, but almost impermeable even between administrative departments. Meanwhile, various highly active, multilevel collaborations in the rural case struggle to find synergetic action thriving for certain overarching common challenges, e.g. demographic change but are effective in terms of

childcare provision at least within limited funding times. Synergies in the suburban case between all actor types highlight the motivation to develop regional coordination, especially for hard infrastructure, i.e. transport connections to the city, housing sites and business settlements. So far, collaborative efforts have been less effective when it comes to soft infrastructure, i.e. community building and local identity (of newcomers).

Compared to the rural and suburban case, the urban case has more autonomy to create locally-based policy bundles due to the status as a federal state. Within the Austrian governance system, this is a fortunate position when it comes to policy synergies. The city government outlines several strategies on different policy fields and one comprehensive urban development plan every ten years framing all activities. As mentioned in section 2, the coordination with the representatives of stakeholder groups is an integrated aspect of implementation, but also policy formulation. Paradoxically, the coordination between city departments does not work quite as well. The comprehensive strategies are dominated by urban planner's social engineering view of the city. Policy bundles or coordination across policy sectors are addressed in the document discourse, but interviewees argue that these efforts do not translate well into practice.

[...] the implementation was always problematic because it was a call to the politicians, our politicians are partially so far away from strategies, in fact, they have to take short-term political decisions and say yes, [...] the administration will do it right.

(KU02, para. 34)

I don't like the word 'strategy', because it is so martial and mostly it is not what hides behind the name. Because strategy is often not even a good tactic, what is martial too. And in fact, it is only a plan, an idea. That is something we propose to our politicians.

(KU2, para. 21)

The rural and suburban case cannot establish many synergies between policies on their own terms. Especially after the instalment of the regional management body in 2014, the federal-state government guides local development strategies heavily. However, to some degree, the suburban case strategically uses overlaps (climate change and energy model programme & Kleinregion) to harvest resources for local development. Herein lies a crucial difference

between the rural and the suburban case. Whereas the suburban case uses available synergies to its advantage, the rural case discourse indicates an insistence on doing things their way. Even though the rural area receives policy funds, these are bound to conditions, time-limitations and administration work. This difference in the degree of urbanisation indicates an advantage for both urban and suburban case. Additionally, the policy system seems to favour the areas with more expertise due to the number of (high-skilled) residents and their networks. These two aspects together amount to Matthew's effect (Rigney, 2010) between the cases when it comes to the ability to mobilise territorial capital with civic involvement to improve local socio-economic conditions.

5.3 Relation to other scales of government

In Austria, EU funding that supports policy focus on balanced development and social cohesion plays a minor role when it comes to ECEC and VET. Also, for area regeneration policies, the **EAFRD** has a minor role since most of the Austrian territories classify as more developed regions. Nevertheless, Vienna, as well as Lower Austria, receive co-funding for technology centres. In Vienna, the goal is to support SMEs and start-ups in the field of sustainable technology. Similar to the national government, the city of Vienna puts efforts into project-based collaborations between scientific research centres and private companies in order to boost economic development. Effectively the city is therefore in competition for these funds with other Austrian cities and regions. One interviewee (AU04) explained that the city focuses specifically on Life Sciences. In his view, the idea behind supporting R&D development is to achieve a surplus for everyone. This economic focus includes a new demand for specialised labour and education. However, many interviewees (business and public authority) expressed concerns about mismatches on the labour market and the low quality of compulsory education.

*This means, of course, the core area of responsibility is the observation of the economic development in Vienna, always in comparison with Austria, or of course also international development, in particular, the EU. (...) [Vienna] is a bit of a special case in Austria, as we approach 2 million [inhabitants]. (...) a **different economic structure than in other areas in Austria**, therefore, a separate department here [national funding agency], which deals specifically with it. A large area is also the labour market, the development of the labour market in Vienna. With all the problems, unemployment, **how does it look like with education, how does it fit in with job offers, etc.?***

(AU04, para. 6, municipal division for the economy, labour and statistics)

For our interviewees, it was the main issue for the city's social fabric and already led to many governance efforts. However, as our interviewees also explained to us, the cutting of budgets, declining quality of staff and teaching content is currently visible in lower educated individuals, but particularly youths. Here, we identify a need for a policy bundle, but a lack of vital coordination between local development and support for high-quality education. In the federal state of Lower Austria, the EAFRD programme supports the establishment of a more high-tech driven economy. It funds local universities and SMEs to achieve a structural shift from a farming-driven economy to a knowledge economy.

Subsidies of the **ESF** play some role within ALMP. Around 66 million € are allocated for the goal employment, 137 million € for social inclusion and 211 million € for Life-Long Learning. Funds for Life-Long- Learning only somewhat support VET policies. The ESF is applied throughout Austria and has a target group-oriented approach. However, interviewees argue that the administration of ESF subsidies is very resource-consuming the Public Employment Service of Austria has withdrawn from using ESF related money. The departments of the federal states, however, pursue using ESF funds for territorial employment pacts and other measures (ÖROK - Austrian Conference on Spatial Planning, 2017, 118f.).

Discursive links in the case studies show some similarities with regard to the challenges mentioned in each of the localities strategies and interviewees. Housing, infrastructure, environmental protection, education including ECEC and the improvement of governance mechanisms are common themes of national discourses. Most dominant is the establishment of a thriving local economy. In the rural case, strengthening the local economy is often specified

with having “circular” economy. Meaning, that economic activity should be first and foremost local. Businesses, as well as consumers, should be animated to buy local products and services. In turn, this focus highlights the feeling of economic activity being drained towards other regions that harm the locality as it loses taxes and consumption. Mostly, interviewees indicate that economic activity goes towards regional centres (the administrative district main towns) and the urban case. A business association, supported by the municipal collaboration, tries to spark a circular economy with collective events, magazines and a local voucher system. The success of this initiative is limited but has some success like the focus on farming of poppyseeds as regional speciality and herbs. Overall, businesses seem to coordinate well in presenting the region as one. However, the envisioned “circular” economy seems less relevant. Herein, key agents in the rural case seem to be wanting to disconnect more from, in their view, potentially harmful regional economic centres.

Both the rural and suburban case see their biggest economic potentials in domestic short-stay tourism, whereas the urban case has a knowledge economy vision.

Well, the potential and advantage are that Vienna is a huge location for tertiary education. We have highly qualified people for really everything. There a lot of thinking and innovation is done. Here is much unused potential.

(AU05, para. 120)

Already, this indicates the differences in the discursive links. For the rural and suburban case, the dominant discursive links are to the Federal state (regional). However, even though the rural case local strategies are linked to the federal discourse due to recent rescaling processes, the documents indicate a non-compliance wherever possible. Overall, the rural case seems to have strong local discursive links that establish local solution and only rarely link up to national discussions. The urban case documents indicate stronger links to **international (EU)** than national discourses. Although the scale jumping is observable mainly in the urban case, both rural and suburban cases also refer to European issues. Not only in terms of received funds, but also in terms of their locality’s position in the European context, i.e. economic chances, collaboration, and environmental challenges. In those two case areas, national discourses are often put in relation to the federal-state issues. This highlights the significance of the federal state level for both the rural and suburban case. However, while in the suburban case, discourses

strongly complement the federal discourse on economic development, it is the opposite in the rural case. Discourses in the rural case do not seem to link well with the federal level or their mechanisms proposed for economic development. Other than a historical legacy of doing things their own way, we could not find other indications for why that is. Our interviewees spoke of bureaucratic burdens upon development projects and the need to report to the federal government as well as EU bodies. We found this want of more autonomy also in the board meeting documents of the Kleinregion as well as their strategy papers.

In a nutshell, the urban case seems to orient itself on supra- and international discourses, which is not surprising since it is the Austrian capital. It can work from a strong base of territorial capital like institutional infrastructure, the status as knowledge centre of the country and diverse formalised as well as informal networks for both businesses and NGOs. Discourses in the suburban case have a strong link to the federal state level and correspond to national issues. International discursive links are rare and mostly about getting international companies to settle there. In the rural case, discourses are ambivalent. On the one hand, the discourse revolves local issues and establishing a circular economy with as much as possible autonomy from federal state agencies. On the other hand, strategies look beyond nation-state borders: projects try to get EU-funding, and some discourses link to global issues like energy consumption.

5.4 Conclusion

In general, we observed a high degree of formal collaboration between key interest groups (business, employees union), association representatives and public authorities in all cases. Especially the federal and municipal government level played a major role. However, the federal-state level is more influential than municipal. The federal discourse guides the municipal level in both rural and suburban case particularly after a rescaling process in 2015. Vienna as both a city and a federal state has a clear advantage in the Austrian political system. The city can give itself place-sensitive policies on key issues of local economic development, education, housing ALMP and ECEC. Key actors are clearly the city administration with its political influence as well as its long-standing and wide networks. Aside from the federal state level, we found that for the suburban and rural case mayors and city council engage mostly with local developments. Collaborations, participation and projects are legitimized either on the federal or municipal level. Whereas the urban case has clear governance advantages (cross-

sector, place-sensitive), the suburban case can strategically use its influence to harvest resources from the federal state level due to its increasing population numbers. The rural case, on the other hand, does not incorporate the federal state discourse well. However, in the rural case, local key actors try to improve the local development very creatively and show a high level of collective efficacy.

Overall, the discourses indicate urbanisation as an advantage in terms of governance, provision with education, and local economy. In the Austrian governance set-up, this is true because of the federal status of the urban case as it can easily influence vital policies and make them sensitive to the urban context. The lack of competence and resources is the main issue for an inability to tackle territorial challenges, which the suburban and rural case suffer from. Even though the discourse indicates ambitious goals for territorial development, the localities lack reliable resources (i.e. not earmarked, no time limit) to achieve these goals. Between the three cases, Matthew's effect gives advantage to the urban case. Within the same federal state, we observe a similar mechanism favouring the suburban case. Although this leaves the rural case lacking behind, its residents, especially a handful of key agents, are fighting for their ways of living with strong community collaboration.

6 Discussion and conclusion

In this report, we analytically distinguished between dimensions of territorial cohesion. We described how territorial governance, territorial capital and collective efficacy combined in distinctive ways in our urban, suburban and rural case. These descriptions refer to our key question of how stocks and capacities of mobilisation of territorial capital, the collective identity and degree of engagement, the multilevel governance structure conflate in specific locations. We thereby observe the emergence of different territorially-located practices and configurations of territorial cohesion.

Even though the Austrian case studies vary to other proposed case studies in COHSMO, we were able to identify interesting processes concerning our main interests in the relations and interactions between inequality, urbanisation and territorial cohesion. In this section, we briefly summarize our comparative results according to the dimensions of territorial capital, collective efficacy and territorial governance. Second, we reflect on the main similarities and differences that occurred during our analysis. Finally, we combine these insights to give a short statement on how we interpret these results as a whole in light of the Austrian case studies.

Territorial cohesion as territorial capital, collective efficacy, and territorial governance

In the Austrian cases, it became clear that Vienna has an edge over other territories when it comes to **territorial capital**. First, this edge relates to the Vienna's triple status as a city, federal state and centre of national administration. Second, the city is also the educational and economic centre of Austria. Not only, does this entail better infrastructure than the rest of the country, but also diversified networks, international mobility and a high amount of business as well as NGOs. These networks can mobilise urban territorial capital through different governance levels to face challenges and boost socio-economic development. In recent years, the immigration of well-educated national, as well as international people, raised the city's development. However, unequal opportunities to get heard as well as a lack of clearly facing segregation within the city's districts remain. In the suburban context, mobilisation of territorial capital mostly stops on the federal level with little connection to higher tiers. There, mobilisation of territorial capital relates to land, mobility to the city and networks to federal agencies. The high influx of new residents affected mostly community feelings and the ability

to mobilise common interests. This process becomes clear when comparing the suburban to the rural case. There, territorial capital is mobilised by key community actors with the goal of improving local development for everybody. A handful of residents organise events, initiatives and project to increase local life chances. However, projects are short-term and do not change structural issues like the lack of resources, digital and hard infrastructure as well as depopulation and over-ageing.

In general, the Austrian cases do not show a high level of **collective efficacy** as a factor against territorial problems. We identified two reasons for this:

(1) Strong formalisation of interests.

In all cases, collective interest is channelled through formal organisations and their networks. Therefore, residents are usually not concerned with sparking initiatives, except for the rural case. There, the possibility and need to take matters of local development in their own hands already has a long tradition dating back to the 1980ies regional development beginnings. Forming multiple initiatives and collective events for the region's challenges, actors in the rural case showed a Can-Do attitude that was very grounded in their identity.

(2) Organisational (dis)advantages.

Even though collective efficacy is high in the rural case, the opportunities to act influential are low. Between the cases, we found different qualities of community organisation corresponding to the effectiveness of their efforts. While urban matters were generally more successful due to organisational specialisation and the higher number of networks, the suburban case highlighted a different way of getting things done. Key public actors in the suburban area were able to follow higher tier requirements to tackle local issues, especially concerning transport.

Innovative practices that have no formalised structure and support are rare. Only in the rural case, we could find innovative bottom-up initiatives that work towards improving local conditions. However, these projects face uncertain futures with short term funds and bureaucratic burdens that monitor initiatives.

In the Austrian context, formal organisations also play a key role when it comes to **territorial governance**. Branches of the two social partnership organisations are located not only in the capital but every major secondary city and regional centres. Their distribution mostly corresponds to public administrative district units and regional socio-economic importance. Nevertheless, through our case studies, we found that the degree of urbanisation correlates with significant advantages to coordinate policies. This difference in the degree of urbanisation indicates an advantage for both urban and suburban case. The policy system seems to favour the areas with more expertise due to the number of (high-skilled) residents and their networks –Matthew’s effect (Rigney, 2010).

In the urban case, the coordination with the representatives of stakeholder groups is an integrated aspect of implementation but also formulation. Local, national and international key actors are easily brought to meetings where invited parties can discuss challenges and solutions. However, we could not find actual policy bundles beyond comprehensive urban strategies. Paradoxically, the coordination between city departments does not work quite as well. Municipal urban planners dominate strategy documents with limited influence from other policy fields. The rural and suburban case cannot establish many synergies between policies on their terms. Especially after the rescaling process that installed the regional management body in 2014, the federal-state government guides local development strategies heavily. However, to some degree, the suburban case strategically uses overlaps. Herein lies a crucial difference between the rural and the suburban case. Whereas the suburban case uses available synergies to its advantage, the rural case indicates an insistence on doing things their way probably related to their early days of regional development.

Discursive links in the case studies show some similarities concerning the challenges mentioned. Housing, infrastructure, environmental protection, education (including ECEC) and improvement of governance are common themes of national discourses. Most dominant is the establishment of a thriving local economy. For the rural and suburban case, the dominant discursive links are to the Federal state (regional). However, even though the rural case local strategies are linked to the federal discourse due to the rescaling processes, we found non-compliance wherever possible. Overall, the rural case seems to have strong local discursive links that establish local solutions and only rarely link up to national discussions. The urban case documents indicate stronger links to international (EU) than national discourses. Although

we observe scale jumping mainly in the urban case, both rural and suburban cases also relate to European issues. Not only in terms of received funds, but also in terms of their locality's position in the European context, i.e. economic chances, collaboration, and environmental challenges. In those two case areas, national discourses are often put in relation to federal-state issues. This dynamic again highlights the importance of the federal state level.

Key similarities and differences

Within the selected region(s), the main differences in terms of demographic trends are first and foremost population growth and loss. While the metropolitan and suburban cases show substantial population growth; the rural case is characterised by population loss. Vienna, as the metropolitan case is much more affected by international migration, both by high and by low-status groups. This leads to strong patterns of intra-local socio-economic disparities for the metropolitan case. Interestingly, this stands in contrast to what interviewees had to say about segregation in the city of Vienna (sections 3 and 4). The rural case shows considerable intra-local socio-economic disparities, mostly related to disparities in the structure of the local economy, as some municipalities have nearly half of the local employment is based on agriculture and forestry. Other municipalities that are well connected via roads are characterised by many inward commuters. There, workplaces are mostly in the tertiary sector.

Intra-local differences in population size, commuting and local employment characterise the suburban case. Ageing, however, will affect all three case studies, but to a higher degree the rural case, because the working-age population will decrease through outmigration. On the contrary, the share of elderly people will grow of the suburban case, but at the same time, the working-age population will grow as well, although less than in the metropolitan case. Connected to that is another line of difference. While the rural and especially the suburban case show weak local economies in terms of local employment and high figures of outward commuting as a consequence, Vienna, to the contrary, is an (international) employment and economic centre for the whole of Austria. The metropolitan case is characterised by a tertiary sector, whereas the rural case is characterised by substantial amounts of employment in agriculture.

This relates crucially, though not exhaustively, to labour market services, vocational training and childcare. Since the population sizes of the cases differ largely, it is also not surprising that the service provision differs quantitatively to a large extent in those policy fields. Nevertheless, a common trend across all cases is that the demand of vocational training is higher than the supply, although, for specialised professions, companies are not able to acquire apprentices with the required skills and positions remain vacant. Furthermore, the supply and demand are concentrated in a few professions, which poses another challenge in this policy field. This challenge is discussed in the whole country at the moment.

Attempts of place-based approaches to territorial challenges and endowments are in place in all three case study areas, although not always explicitly formulated. Vienna uses policy bundles to achieve economic growth and cohesion, which seems rather outstanding in comparison the other cases. This imbalance might be a result of the particular governance set-up, since it is both, a municipality and federal province at once, but is also related to the fact that Vienna has the means to experiment with various policies.

All the three cases show a high level of formalisation, in the way collaboration and coordination among actors is organised. This way of collaboration goes together with the significance of the federal state scale in the structure of territorial governance and the provision of services, as well as with advantages related to the size and higher degrees of urbanisation, especially in the case of Vienna.

As a downside, the high **degree of formalisation** brings medium-low levels of innovation, as well as somehow fragmented identities and high segmentation. In the rural case, where formalisation and urbanisation are lower, we observe a stronger identity of the community. This stronger identity is expressed by community events, branded business initiatives and projects to support the well-being of residents.

Between the three cases, **Matthew's effect** gives advantage to the urban case. Within the same federal state, we observe a similar mechanism favouring the suburban case. Although this leaves the rural case lacking behind, its residents, especially a handful of key agents, are fighting for their ways of living with strong community collaboration.

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Project no.: 727058

Project full title: Inequality, urbanization and Territorial Cohesion: Developing the European Social Model of economic growth and democratic capacity

Project Acronym: COHSMO (Former Hans Thor Andersen)

Deliverable no.: D4.6

Title of the deliverable: Report on policy analysis - UK

Contractual Date of Delivery to the CEC:	31.12.2019
Actual Date of Delivery to the CEC:	20.12.2019, 01.07.2020
Organisation name of lead contractor for this deliverable:	Aalborg University (AAU) Uniwersytet Warszawski (UW)
Author(s):	Rob Atkinson, Maria Casado-Diaz, Stephen Hall, Ian Smith and Andrew Tallon
Participants(s):	P1, P2, P3, P4, P5, P6, P7
Work package contributing to the deliverable:	WP4
Nature:	RE
Dissemination level:	PU
Version:	1.0
Total number of pages:	99
Start date of project:	01.05.2017
Duration of project:	54 months

Abstract:

The main objective of this deliverable is to bring together, in a synthetic manner, the main findings of the UK case study research in order to address the key questions and theoretical categories of the COHSMO project. Earlier deliverables (D4.3, D4.4 and D4.5) have focussed on the case studies in greater detail and they provide the inputs for this deliverable. However, here we seek to go beyond simply repeating those findings and provide a series of more cross-cutting and integrated reflections primarily structured around three key notions central to the project: Territorial Capital, Collective Efficacy and Territorial Governance.

Keyword list: Greater Bristol, North Staffordshire, West Dorset, Territorial Capital, Collective Efficacy, Territorial Governance.

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Abbreviations

BCCI - Bristol Chamber of Commerce and Initiative

BCDP - Bristol Cultural Development Partnership

BID - Business Improvement District

CVS – Community and Voluntary Sector

DLEP - Dorset Local Enterprise Partnership

FLAG - Dorset and East Devon Fisheries Local Action Group

GVA – Gross Value Added

LEP – Local Enterprise Partnership

LSOAs - Local Super Output Areas

WELIS - West of England Local Industrial Strategy

Executive summary

The main objective of this deliverable is to bring together, in a synthetic manner, the chief findings of the UK case study research in order to address the key questions and theoretical categories of the COHSMO project. Earlier deliverables (D4.3, D4.4 and D4.5) have focussed on the case studies in greater detail and they provide the inputs for this deliverable. However, here we seek to go beyond simply repeating those findings and provide a series of more cross-cutting and integrated reflections primarily structured around three key notions central to the project: Territorial Capital, Collective Efficacy and Territorial Governance. Given this the reader should not expect a detailed reiteration of these earlier findings.

Each of our case study areas is endowed with different forms/stocks of territorial capital largely reflecting their histories. What also stands out is that the settlement structure (including degree and form of urbanisation), administrative structures and historical relationships between different administrative areas matter in terms of the development of both territorial governance and collective efficacy. In each case, albeit to varying degrees, this has impacted, often negatively, on the mobilisation of territorial capital to address the area's problems and pursue strategies that address 'territorial cohesion. In terms of territorial capital and its mobilisation in all three of our case studies relevant organisations attempted to create local development strategies tailored to the area. These strategies have involved variable degrees of consultation with other stakeholders being to a greater or less extent inclusive/exclusive, particularly vis-à-vis communities. While all three strategies emphasised productivity driven growth they differed in the ways in which they interpreted this and the degree to which they explicitly attempted to address 'social issues' and sought to reduce inequalities.

Comparing the territorial capital present in the three cases Greater Bristol has significant advantages over the other two case study areas. For instance in terms economic and human capital in Greater Bristol there are obvious strengths in terms of a well-educated and highly qualified workforce and the presence of companies associated with the 'knowledge economy'. In addition the area has consistently been able to attract well-educated and highly qualified people to live and work there again signifying the presence of high levels of human capital. Moreover, particularly in the city of Bristol there is evidence of improving levels of institutional capital associated with the development of a more strategic and long-term approach to the development of the city (as expressed in the *One City Plan*). This has laid the basis for the development of a long-term strategy and, at least on paper, the deployment of 'policy bundles' to support this strategy and address social inequalities and territorial cohesion. In North Staffordshire its territorial strengths and weaknesses were primarily expressed in terms of accessibility and connectivity along with proximity to important leisure and tourism assets. The area has been successful in terms of creating low-paid low productivity jobs, but this has not addressed the fundamental problems facing the area. Thus, there was little evidence of the development of a coherent strategy being developed and appropriate 'policy bundles' being deployed to mobilise territorial capital. In part this seems to have been attributed to a lack of political leadership but also to poor coordination between different sectors, both public and private. In West Dorset our research revealed considerable variation in territorial capital across our study area. What is clear is that the area is rich in environmental capital, and to a lesser extent antropic capital, related to its maritime, rural and cultural heritage. The situation in Weymouth and Portland was very different. Traditionally Weymouth as a tourist destination has focussed on a low value tourist offer and the town's tourist industry has shown a marked reluctance to move away from this model. It also lacked other forms of territorial capital. Portland displayed a set of very different problems/issues vis-à-vis territorial capital. Most notably it lacked economic and human capital due to economic decline

associated with the closure of defence-related facilities, associated loss of skilled and high quality employment and a remaining low-skilled, low waged and seasonal workforce. It is an example of deindustrialisation and of an area locked into a form of path-dependency. These problems were further accentuated by longstanding weaknesses in institutional capital which may be partially addressed by the recent reorganisation of local government across Dorset.

In relation to our policy fields (VET, labour markets, child care, etc.) and their integration into the overall strategies in the case study areas it was not possible to draw any positive conclusions regarding synergies between them reflecting the fragmented nature of the ways in which the key policies are delivered through privatised, quasi-market and contracted forms of delivery over which lead strategy organisations have only limited or indirect influence. These policy fields are characterised by a bewildering, one might say byzantine, array of delivery organisation with no overarching control structures and little evidence of integration taking place. Even in terms of local growth/development where lead organisations have more control there is a lack of resources and capacity to engage in an extensive strategy of development due to the effects of austerity that have severely depleted the resources of local government.

Overall while it was possible to identify examples of innovation in the three case studies, albeit variable in nature and scale, innovation tended to be the exception rather than the rule. Partly this reflects the impacts of austerity that has seen very significant reductions in the level of funding to support communities and experimentation. Generally, examples of innovation cited in relation to particular policy fields have been isolated and divorced from any wider strategic approach. In short, we found relatively limited evidence of collective efficacy in any of the case study localities, in the sense outlined above, i.e. in the sense of collective mobilisation of voluntary and community sector resources and in relation to the business community to achieve specific goals through the mobilisation of territorial capital.

With reference to territorial governance recent changes in local government structures in Greater Bristol and the city of Bristol may bring about improvements. Within the North Staffordshire case study area, the capacity to engage in territorial governance is underdeveloped. The area appears to lack the capacity to engage in such activities and where it did occur in the past this was largely stimulated by the formal requirements of partnership working by external funding bodies such as, central government or the European Union. In West Dorset territorial governance is weak, partly as a result of a lack of capacity within local government, divisions within the business sector due to its structure, the locally organised focus of the CVS combined with a fragmented settlement structure and the prevalence of local identities have hindered its development.

All three cases, whilst not explicitly addressing issues of territorial capital, territorial cohesion and territorial governance do deploy a more traditional language of ‘strengths’, that are to be built on, ‘opportunities’, to be grasped, and ‘challenges’/‘weaknesses’ to be overcome. In none of the cases is the notion of a place-based approach explicitly referred to but one can, to varying extents, perceive elements of it in both the Bristol and North Staffordshire strategy documents, while it appears to be almost entirely absent from the Dorset strategy documents.

In Bristol with regard to collective efficacy there is recognition of past deficits with previous administrations and the need to address them. This was seen as necessary in order to focus all the various organisations in the city and fractured programmes and projects on achieving a shared vision which does imply a degree of reflexivity and learning. Whereas in North Staffordshire the discourse of collective efficacy is almost wholly absent from the documentation. In Dorset the documents seek

to create a variety of partnerships that will perhaps enhance collective efficacy. A great deal of emphasis (hope?) is invested in the reform of Dorset local government which came into effect on April 1st 2019. There is an underlying, albeit unsubstantiated, assumption, that this will enhance institutional capital and thereby improve collective efficacy and collaboration.

1 Introduction

1.1 National context, purpose and main findings

The main objective of this deliverable is to bring together, in a synthetic manner, the main findings of the UK case study research in order to address the key questions and theoretical categories of the COHSMO project. Earlier deliverables (D4.3, D4.4 and D4.5) have focussed on the case studies in greater detail and they provide the inputs for this deliverable. However, here we seek to go beyond simply repeating those findings and provide a series of more cross-cutting and integrated reflections primarily structured around three key notions central to the project: Territorial Capital, Collective Efficacy and Territorial Governance. Given this the reader should not expect a detailed reiteration of these earlier findings.

While our primary focus is on the drawing out the implications of our local case studies for the wider issues addressed in the deliverable in order to help ‘make sense’ of what is taking place there we need to set out the wider politico-ideological background in the UK and provide basic information on our case study areas. Here we sketch out the overarching context in the UK within which our local case studies exist.

It is generally accepted that since the late 1970s/early 1980s neoliberalism has been the dominant economic and political ideology in the UK and globally. At a very general level it is based around key interlinked notions such as freedom/liberty of the individual, a limited or minimal state and the supremacy of the free market. These notions imply a reduction of the state’s role in both the economy and society, which can be realised in a variety of forms (e.g. privatisation, contracting out of public service delivery, and creation of quasi-markets within the state and more generally through the deployment of New Public Management to reform the state). However, this context has not remained static and has been subject to what Brenner, Peck and Theodore (2010) refer to as ‘successive waves of neoliberalization’ and ‘variegated neoliberalism’. They argued:

...the problematic of variegated neoliberalization encompasses two foundational aspects of contemporary regulatory transformation: (a) the uneven development of neoliberalization – the differentiation and continual redifferentiation of market-oriented regulatory forms; and (b) the neoliberalization of regulatory uneven development – the constitution and continual reconstitution of marketized macrospatial institutional frameworks, or rule regimes, which govern processes of regulatory experimentation and cross-jurisdictional policy transfer. (ibid, p207)

In essence neoliberalism has taken different national forms, mediated by national contexts, and the particular national forms it has taken have mutated over time. Fourcade-Gourinchas and Babb (2002) illustrated the different forms neoliberalism took, in terms of how it was established and materialised, in four countries and how this was “...rooted in postwar institutional differences and state-society relations.” (ibid, p538; see also Centeno and Cohen, 2012). Their discussion of the UK variant argues it initially took a particular form based around monetarism (Fourcade-Gourinchas and Babb, 2002, pp549-556), however, this form changed over time taking on ‘particular forms’ under different governments, albeit “...largely compatible with the preexisting Thatcherite paradigm.” (Carstensen and Matthijs, 2017, p2). Oren and Blyth (2018) argue the UK developed a particular neoliberal economic regime based around ‘finance led-growth’ which was rooted in the early 1980s and has persisted across successive government to the present day.

However, the role of the state within this ‘economic regime’ in terms of governing itself and society has also changed over that period. Thus Allmendinger and Haughton (2014) have sought to distinguish between the ‘roll-back’ version of the 1980s, and the ‘roll-out’ variety of the 1990s and 2000s, they argue this entails “...*high levels of experimentation, continuous re-interpretation* and consequent evolution of neoliberal tenets at different scales...” (ibid, p10). Our case studies fall within what they term the ‘roll-out’ phase which is characterized by “...a variety of market supportive state forms and modes of governance.” (ibid, p11). This also reflects the changing nature of the wider reorganisation, restructuring and fragmentation of the British state and sub-national government over both time and space (see Le Galés and Scott, 2010; Hyndman and Lapsley, 2016); a process further accentuated by the response to the 2007-2008 Crash which as Omstedt (2016) argues has intensified established patterns of uneven development. At sub-national level in the period since 1979 these developments have significantly restructured and reduced the role of local government, entailing changes in the way services are delivered (e.g. through contracting out, developing delivery partnerships with a range of private, community and voluntary sector organisations). Moreover, since 2010, under an ‘austerity regime’ that has seen a significant reduction in local authority budgets, local authorities have had to increasingly focus their activities on key statutory services leaving community/voluntary sector organisations to attempt to ‘pick up the slack’ (see Laffin, 2016 and McGimpsey, 2017 for overviews).

More recently, and some might argue rather belatedly, there has been an attempt to develop a UK Industrial Strategy (HMG, 2017; see Berry (ed), 2018 for discussion of the various elements of the strategy) which is based on improving UK competitiveness through supporting market-led productivity driven growth largely focussed on a relatively small number of R&D intensive or innovative companies (what might be called ‘picking winners’) which as Allas (2018, p12) notes will arguably benefit “...mostly people, places or businesses that are already better-performing. Indeed, only around 7 million of the 27 million private sector employees in the UK work for the target business segments...” and that “...such policies are not enough to meet the government’s stated aim of an economy that works for everyone.” (ibid, p12). More generally the strategy aims to make the UK make “...a great place to do business.” (HMG, 2017, p17).

As part of this approach the strategy advocated the development of Local Industrial Strategies that will build on ‘local strengths’ and provide local economic opportunities (HMG, 2017, p11). This may provide the basis for the development of place-based strategies at local level. However, as Bachtler and Begg (2018, p.166) argue:

...the commitment to regional and local development is weak; there are no signs of any fundamental reshaping of the (in)coherent institutional arrangements for regional, local and urban development in the UK; and there is no recognition of the “hollowing out” of the capacity of local authorities and other development actors to implement economic development that has occurred over the past decade.

Such a situation does not auger well for the development of a place-based approach or addressing territorial cohesion, even indirectly, through such an approach. Moreover, as we noted in the UK contribution to WP2 notions such as territorial cohesion have never existed as such in UK discourse, what we did argue is that there were ‘echoes’ or ‘traces’ of territorial cohesion in some of the concerns of UK governments.

1.2 Methods

The UK team focused on the following 3 case studies: 1) Metropolitan area - Greater Bristol – includes the City of Bristol and surrounding municipalities (together they constitute a Functional Urban Area under both European Observation Network for Territorial Development and Cohesion [ESPON] and Organisation for Economic Co-operation and Development [OECD] definitions), here the contrast was between the City of Bristol and the functional and morphologically integrated suburban local authority of South Gloucestershire; 2) Suburban area - here the focus was on North Staffordshire, which is a suburb of Stoke-on-Trent; while being distinct local authority areas the two are functionally and morphologically integrated. Here the focus was on Newcastle-Under-Lyme and the contrast was with Stoke-on-Trent; 3) Rural area - West Dorset and the adjacent ‘urban area’ of Weymouth and Portland.

Overall they allowed us to pick up interesting contrasts/issues related to territorial cohesion at different scales that involve a range of governance forms (vertical, horizontal and territorial), policy areas (e.g. related to the need for coordination), issues related to the ‘capacity to act’ (e.g. the mobilisation process in relation to territorial assets/endowments), democratic engagement and territorial capital (e.g. assets/endowments). To a certain extent they also provided the opportunity for us to engage with issues of ‘identity’ and to what extent this impacts upon/affects the locality and local development. Moreover, all three had ‘things happening’ that appeared to be worthy of investigation and might be described as innovative and sought to engage a range of stakeholders.

We utilised a variety of sources of data: 1) relevant national data/statistics; 2) relevant national policy documents; 3) relevant local statistics; 4) relevant local policy documents; 5) interviews (20 per case study) with key actors from the public, private and community/voluntary sector. Then through a process of triangulation we compared the results obtained from different data sources and to draw more reliable conclusions and recognise the complexity of the cases being studied.

In terms of how we approached the analysis of local policy documents we utilised a discourse analysis approach. It is worth beginning by pointing out that ‘discourse analysis’ is by no means a unified notion (see Bacchi, 2000; Atkinson, Held and Jeffares, 2011), although most variants do draw on the work of Foucault to a greater or lesser extent. Here we broadly draw on the work of Atkinson (1999 and 2000), which it is worth pointing out while based primarily on a Foucauldian approach also draws on Jameson’s (1989) work on narrative analysis and Bourdieu’s (1991) work on language. Essentially we use discourse here to refer to “...a group of statements which provide a language for talking about a way of representing the knowledge about a particular topic at a particular historical moment. Discourse is about the production of knowledge through language.” (Hall, 1997, p44). However, Foucault was not entirely consistent in his use of ‘discourse’ and the relationship between the discursive and non-discursive (i.e. the Real, Atkinson, 2000) realms. In his earlier work discourse operates *as if* it entirely determines the non-discursive realm, whereas in his later work he acknowledges a disjunction and inconsistency between the two (see Caldwell, 2007). Moreover “...although political discourse constitutes its own objects, knowledge of those objects and ‘truth’, reality remains resolutely upprogrammable constantly eluding the grasp of discourse and frustrating its objectives.” (Atkinson, 2003, p.105).

Broadly speaking we sought to follow the Guidelines for D4.5 and for each case study area focussed on a key Strategic Policy Document and associated documents. While the key focus was intended to be on issues related to territorial cohesion and associated territorial problems it is important to bear in mind, as we have pointed out repeatedly, that in the UK the notion of territorial cohesion, regardless

of how it is defined, is not explicitly deployed or constructed as an object of policy and action. These issues are addressed indirectly and by default. However, in each case study area we sought to examine what territorial problems, relevant to the case study area and the wider national discursive frame, were identified, how they were defined and what ‘solutions’ and associated policies (if any) were articulated in the relevant documents. We supplemented this analysis by drawing on the relevant interviews from each case study area to provide additional evidence of how the relevant organisations producing the document(s) and the approaches they articulated were perceived by key actors in the locality. This also entailed identifying:

- the forms of territorial capital identified (in terms of strengths and weaknesses)
- the relevant policy audiences,
- how the documents were produced,
- who produced them,
- who defined the dominant policy narrative?

Finally, most interviewees did discuss and provide their views on key issues relevant to the ability/capacity of the leading organisation to understand key problems and policy issues relevant to the areas, develop a strategic approach to the problems, engage in partnership working (including territorial governance), work collaboratively and engage with various audiences. This also allowed us to consider to some extent the capacity of the lead organisation to identify forms of territorial capital, to develop strengths/address weaknesses, deploy appropriate ‘policy bundles’ and their ability to integrate different policy fields (e.g. on local growth, VET and labour markets) into their approach as developed in the relevant documents.

2 Presentation of cases

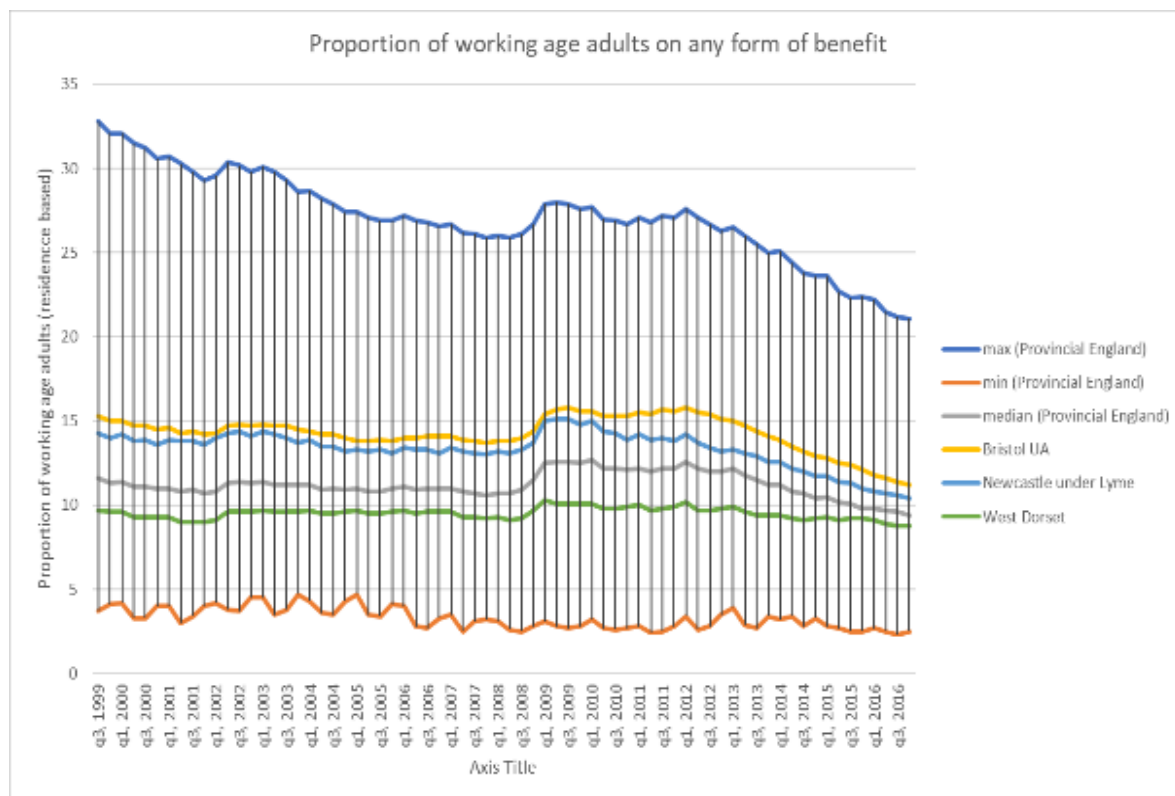
In terms of the country we are dealing with the United Kingdom (UK). The UK is a ‘unitary’ country made up of two constitutional monarchies (England and Scotland) plus two provinces (Wales and Northern Ireland) all bound within a ‘United Kingdom Union’. London is the largest most populous city as well as being a capital city for the United Kingdom. The UK as a whole has a resident population of just over 66 million people (2018) of which around 9 million live within the Greater London Area. However, there are non-unitary aspects to the UK state. There is a high level of devolution, especially on some social welfare service issues (education, childcare), albeit that national UK government retains a highly centralized competence for setting benefit levels and for industrial policy and ultimately retains central control over the budgets that are available for public service provision. However, engaging in local economic development is a competence in which there is a degree of localized discretion. Since the Scottish independence referendum of 2015, some fiscal powers to vary income tax rates have been devolved – but only to the Scottish Assembly.

During our period of interest (2008-now) the major reform of sub-national governance relates to the removal of regional governance in provincial England. Prior to 2010, all of England was covered by Regional Development Agencies (RDAs; prior to 2002 there were also Government Offices of the Regions [GORs]) that were organized at a NUTS1 territorial level. These regional bodies retained a high level of influence on spatial planning, economic development and competences such as skills and training. Since 2010 there has been piecemeal experimentation with local governance structures

that will be discussed in the next section. Given the combination of devolved competence to the Celtic nations and the complete (but uniform) absence of regional governance in Provincial England we have selected ‘Provincial England’ as our de facto ‘region’ of England.

Our case study selections illustrate a range of different economic contexts through which to explore how the provision of local services of general economic interest are framed by their context. Figure 2.1 plots productivity per employed worker across Provincial England. It identifies trends for the period 1980-2012 and identifies the ‘envelope’ of productive possibilities by setting the upper limit and lower limit to provincial English productivity. It is worth noting that the period up to the late 1990s was one of economic convergence (the economic value of English NUTS3 regions was becoming more similar in aggregate). However, for the period of study there has been a divergence in this envelope suggesting a trend to territorial inequality across England in recent times.

Figure 2.1: claimant proportion in Provincial England



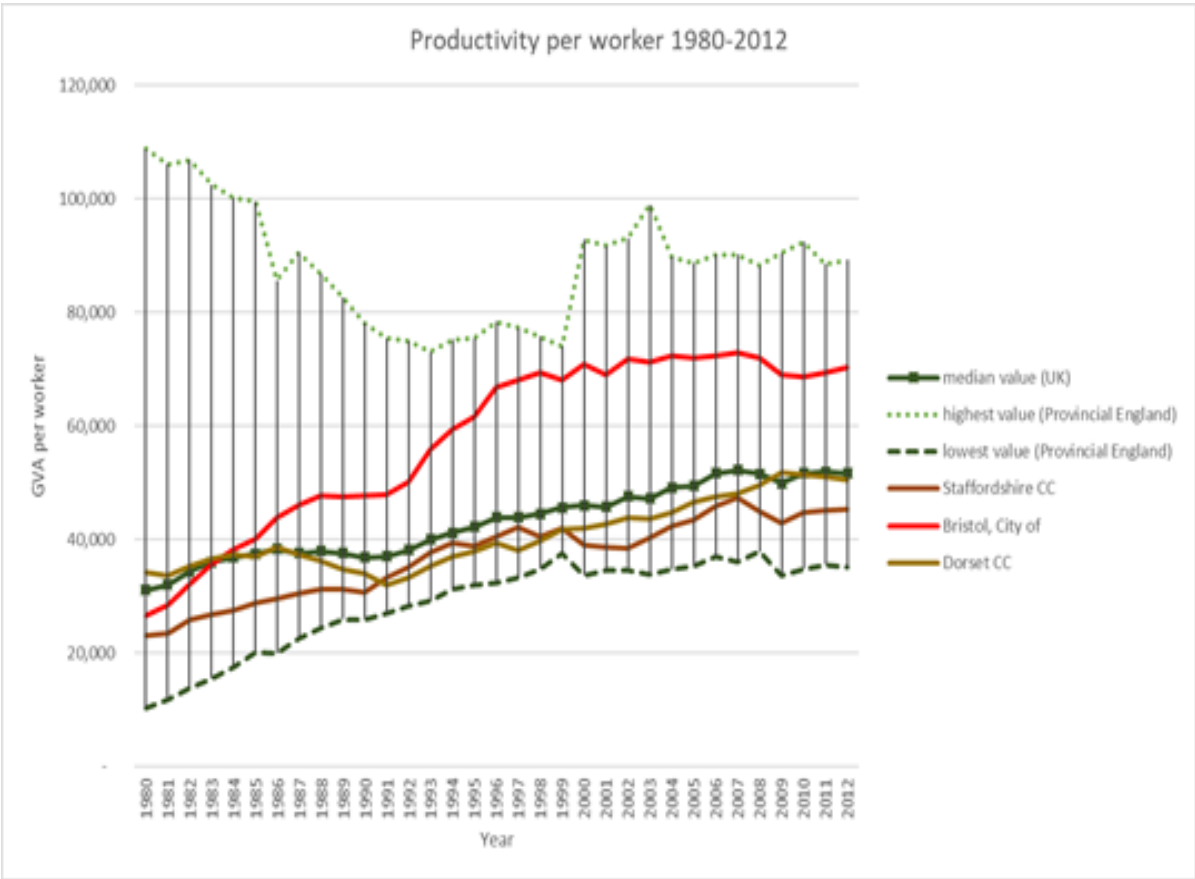


Figure 2.2 Productivity in Provincial England

2.1 The region - England

Table 2.1: Contextual Information for Provincial England

Information sheet relating to:	Provincial England		
Variable	year		Value
number of residents (mid-year estimate)	mid-2018	(1)	47,034,210
size of area (in km ²)	2011	(3)	128,706
proportion of population aged between 0 and 17 years old	mid-2018	(1)	21.1%
proportion of population aged between 18 and 64 years old	mid-2018	(1)	59.5%
proportion of population aged 65 years or older	mid-2018	(1)	19.4%
proportion of population who are women	mid-2018	(1)	50.7%
number of residents aged 65 years or older per 1000 residents aged 18-64 years old (old age dependency ratio)	mid-2018	(1)	325
net [residual] migration rate (per 100,000 residents)	2017-18	(2)	435
natural population change rate (per 100,000 residents)	2017-18	(2)	152
population density (residents per km ²)	2011	(3)	348
proportion of workplace-based employment in 'primary sectors' (SIC 2007)	2018	(4)	2.9%
proportion of workplace-based employment in 'secondary (manufacturing) sectors' (SIC 2007)	2018	(4)	14.3%

proportion of workplace-based employment in 'tertiary (service) sectors' (SIC 2007)	2018	(4)	82.8%
Work-related benefit claimants as a proportion of residents aged 16-64	Sep-19	(5)	0.0
proportion of working age resident adults (16 years and above) with NVQ4 level qualifications and above	2011	(8)	25.5%
proportion of working age resident men (16 years and above) with below NVQ1 level qualifications	2011	(8)	20.9%
proportion of working age resident women (16 years and above) with below NVQ1 level qualifications	2011	(8)	25.7%
proportion of 2-year olds benefiting from pre-school provision	2019	(9)	71
name of largest urban area within (or including) area	2011	(3)	West Midlands BUA
resident population of largest built-up settlement associated with area	2011	(3)	2,440,986
built-up area of largest city associated with area (km2)	2011	(3)	599
proportion of population living in an area defined as 'rural'	2011	(6)	20.8%

Sources: (1): mid-year estimate of population, (2) derived from life event statistics and mid-year estimates of population, (3) 2011 Census of Population (for England and Wales), (4) Business Register and Employment Survey : open access, (5) DWP claimant count data for welfare claimants defined as qualifying, (6) Based on ONS classification of urban and rural output areas, (7) Index of Multiple Deprivation for England – DCLG, (8) 2011 Census of Population, (9) DfE statistics on early years provision, (10) Regional Gross Disposable Household Income (GDHI) by Local Authority

Provincial England accounts for the largest proportion of population within the United Kingdom – it is the place where around 75% of the population live. It is a ‘residual’ region since the unifying governance feature is that of having no formal regional governance. The system of local governance in Provincial England is split between a unitary system (local government at a single level) and a “two-tier” system of counties (upper tier) and districts (lower tier). Around half the provincial English live in a two-tier area. It is worth noting however that the population size of a provincial English county equates to a ‘regional size’ unit in many member states. So, although there are no formal regional units, there are still sizeable (and resource rich) units of local governance. For COHSMO one of the major consequences of two tier English local government is the division between the competence of ‘social services’ (schools, childcare, training) that is held by county-level authorities whilst competences for ‘environmental services’ (planning, waste) are held by district authorities. This split is mirrored in terms of the budgets and resources ‘managed’ and ‘controlled’ at these different spatial levels.

Unitary local authorities are responsible for both social and environmental services but individual authorities tend to be ‘smaller’. Most of the unitary system is located within the metropolitan areas of provincial England, but since 1996 we have seen a rolling process of piecemeal reform where ‘county’ areas are gradually converting to a unitary system. Urban areas have also been permitted to experiment with locally elected mayors and the larger cities in England have been offered the possibility of creating nominally ‘regional’ combined authority areas. Bristol is an example of a place where this has happened. The creation of a combined authority does not remove the unitary tier of local government but it does permit ‘city regions’ to request more resources for infrastructure and transport. Currently there are 9 combined authorities covering about a third of the provincial English population.

Table 2.2: Local government in England (in 2016)

policy regime' and regions		London	Provincial England
regional' Population (2016)		8,787,892	46,480,175
unitary local authorities	no	32	92
	av pop size	266,928	265,545
combined authorities	no	0	9
	av pop size		1,696,725
upper tier 'county' authorities within which:	no		27
	av pop size		816,669
lower tier 'district' authorities	no		201
	ave pop size		109,702
% covered by 2 tier system		0%	47%
% covered by combined authority		0%	33%

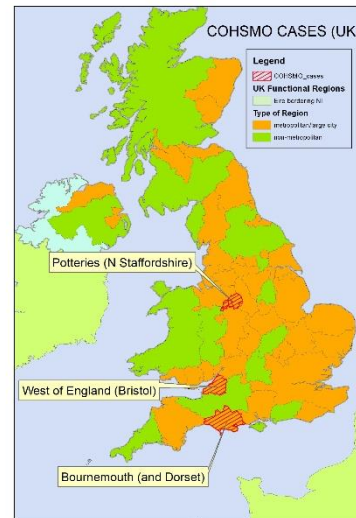


Figure 2.3: COHSMO case study locations

Combined authorities are not the only form of ‘sub-regional’ governance in relation to ‘economic development’ in provincial England. Since 2010 there has been an attempt to institutionalise sub-regional partnership arrangements with Local Economic Partnerships (LEPs). These bodies were supposed to be ‘business led’ and generated through a bottom-up movement to reflect the functional economic geographies of the localities where they formed. However, this sometimes means that the boundaries of an LEP are not co-terminous with the local authorities that are often the backbone of these bodies. This is a particular issue for our North Staffordshire (suburban) case study. Equally in the case of Dorset the territorial scope of the LEP incorporates more than one functional economic area.

Turning to the local level we see that the situation with regard to local government is not uniform. In parts of England there are Unitary, Metropolitan and London Borough Councils, these are single tier, all-purpose councils responsible for all local authority functions. The remainder has a two-tier system in which two distinct councils divide responsibility, these are the District and County Councils. In addition in England there are Combined Authorities¹ with directly elected mayors (Metro Mayors) in

¹ Combined Authorities are legally constituted bodies created under national legislation that allows two or more councils to collaborate and take collective decisions across council boundaries. They have a directly elected mayor, often referred to as a Metro Mayor. They are able to use powers and resources devolved to them from national government. However, it is up to the relevant councils to initiate them. Currently across England there are 8 Combined Authorities with directly elected mayors and two without them.

certain areas and some cities have directly elected City Mayors². In terms of our case studies Greater Bristol is part of a Combined Authority and the City of Bristol has City Mayor as did Stoke-on-Trent until 2009 when the position was abolished. Moreover, some LEPs have engaged in voluntary partnerships with other adjacent LEPs where it is considered they constitute what might be termed a 'coherent regional area'. For instance recently the notion of a 'Powerhouse for the West' has been articulated which stretches from Swansea in the west along the M4 Corridor to Swindon in the east which includes the Greater Bristol area. Dorset LEP is part of the Great South West Initiative that includes the LEPs from Cornwall, Dorset and Heart of the South West. These are voluntary 'organisations' with no powers and resources of their own who seek to work with relevant private and public sector bodies on areas of mutual advantage.

In addition to undergoing several structural changes in the period since the 1980s the local government system in the United Kingdom generally has undergone a considerable increase in forms of privatisation, contracting out of various services (or parts of them) and the development of quasi-markets. In addition there has been an increasing role for the voluntary/community sector in the provision/delivery of services. Linked with these developments has been a growth in the expansion of partnerships between local government and a range of relevant stakeholders in order to provide a variety of services and/or deliver projects; this applies to the delivery of services such as labour market policy, VET and child care.

In terms of the key policy fields while overall policy is set at the national level there are considerable levels of decentralisation and discretion vis-à-vis implementation/delivery at the sub-regional/local level, particularly where the private sector is involved (although Child Care is an exception). In relation to four of the policy areas (Vocational Education; Local Growth policies; Child Care [pre-school]; Active Labour Market Policies) there is little or no role for local citizens and communities. Only in relation to Area Regeneration Policy do local citizens and communities have a role, although this policy field is made up of a multitude of small uncoordinated initiatives. Indeed in relation to all five policy fields one might characterise the situation at sub-regional/local level as fragmented, with no clear governance structure to coordinate the various policies vis-à-vis particular places. Although initiatives such as City Mayors/Combined Authorities, LEPs may in some places provide a degree of coordination and coherence. Put rather bluntly the overarching conclusion is that the primary objective of the policy fields is to get people into/prepare people for work and support economic development/growth. At best territorial cohesion and spatial justice are minor considerations in the approach adopted.

As a result what might be termed the local governance landscape has become much more complex and fragmented, this has created an increased need for the coordination and integration of all these activities. Consequently this increasingly complex situation means it is difficult to understand, particularly for citizens, and this creates problems for spatial planning and the delivery of services in terms of accountability, transparency and legitimacy.

Traditionally the post war welfare state 'guaranteed' that all UK citizens, regardless of where they lived, had access to the same basic level of services. However, since the 1990s there seems to have

² Unlike the Metro Mayor of a Combined Authority the City Mayor is the head of a single city council, a referendum is carried out to ask the local electorate if they want a City Mayor. The City Mayor is responsible for public service delivery within that area. City Mayors do not have access to the same powers and resources devolved to a Combined Authority. In a sense the emphasis is on leadership and coordination to ensure public services are delivered in a joined-up manner and to work in partnership with the private and community/voluntary sectors to realise a 'strategic vision' for the city's development. Only a small number of cities across England have such mayors.

been a shift from a ‘welfare state’ to a ‘workfare state’ (Jessop 1993; Hamnett 2013; Deeming 2015) which has targeted ‘worklessness’ and emphasised the importance of being in work. Key elements of the welfare state have been restructured to create incentives to support/encourage the ‘workless’ to move off welfare benefits into work through the use of tax credits and the ‘minimum wage. However, it has been argued that the UKs flexible labour market, which while creating large numbers of low-paid insecure jobs with workers reliant upon ‘in-work’ benefits (see Bailey 2016), has not reduced poverty nor has it contributed to raising the productivity of the economy or addressing issues of territorial cohesion and spatial justice, indeed if anything it has exacerbated them.

The geographical impacts of these changes have to date received little attention. Hamnett (2014) has argued, particularly since the onset of austerity post 2010, there has been an uneven geography to the changes and cuts in welfare benefits that have impacted hardest on places in what have been described as declining regions. Although once again he points to the complex nature of this unevenness, for instance while the highest percentage of workless households is to be found in the North East the highest concentration of households on housing benefit occurs in inner London and big cities. The wider regional implications remain little understood.

Relatively little in-depth research has been carried out on the wider impacts of austerity with regard to local places. However, Hastings et al (2017), based on detailed empirical evidence, have shown that while austerity has been targeted on cities local authorities have attempted to protect the most marginalised and poorest sections of their populations, nevertheless they conclude the poorest households and communities have suffered most from the austerity programme of central government and the cuts in local authority budgets. Similarly Kennett et al (2015, p.640) conclude, from in-depth case studies of two cities (Bristol and Liverpool), that it is “precisely the more disadvantaged local authorities with greater concentrations of households in need and levels of deprivation that are being disproportionately affected by reductions in government expenditure.”. In their case Liverpool, a city that experiences high levels of deprivation, has suffered some of the biggest cuts in central government support. What emerges from these studies is the complex and uneven impacts of austerity, albeit with all areas (urban, suburban and rural) having suffered significant cuts in the financial support they receive from central government with the poorest areas suffering most (see Beatty & Fothergill, 2013 & 2016).

2.2 Bristol (West of England): the urban UK case

Bristol is an affluent city in terms of average salaries but it is also one of the most polarized cities in provincial England with large areas of disadvantaged neighbourhoods; with 16% of the population of the city living in areas classified in the 10% most disadvantaged in England. However, the city (and wider city-region) is one of the most economically successful places in provincial England with high concentrations of employment in business and financial services as well as having high concentration in health and education.

The main labour market tensions within the city relate to:

- Whereas the adult workforce is one of the most qualified outside of the M25 area of South East England, average school attainment by 16 year olds living in the city is relatively weak leading to a dissonance between the jobs that are available and the capacity of local young people to get them

- Average salaries for the workforce of Bristol are much higher than the average salaries for residents. The best jobs are filled by people who commute into the city.
- The city has a large student population (in 2019 this was approximately 52,000) that relies on young people educated elsewhere
- The city itself (and the wider city-region) has one of the most marked polarized populations in terms of area-based disadvantage
- The city plays a wider regional role as an escalator economy – young people come to be educated and start a career. Middle class families with children of school age tend to migrate out of the city.
- Issues of labour market access are compounded by issues of housing affordability

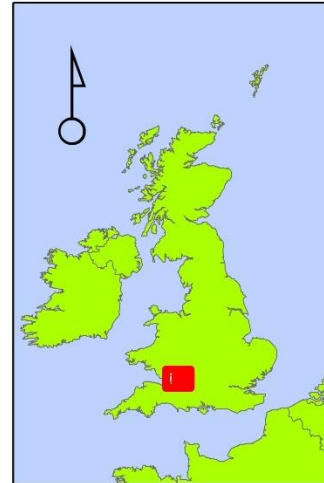
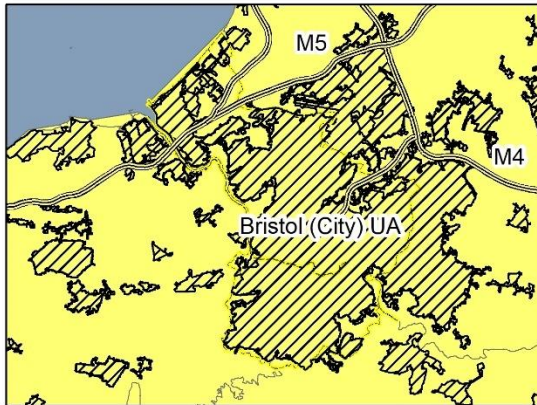
Table 2.3: Contextual information for Bristol (UA area)

Information sheet relating to:	City of Bristol (UA) area		
Variable	year		value
number of residents (mid-year estimate)	mid-2018	(1)	463,405
size of area (in km2)	2011	(3)	110
proportion of population aged between 0 and 17 years old (mid-year estimate)	mid-2018	(1)	20.3%
proportion of population aged between 18 and 64 years old (mid-year estimate)	mid-2018	(1)	66.8%
proportion of population aged 65 years or older (mid-year estimate)	mid-2018	(1)	12.9%
proportion of population who are women (mid-year estimate)	mid-2018	(1)	49.9%
number of residents aged 65 years or older per 1000 residents aged 18-64 years old (old age dependency ratio)	mid-2018	(1)	194
net [residual] migration rate (per 100,000 residents)	2017-18	(2)	338
natural population change rate (per 100,000 residents)	2017-18	(2)	566
population density (residents per km2)	2011	(3)	3,910
Gross Disposable Household Income per head	2016	(10)	£17,488
proportion of workplace-based employment in 'primary sectors' (SIC 2007)	2018	(4)	1.3%
proportion of workplace-based employment in 'secondary (manufacturing) sectors' (SIC 2007)	2018	(4)	8.1%
proportion of workplace-based employment in 'tertiary (service) sectors' (SIC 2007)	2018	(4)	90.6%
Work-related benefit claimants as a proportion of residents aged 16-64	Sep-19	(5)	2.5
proportion of neighbourhood areas in the 10% most deprived on overall English Index of Multiple Deprivation (IMD19)	2019	(7)	0.16
proportion of working age resident adults (16 years and above) with NVQ4 level qualifications and above	2011	(8)	32.8%
proportion of working age resident men (16 years and above) with below NVQ1 level qualifications	2011	(8)	18.1%
proportion of working age resident women (16 years and above) with below NVQ1 level qualifications	2011	(8)	22.2%
proportion of 2 year olds benefiting from some early year pre-school provision	2019	(9)	64
name of largest urban area within (or including) area	2011	(3)	Bristol BUA
resident population of largest built-up settlement associated with area	2011	(3)	617,280
built-up area of largest city associated with area (km2)	2011	(3)	144
proportion of population living in an area defined as 'rural'	2011	(6)	0.0%

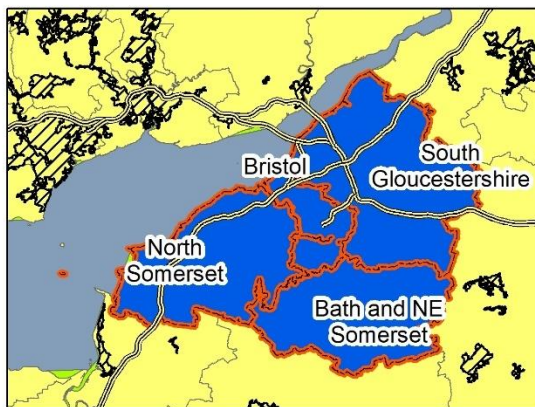
Sources: (1): mid-year estimate of population, (2) derived from life event statistics and mid-year estimates of population, (3) 2011 Census of Population (for England and Wales), (4) Business Register and Employment Survey : open access, (5) DWP claimant count data for welfare claimants defined as qualifying, (6) Based on ONS classification of urban and rural output areas, (7) Index of Multiple Deprivation for England – DCLG, (8) 2011 Census of Population, (9) DfE statistics on early years provision, (10) Regional Gross Disposable Household Income (GDHI) by Local Authority

Bristol (urban) case study area

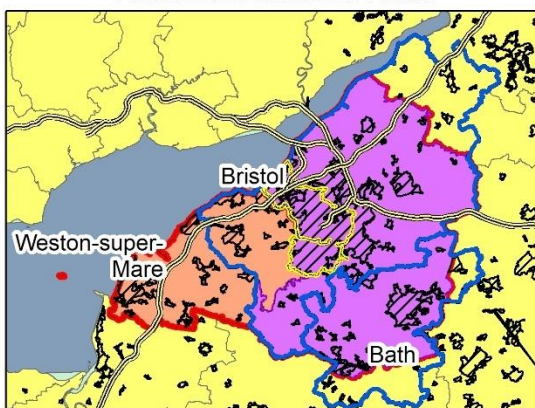
Urban Morphology of area



Local Government Boundaries



Functional Economic Areas



Legend

- motorway
- Bristol (City) UA
- Bristol labour market area
- Bath labour market area
- Combined Authority WoE
- West of England LEP
- West of England UAs

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The metropolitan area of Greater Bristol including surrounding municipalities highlights the contrast between city of Bristol (the local authority) and the morphologically and functionally integrated suburban local authority of South Gloucestershire, with a particular focus on the northern fringe 'edge city'. In relation to Bristol (40 sq. mi./110 km²) South Gloucestershire (191.87 sq. mi./496.94 km²) lies to the north of Bristol mainly on a wide coastal plain adjacent to the River Sever. Bristol is one

of 10 ‘Core Cities’ in the UK outside of London, the only city-region in the south west of England, and is the ‘regional capital’ of the West of England. The city-region is well connected to major transport nodes such as junctions on both the M4 and M5 motorways, Temple Meads, Parkway and Filton Abbey Wood railway stations along with an international airport (Lambert and Smith, 2003; Tallon, 2007). The area can generally be described as having a growing population and as relatively affluent with embedded spatial concentrations of multiple deprivation particularly in Bristol.

With regard to economic structure and employment by main sectors: in Bristol 33% are in public administration and education (31% in South Gloucestershire); 22% in banking and finance (21%); 16% in distribution and hotels (17%); 12% in agriculture and fishing (9%); 12% in transport and construction (10%); and 7% in manufacturing (10%). Changes over the past 10 years have been relatively stable, with the biggest increase being in professional occupations. The main employers in Bristol and South Gloucestershire are: Bristol City Council, the Ministry of Defence, South Gloucestershire Council, University Hospitals Bristol, Bristol University, Airbus, AXA Life, Lloyds TSB Group, North Bristol NHS Trust, Rolls-Royce, Royal Bank of Scotland and University of the West of England. While Bristol’s SMEs contribution to the UK economy is expected to grow by 23% by 2025. This indicates the presence of a ‘knowledge-economy’.

The major change to the structures of local governance in the last decade has been the decision to have an Elected Mayor (City Mayor) in the City of Bristol and the creation of a Combined Authority with an Elected Major (Metro Mayor) of which Greater Bristol is part. Certainly within the City of Bristol the City Mayor does seem to have improved coordination within the city council and with other stakeholders in the public, private and voluntary/community sectors. Working relationships with surrounding authorities, which have not always been good in the past, do seem to have improved. With regard to the Combined Authority the jury is still out on its impact given it was only established in 2017 and is still ‘finding its feet’.

A recent innovation introduced by the Bristol’s City Mayor was the setting up a City Office charged with the elaboration of a One City Plan. This plan brings together different actors and interest groups in the city. The aim of the One City Plan is to ‘use the collective power of Bristol’s key organisations to make a bigger impact by supporting partners, organisations and citizens to help solve key challenges such as driving economic growth for everyone’ – in other words inclusive and sustainable growth.

The One City Plan sets out the long term ‘vision’ while the Bristol Inclusive Growth Strategy begins the process of mapping out the strategy to achieve the former. As the Inclusive Growth Strategy notes: “The work is rooted in the One City Approach, acting as the driving force and action plan for inclusive and sustainable growth in Bristol.” (BCC, 2019, 5). The two should be read in tandem as they provide the basis for an approach to addressing economic development, inequalities and cohesion at the local level. The One City Plan claims to be a ‘co-production’ based on extensive consultations over an 18 month period with organisations from the private, community and third sector. Thus the document(s) may be seen as attempting to engage with ‘multiple audiences’ and gain their consent for the *One City Plan* and ensure its longevity. Both documents explicitly emphasise a place-based approach to territorial cohesion, territorial governance and collective efficacy. As the Inclusive Growth Strategy notes: “The focus in Bristol is on productivity-driven growth together with the fair distribution of economic contributions and benefits” (ibid, p. 5), albeit that growth should not be a short-term rush for growth and/or at the expense of environmental, health and quality of place and life. Creativity and innovation are central to the productivity driven growth strategy as is the need to ensure the related notion of Bristol’s competitiveness vis-à-vis other cities in the UK and elsewhere.

Whilst the City of Bristol is a relatively successful and affluent city it does face considerable problems of multiple deprivation which are deeply embedded in particular parts of the city. The Inclusive Growth Strategy expresses this clearly arguing there are:

...also a number of challenges to address, including persistent concentrations of deprivation and earnings inequalities, which are reflected in and reflect the city's relative underperformance in education and skills, together with other factors creating pay gaps. Poor access to employment for under-skilled residents, barriers to economic inclusion including access to affordable childcare, significant increases in house prices and a local transport system which needs improving (so it can effectively link residents to jobs and training) are also key issues. (BCC, 2019, p6)

The West of England Local Enterprise Partnership working with the Combined Authority and relevant local authorities has also produced its own Local Industrial Strategy which also emphasises innovation and productivity driven growth and inclusive growth. In addition the local authorities of Bath and North East Somerset Council, Bristol City Council, North Somerset Council and South Gloucestershire Council have joined forces to prepare a draft Joint Spatial Plan which will become a statutory Development Plan Document when it is approved. It will then provide the strategic overarching development framework for the West of England to 2036. Of course all of these different plans/strategies will need to be coordinated and operate in an integrated manner, this is one of the challenges facing the region in the future.

2.3 Newcastle-under-Lyme (North Staffordshire): The UK suburban case

The Borough of Newcastle under Lyme is a Borough District within the County of Staffordshire. The largest 'urban' settlement within the Borough is Newcastle itself. Historically the town has been an independent market town (there is still a market in the town) but for all intents and purposes the urban area of Newcastle is, morphologically speaking, part of the extended conurbation of North Staffordshire (incorporating the amalgamated six towns of the Stoke on Trent area) such that Newcastle is sometimes considered to be the seventh town of the conurbation.

Despite its 'urban fringe' or 'suburban' location in North Staffordshire, some 20% of the population live in an area that would be defined as 'rural' within the English context. Equally parts of the Borough are former coalmining areas and have been subject to special measures aimed at stimulating economic revitalisation of former coal-mining area. The last deep coalmine in the Borough closed in 1998. There remains a physical and labour market legacy of coal-mining in the area. However the Borough is also the site of the University of Keele – a new campus university of 10,000 students that was granted university status in the 1960s.

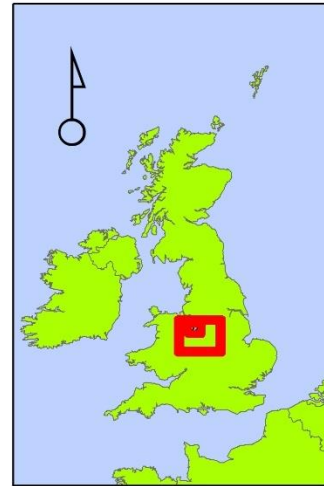
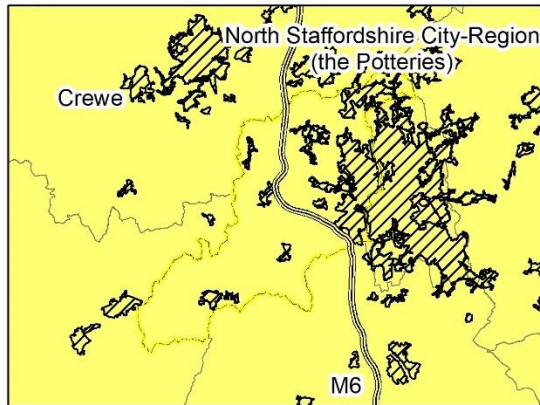
Table 2.4: Contextual information for Newcastle under Lyme (District area)

Information sheet relating to:	Borough of Newcastle-under-Lyme		
Variable	year		value
number of residents (mid-year estimate)	mid-2018	(1)	129,490
size of area (in km2)	2011	(3)	211
proportion of population aged between 0 and 17 years old (mid-year estimate)	mid-2018	(1)	18.2%
proportion of population aged between 18 and 64 years old (mid-year estimate)	mid-2018	(1)	61.4%
proportion of population aged 65 years or older (mid-year estimate)	mid-2018	(1)	20.4%
proportion of population who are women (mid-year estimate)	mid-2018	(1)	50.3%
number of residents aged 65 years or older per 1000 residents aged 18-64 years old (old age dependency ratio)	mid-2018	(1)	332
net [residual] migration rate (per 100,000 residents)	2017-18	(2)	418
natural population change rate (per 100,000 residents)	2017-18	(2)	9
population density (residents per km2)	2011	(3)	590
Gross Disposable Household Income per head	2016	(10)	£ 17,856
proportion of workplace-based employment in 'primary sectors' (SIC 2007)	2018	(4)	2.5%
proportion of workplace-based employment in 'secondary (manufacturing) sectors' (SIC 2007)	2018	(4)	13.7%
proportion of workplace-based employment in 'tertiary (service) sectors' (SIC 2007)	2018	(4)	83.8%
Work-related benefit claimants as a proportion of residents aged 16-64	Sep-19	(5)	2.1
proportion of neighbourhood areas in the 10% most deprived on overall English Index of Multiple Deprivation (IMD19)	2019	(7)	0.03
proportion of working age resident adults (16 years and above) with NVQ4 level qualifications and above	2011	(8)	22.5%
proportion of working age resident men (16 years and above) with below NVQ1 level qualifications	2011	(8)	24.5%
proportion of working age resident women (16 years and above) with below NVQ1 level qualifications	2011	(8)	29.0%
proportion of 2 year olds benefiting from some early year pre-school provision	2019	(9)	78
name of largest urban area within (or including) area	2011	(3)	Stoke-on-Trent BUA
resident population of largest built-up settlement associated with area	2011	(3)	372,775
built-up area of largest city associated with area (km2)	2011	(3)	104
proportion of population living in an area defined as 'rural'	2011	(6)	20.6%

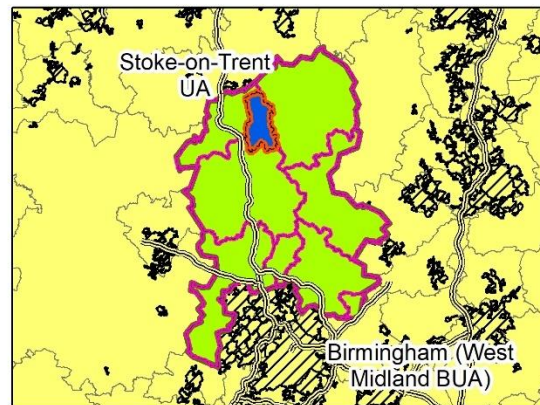
Sources: (1): mid-year estimate of population, (2) derived from life event statistics and mid-year estimates of population, (3) 2011 Census of Population (for England and Wales), (4) Business Register and Employment Survey : open access, (5) DWP claimant count data for welfare claimants defined as qualifying, (6) Based on ONS classification of urban and rural output areas, (7) Index of Multiple Deprivation for England – DCLG, (8) 2011 Census of Population, (9) DfE statistics on early years provision, (10) Regional Gross Disposable Household Income (GDHI) by Local Authority

Newcastle under Lyme (suburban) case study area

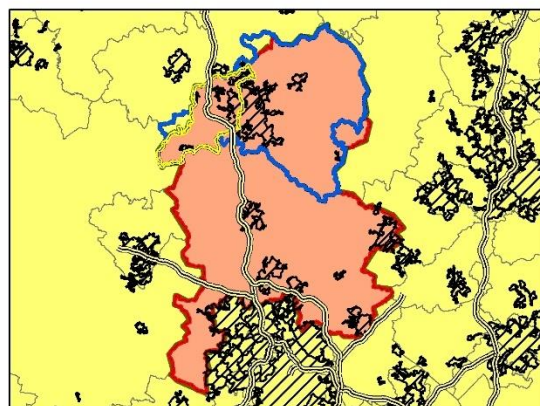
Urban Morphology of area



Local Government Boundaries



Functional Economic Areas



Legend

- motorway
- Newcastle under Lyme
- Stoke labour market area
- Built-Up Areas
- Stoke and Staffordshire LEP
- Stoke-on-Trent UA
- Staffordshire County Council
- Staffordshire Districts

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The job profile of the district demonstrates a concentration in logistics and transport employment with these sectors benefiting from the location of the M6 motorway that splits the Borough. The motorway is also significant for permitting commuting to the north (towards Cheshire and Manchester) and south (towards the rest of Staffordshire and Birmingham).

The main labour market tensions in the Borough relate to:

- The presence of a community of working age adults on long term multiple benefits
- The different levels of mobility (and access to higher paid employment) between the rural and urban parts of the Borough
- Spatial differences in educational attainment across the borough (higher in rural fringe, lower in urban area)
- A demand for low skilled labour in logistics and transport with limited potential for ‘up-skilling’
- Keele University is an important attractor of young people but these young migrants appear to leave soon after graduating
- The earnings of residents who work elsewhere is significantly higher than the average wages on offer in the borough (the Borough looks like a dormitory location)

The North Staffordshire conurbation is in central England – popularly referred to as ‘The Potteries’, the historic centre of the UK ceramics industry – comprises the Borough of Newcastle under Lyme (‘NuL’) plus the six industrial towns that constitute the adjacent local authority area, the City of Stoke on Trent (‘SoT’). The conurbation represents an effective functional labour and housing market area within which NuL (our case study suburban locality) plays a key role as a residential and commuter settlement for people that work in the major centres of employment; the de facto central business district (Hanley), the two universities (Keele, Staffordshire), the Royal Stoke University Hospital, etc. The conurbation is located approximately 60km north of Birmingham and 50km south of Manchester.

The conurbation displays a highly polycentric morphology. The Borough of NuL comprises the market town of Newcastle under Lyme (2011 population of 75,082), the town of Kidsgrove (2011 population 23,756) and an extensive semi-rural and rural hinterland. The City of SoT comprises the six towns of Burslem, Fenton, Hanley, Longton, Stoke and Tunstall. These form a contiguous urban area with the town of NuL. The conurbation witnessed absolute population decline – centred primarily on the core urban areas of SoT whose population declined from 272,720 in 1961 to 244,788 in 2001 (www.ons.gov.uk). This decline has been reversed in the early 21st century, although population growth remains modest with a five-year population change 2011-2016 of +3.7% in NuL, +1.8% in SoT and +3.3% in England as a whole.

North Staffordshire underperforms, compared to the UK as a whole, on almost every economic and social indicator, although Newcastle under Lyme is relatively more prosperous than Stoke on Trent. The conurbation is characterised by a low skill, low wage, low value added economy. Levels of education attainment, for example, are below national averages. The proportion of residents of working age (December 2016) educated to degree level or above are Stoke on Trent 20.7%, Newcastle under Lyme 36.9%, and Great Britain 38.2%. The proportion of residents of working age with no formal qualification are Stoke on Trent 15.2%, Newcastle under Lyme 10.5% and Great Britain 8.0% (Source: NOMIS). This reflects a historic low demand from local employers for high skilled labour (the conurbation was characterised by a tradition of students leaving school at age 16 to access plentiful work opportunities in ‘pots and pits’ – the ceramic and mining sectors) and also a problem of retaining skilled workers within the conurbation. North Staffordshire is characterised by significant concentrations of deprivation. According to the English Indices of Deprivation NuL is ranked the 148th most deprived local authority district according to its overall score and only eight LSOAs (10% of the total in the Borough) are ranked in the most deprived quintile of LSOAs in England. SoT is

conspicuously more disadvantaged. It is ranked the 14th most deprived local authority district and more than half the LSOAs within the city rank within the most deprived quintile in England.

The North Staffordshire Conurbation is the location of numerous complex multi-level governance arrangements. Formally, NuL is a 'Non Metropolitan District. It has formal responsibility for certain basic municipal services; housing; planning and development control; leisure and recreation; waste and recycling; and, council tax collection. Responsibility for service provision and decision making is, thus, divided between NuL Borough and the Conservative controlled upper-tier Staffordshire County Council which has formal competences in respect of: education; transport planning; fire and emergency services; social services; libraries and waste disposal. SoT is, formally, a 'Unitary' authority controlled by a Conservative – Independent – UKIP political coalition. It retains formal responsibility for all the services and competences listed above. The two local authorities – NuL and SoT – have not pursued the creation of a 'Combined Authority' (a structure to which two or more elected local authorities can transfer statutory powers, including planning and economic development) presided over by a 'Metro Mayor', that has been adopted in several other city regions in England (including Bristol), notwithstanding the coherence of the North Staffordshire economic geography and inter-municipal cooperation on strategic planning.

Newcastle under Lyme Borough Council is a lower tier District Council that has powers and competences principally associated with local planning and service delivery. It has few strategic 'levers' to effect economic change locally. These are vested in the upper tier authority, Staffordshire County Council, and the Stoke and Staffordshire Local Enterprise Partnership (LEP). In terms of development (including economic development) the *Stoke and Staffordshire Strategic Economic Plan, April 2018* (SEP), coproduced by the Local Enterprise Partnership and the County Council is the key strategic document; it sets out a strategy for economic development in the County of Staffordshire for the period 2017 to 2030.

Following in the footsteps of the National Industrial Strategy the emphasis is on economic growth driven by improvement in productivity and GVA and associated improvements in skills along with the development of 'growth sectors'. Enhanced connectivity, both internally and externally, is also seen as central to these developments. There is also an acknowledgement of the need to ensure the existence of what are referred to as 'competitive towns and centres' that are attractive places in which to live, work and visit and with what is referred to as 'the right infrastructure'.

Overall the study area has an affluent population but there are specific places (e.g. Portland) where there are instances of concentrated disadvantage and embedded inequalities. In addition there are isolated pockets of rural poverty, as evidenced by the growth of food banks in many affluent rural villages, which tend to be hidden because of their small size. Furthermore, there are inequalities in terms of access to services partly due to issues of rural connectivity but also because community organisations are no longer capable of picking up the delivery of non-statutory services that local government is no longer able to provide due to deep cuts in central government funding. The most notable inequality in the area was between Portland the more affluent rural areas, although these did contain small isolated pockets of deprivation. Two areas of inequality that were widely recognised was that of low wages and access to affordable housing. However, moves to address these issues have been fragmented and met with limited success.

2.4 West Dorset (non-metropolitan Dorset) The UK rural case

It is important to point out that the County of Dorset underwent a major local government reorganisation from the 1st April 2019. The number of local authorities has been reduced from nine to two unitary authorities. One of in the south-east of the county based on the ‘urban agglomeration’ of Bournemouth, Christchurch and Poole. Part of the rationale for the creation of this authority is that cities are seen as the drivers of economic development and the authority will have a greater ‘voice’ at central government level and attract more funding and private investment. The remaining six local authorities have been merged and are essentially be a ‘rural’ authority called Dorset Council (this includes our case study). The largest settlement is the county town of Dorchester and the West Dorset area is incorporated into three labour market areas (Bridport, Dorchester and Weymouth and Yeovil).

The area is notable for concentrations of employment in agriculture, tourist-related activities and public administration albeit that the number of people employed in agriculture is relatively small (around 3000 in employment in comparison to 16,500 in employment in public services).

The labour market tensions in the district relate to:

- Accessibility to employment opportunities with low income residents in rural areas disadvantaged from finding good employment
- Residents who earn high wages working elsewhere (i.e. who can benefit from their mobility)
- The migratory outflow of younger adults in their late teens (seeking higher education) with a compensatory inflowing of older adults approaching retirement age
- Employment demand from agriculture and tourism problematic in terms of seasonality and potential for up-skilling
- High educational attainment by sixteen year olds (who then leave for university)
- Migration-driven aging of the population

Our focus is on the rural locality of West Dorset District Council and the adjacent urban local authority of Weymouth and Portland. By English standards it has a low population density.

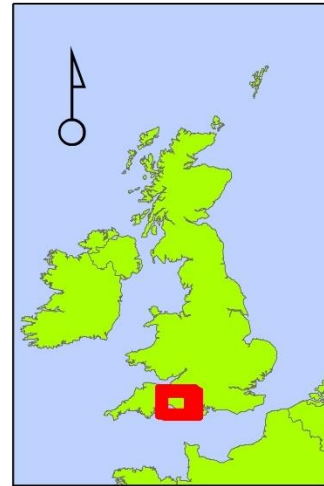
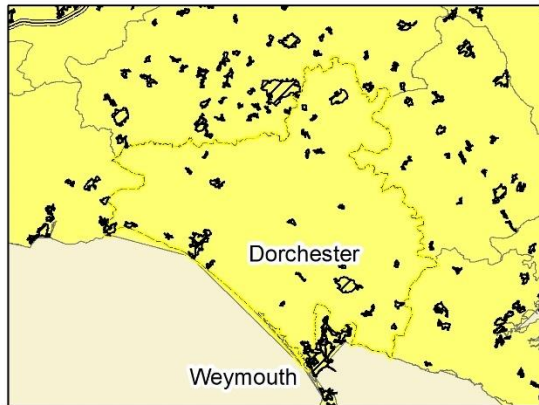
Table 2.4: Contextual information for West Dorset (District area)

Information sheet relating to:	West Dorset District		
Variable	year		value
number of residents (mid-year estimate)	mid-2018	(1)	102,754
size of area (in km2)	2011	(3)	1,081
proportion of population aged between 0 and 17 years old (mid-year estimate)	mid-2018	(1)	17.4%
proportion of population aged between 18 and 64 years old (mid-year estimate)	mid-2018	(1)	51.9%
proportion of population aged 65 years or older (mid-year estimate)	mid-2018	(1)	30.7%
proportion of population who are women (mid-year estimate)	mid-2018	(1)	51.9%
number of residents aged 65 years or older per 1000 residents aged 18-64 years old (old age dependency ratio)	mid-2018	(1)	592
net [residual] migration rate (per 100,000 residents)	2017-18	(2)	1,300
natural population change rate (per 100,000 residents)	2017-18	(2)	-624
population density (residents per km2)	2011	(3)	90
Gross Disposable Household Income per head	2016	(10)	£ 20,430
proportion of workplace-based employment in 'primary sectors' (SIC 2007)	2018	(4)	6.6%
proportion of workplace-based employment in 'secondary (manufacturing) sectors' (SIC 2007)	2018	(4)	13.9%
proportion of workplace-based employment in 'tertiary (service) sectors' (SIC 2007)	2018	(4)	79.5%
Work-related benefit claimants as a proportion of residents aged 16-64	Sep-19	(5)	1.5
proportion of neighbourhood areas in the 10% most deprived on overall English Index of Multiple Deprivation (IMD19)	2019	(7)	0.03
proportion of working age resident adults (16 years and above) with NVQ4 level qualifications and above	2011	(8)	30.8%
proportion of working age resident men (16 years and above) with below NVQ1 level qualifications	2011	(8)	17.9%
proportion of working age resident women (16 years and above) with below NVQ1 level qualifications	2011	(8)	22.1%
proportion of 2 year olds benefiting from some early year pre-school provision	2019	(9)	82
name of largest urban area within (or including) area	2011	(3)	Dorchester
resident population of largest built-up settlement associated with area	2011	(3)	19,060
built-up area of largest city associated with area (km2)	2011	(3)	5
proportion of population living in an area defined as 'rural'	2011	(6)	61.2%

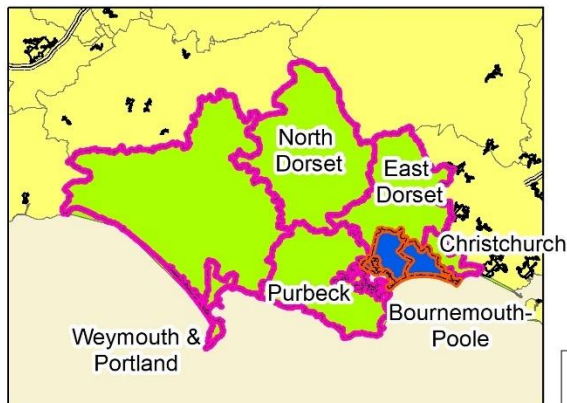
Sources: (1): mid-year estimate of population, (2) derived from life event statistics and mid-year estimates of population, (3) 2011 Census of Population (for England and Wales), (4) Business Register and Employment Survey : open access, (5) DWP claimant count data for welfare claimants defined as qualifying, (6) Based on ONS classification of urban and rural output areas, (7) Index of Multiple Deprivation for England – DCLG, (8) 2011 Census of Population, (9) DfE statistics on early years provision, (10) Regional Gross Disposable Household Income (GDHI) by Local Authority

West Dorset (rural) case study area

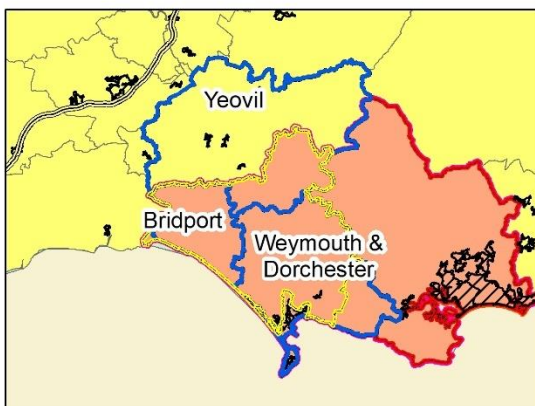
Urban Morphology of area



Local Government Boundaries



Functional Economic Areas



Legend

- motorway
- West Dorset District
- West Dorset labour market areas
- Built-Up Areas
- Dorset LEP
- Bournemouth and Poole UAs (pre-2019)
- Dorset Districts (pre-2019)
- Dorset County Council

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Apart from the urban areas of Weymouth and Portland the area is made up of small towns, the largest of which is Dorchester with a population of almost 20,000, the next largest town is Bridport with a population of 13,570, the remaining towns are places with populations of under 10,000. The rural area is overwhelmingly made up of villages making it a 'classic' English rural area bring with it

attendant issues of rural isolation. The highest proportion of residents in the district (31.6%) are classified as residents of isolated rural communities (Dorset Statistics, 2018).

In terms of connectivity, the district has no motorways although there are rail links to London and Bristol. There is a ferry terminal in Weymouth Harbour that serves the Channel Islands. In terms of transportation there are problems in the more rural areas where public transport provision is limited with some areas (Halstock, the Frome Valley, and the Cam Vale) being in the top 1% of areas in the country that are most inaccessible to services. However, more generally across the district there are general issues of access to services related to problems of rurality, which affects both the availability of services and the cost of service provision.

In terms of employment 40% of jobs are in the public sector; agriculture, forestry and fisheries constitute 16% of businesses in West Dorset compared to 5% for the county of Dorset and 3% for Great Britain. Wage levels are lower than the national average and there is a reported shortage of labour with relevant skills or training. Employed residents in the district are classified as: 40.8% high skill occupation, 43.1% intermediate skill occupation and 16.1% low skill occupation (Dorset Statistics 2018). There is also a significant affordability gap between wage levels and house prices, the cost of the average home being 14 times the average salary, as well as a housing problem (i.e. lack of housing and affordability). Under the Index of Multiple Deprivation the district contains two Local Super Output Areas (LSOAs) that fall into the category of the 20% most deprived areas in England, the majority of LSOAs fall into the top 20%. Weymouth and Portland residence based weekly earnings are £488 per week compared with £541 in Great Britain. High levels of child poverty and crime rates are found in the adjacent Borough of Weymouth and Portland e.g. almost half of the children in Underhill, Portland, live in poverty. Other deprivation issues include lack of educational attainment and poor levels of training.

Dorset Local Enterprise Partnership (DLEP) is the key economic player; it was set up to invest in different industry sectors across the county to boost business, create new and more highly-skilled jobs and to ensure the county's infrastructure is in a strong position to promote growth. The LEP has produced its own Local Industrial Strategy - the main document is *Horizon 2038* (DLEP, 2018) about which the Director of DLEP states "The document also provides an important stepping stone towards the formation of our Local Industrial Strategy." (ibid, p3). This quote clearly shows that the LIS is still a 'strategy' that is in the process of 'being made'. This is clearly demonstrated by the following quote:

Horizon 2038 is an opportunity to show to Government our strengths, assets and challenges and present a 20-year strategy for closing our annual £2.5 billion productivity gap. It is intended to spark further debate as we make the necessary preparations for developing our Local Industrial Strategy. (ibid.p8)

As such it, and the associated documents, are aspirational in nature and do not actually constitute a LIS.

What appears to be absent from the various DLEP documents we examined, supported by interviews, is an appreciation of the diversity of Dorset. The issue of territorial cohesion thus becomes distorted into one of 'territorial homogeneity' which is reinforced by the lack of a clear place-based approach to address the diversity of Dorset and, in particular, the rural dimension which is relevant to our West Dorset case study area. This is further reinforced by the overwhelming emphasis on the urban agglomeration of Bournemouth-Poole-Christchurch (the 'city by the sea') as the 'key driver' of the Dorset economy, and the ambition to convert Dorset into a single city region by 2033. This emphasis

is further reinforced by the metrics adopted at central government level for the allocation of financial resources. Moreover, the documents are characterised by the absence of any real notion of inclusive growth and thus of social inclusion/cohesion. Where more specific interventions might take place to address issues of social inequality (e.g. in Weymouth and Portland) these are to be based on a 'business case' rather than on social grounds. The overarching focus is on economic growth driven by improvements in productivity and skills. Nor are issues of collective efficacy or territorial governance addressed. The community and voluntary sectors most notable in terms of their absence from the documents – in a sense they have been excluded. In terms of territorial governance, there are vague references to the Great South West initiative but these remain, at best, aspirational and there is no real evidence of how these aspirations might be realised.

Overall the study area has an affluent population but there are specific places (e.g. Portland) where there are instances of concentrated disadvantage and embedded inequalities. In addition there are isolated pockets of rural poverty, as evidenced by the growth of food banks in many affluent rural villages, which tend to be hidden because of their small size. Furthermore, there are inequalities in terms of access to services partly due to issues of rural connectivity but also because community organisations are no longer capable of picking up the delivery of non-statutory services that local government is no longer able to provide due to deep cuts in central government funding. The most notable inequality in the area was between Portland the more affluent rural areas, although these did contain small isolated pockets of deprivation. Two areas of inequality that were widely recognised was that of low wages and access to affordable housing. However, moves to address these issues have been fragmented and met with limited success.

This reorganisation will have potentially important implications, both positive and negative, for collective efficacy, not only with regard to local government internally but also for the community sector and relations with the business sector. Those proposing the change claim the reorganisation will provide stronger local leadership, reduce costs, achieve greater efficiency in terms of service provision and thus improve services, increase partnership working between different service providers, enhance economic development and allow the two authorities to develop a 'global profile'.

3 Territorial capital

3.1 Introduction: Territorial capital

In the following, we take point of departure in the conceptualisation of territorial capital as developed by Sevillo, Atkinson, and Russo (2012). However, as this analytical framework was developed with the intent of studying territorial attractiveness rather territorial cohesion specifically, a slightly different emphasis appear in the current analysis. Sevillo, Atkinson and Russo (2012) argue that territorial capital relates to the assets available in a given territory and the question of mobilizing these assets. They point to five different groups of territorial capital, here slightly adapted to our present purposes:

- Environmental capital: natural resources, landscapes and climate
- Antropic capital: man-made buildings and urban structure
- Economic capital: level of economic activity, firms and sectors, employment, clusters

- Human and social capital: education, diversity, gender and ethnicity, tolerance, networks
- Institutional capital: democratic structures, autonomy, tax structures, participative structures/inclusiveness
- Cultural capital: history, place identity, cultural inheritance

Territorial development requires a focus on not only the static stock of these assets but also on the utilization of these stocks and the political strategies involved (Camagni 2017). This is similar to the point made by Bourdieu (1990) that it is the meeting between different constellations and stocks of capital and their materialisation, institutionalisation and incorporation in the specific social spaces that matters. Moreover, since the present report builds on qualitative fieldwork it is the narratives of these meetings that are relayed rather than a discussion of real and intended forms of territorial capital. Thus, even though we have covered different agents from different sectors aiming to map different perspectives and sets of demands, assets can lie dormant/un-mobilised and play less of a role in terms of the emergent patterns of territorial cohesion in actual cases. In other words the presence of forms of territorial capital does not necessarily mean that they will be utilised. In the COHSMO-project, territorial cohesion has been conceptualized as the interplay between territorial capital, collective efficacy and territorial governance. This conceptualization indicates that territorial cohesion is a dynamic result of relations between assets, the political strategies for utilizing them and the webs of social relatedness generating both specific demands and how ‘solutions’ (or ‘problem diagnosis’) are constructed and put into practice.

What will become clear from the analyses below is that not only is there a dynamic between potential assets and their utilization (Sevillo, Atkinson and Russo 2012), but also different relationship between the different groups of potential assets. This means that there are different sets of relations between the different groups in each of the three cases. In terms of mobilisation of territorial capital we followed their argument that this entails the means by which territorial assets are concretely brought to bear through various actions embodied in policies (or ‘policy bundles’). Thus governance arrangements (institutional capital and territorial governance) are central to the mobilisation process and use of assets and this requires the existence of links, often articulated through organisational arrangements (e.g. partnerships) between stakeholders, local authorities, agencies and citizens in order to identify, create and mobilise assets and develop policies to achieve specific strategies.

In this chapter we bring together the evidence gathered on territorial capital and the relevant attempts at mobilising territorial assets during the case study research carried out in our three case studies: Greater Bristol (Urban); North Staffordshire (Suburban); and West Dorset (Rural). It is based on the relevant documents we accessed and the interviews carried out with key actors. In this sense it draws on what forms of territorial capital/assets those writing the documents and giving the interviews perceived to be present or deficient/absent. In some instances the documents did provide evidence with regard to some of the forms of territorial capital present (e.g. in terms of human capital percentages of graduates in the workforce), but in other cases there is a relative absence of evidence that clearly demonstrates the presence of the forms of territorial capital those writing the documents and giving the interviews stated were present (e.g. in relation to institutional capital on partnerships present and partnership working where some documents/interviewees asserted these were working well while some interviewees questioned this assertion). In addition we do not have a great deal of evidence regarding the ‘quality’ of these forms of territorial capital. Moreover, the documents and interviewees did not use the language of territorial capital (this language/discursive absence is something we have previously highlighted in our work). What they did talk about were: Strengths,

Opportunities, Challenges and Weaknesses; in the North Staffordshire case a SWOT analysis was explicitly employed, although not in the other two cases. However, it is reasonable to infer from this that they were, indirectly, talking about forms of territorial capital in the sense we are using it.

What all three cases did have in common was a discourse that placed the emphasis on productivity driven growth aiming to enhance the area's competitiveness. However, in North Staffordshire/Stoke on Trent and Dorset each area's approach was rather derivatively framed by the national government's Industrial Strategy (HM Government, 2017) which may be argued to represent a form of neoliberalism. In Greater Bristol the situation was somewhat different as there was more emphasis on attempting to articulate productivity driven growth with an 'inclusive growth' approach aiming to spread the benefits of growth more widely to embrace marginalised sections of their populations and address issues of inequality. Moreover, all three approaches tended to be pitched at a rather general level being, to put it somewhat simplistically, 'big on vision and grand strategy' but much weaker on implementation. Thus it was more difficult to identify the particular 'policy bundles' that would be developed and deployed to mobilise the forms of territorial capital present and address perceived weaknesses – i.e. the mechanisms for implementation/realisation of the strategy.

3.2 Territorial problems and advantages in each case

Here we set out in sequential form the territorial capital that relevant documents and interviews argued were present in each of our three case studies, this discussion highlights both 'strengths'/'opportunities' and 'weaknesses'/'challenges'.

3.2.1 The Metropolitan Case – Greater Bristol

Whilst the discursive approach to the area's future development is expressed in terms of 'productivity driven growth' this is articulated with the notion of 'inclusive growth' and aspects of a 'place-based approach'. In addition the significance of territorial governance and collective efficacy is acknowledged along with a degree of indirect recognition of the significance of territorial cohesion within the region.

With reference to what might reasonably be interpreted as a representation of the economic capital present in terms of employment by main sectors: in Bristol 33% are in public administration and education (31% in South Gloucestershire); 22% in banking and finance (21%); 16% in distribution and hotels (17%); 12% in agriculture and fishing (9%); 12% in transport and construction (10%); and 7% in manufacturing (10%). Changes over the past 10 years have been relatively stable, with the biggest increase being in professional occupations. The main employers in Bristol and South Gloucestershire are: Bristol City Council, the Ministry of Defence, South Gloucestershire Council, University Hospitals Bristol, Bristol University, Airbus, AXA Life, Lloyds TSB Group, North Bristol NHS Trust, Rolls-Royce, Royal Bank of Scotland and University of the West of England. While Bristol's SMEs contribution to the UK economy is expected to grow by 23% by 2025. This indicates the presence of a 'knowledge-economy'.

Following on it is reasonable to argue that in the context of the UK the region is affluent and competitive with high levels of economic, human and social and cultural capital along with improvements in institutional capital. However, there are long-standing and significant problems of housing unaffordability, spatial and social polarisation, poverty, homelessness, educational disparities and pressures of infrastructure. Moreover, the scale of thinking we encountered varies between the sectoral interests included in our case study. An example of this is that public officials

are most likely to ‘think’ about issues in terms of relevant local authority jurisdictions or, to varying degrees, in terms of the variable sub-regional contexts, frequently defined in relation to existing formal partnerships at sub-regional level with each council taking a collective city-region level view. For instance City Council officials in Bristol will tend to focus on league tables of key performance indicators (for example on educational attainment, productivity or poverty) which are mainly constructed at the level of individual local authorities.

In terms of the interviews we carried out in summary respondents pointed to the overall economic strength and high quality of life, particularly in affluent areas of the city. It was also noted that population growth in the city-region had been sustained since the early 1970s and there has been considerable employment growth and relatively high productivity. The new economic geography is represented by the services sector generally within which there are successful agglomerations of creative industries (in central areas) with Bristol recently being successful in attracting Channel 4 (UK independent TV channel) to locate in the city. Manufacturing is dominated by high tech, advanced manufacturing and aerospace in suburban and fringe locations in South Gloucestershire. The overall make-up of the economy (for the city-region) shows public services, knowledge intensive business services, and retail and personal services together accounting for 70% of employment and GVA. Bristol (as a city-region) is represented as a quirky, innovative, high skills, high income economy by business and local authority respondents. Again this supports the contention of the presence of a knowledge-based economy as well as the presence of significant levels of economic, human, social and cultural capital.

The above is generally supported by other research we carried out that shows the metropolitan region has high levels of economic, human, social and cultural capital, increasing levels of institutional capital, although less so in terms of environmental and antropic capital. For instance graduates currently make up 46% of the working age population indicating a high level of human and economic capital relevant to the ‘knowledge-economy’. This is reflected in the key sectors of the economy in the city region, these being aerospace, defence and advanced engineering, creative industries, financial services, professional services and ICT.

While the above paragraphs refer to what may be termed strengths in terms of territorial capital there are also acknowledged weaknesses. For instance despite the high numbers of people in the work force who are university graduates this is largely based on the import of intellectual and human capital from outside the area, there is a high rate of retention from the two universities in Bristol and the city is considered an attractive place in which to live³. However, the schools in Bristol have systematically underperformed for a number of years. Thus there are number of challenges to address which may be seen as reflecting ‘weaknesses’/problems/challenges (deficits in territorial capital). In the Bristol case these include embedded spatial concentrations of deprivation and earnings inequalities. This in turn is reflected in the city’s relative underperformance in school education and skills, together with other factors creating pay gaps. The relevant barriers include poor access to employment for under-skilled residents, economic exclusion, access to affordable childcare, high average house prices, a lack of affordable housing and a local transport system which needs improving to enable residents to access jobs and training.

The issues referred to above are clearly reflected in official data collected for D4.3. This shows that according to the Indices of Multiple Deprivation 2015 Bristol continues to have deprivation ‘hot spots’ that are amongst the most deprived areas in the country yet are adjacent to some of the least

³In 2017 in the Sunday Times Best Places to Live Guide Bristol was the best place to live in Britain.

deprived areas in the country. For instance 16% of residents (73,400 people) live in the most deprived areas of England, and the city has 42 LSOAs (Local Super Output Area) in the most deprived 10% in England while 17% of the population suffers income deprivation. Education, skills and training is where Bristol experiences some of the highest levels of deprivation – in this respect five LSOAs in south Bristol are ranked in the 100 most deprived in England. The greatest levels of deprivation are found in the southern council estates and the east of the inner city. On the other hand South Gloucestershire is the 54th least deprived local authority in England (ranked 273rd out of 326). Compared to Bristol and other areas in England, levels of deprivation in South Gloucestershire are low, but there are sub-ward pockets of relative deprivation. There is only one LSOA in South Gloucestershire within the most deprived 20% of areas in England, 18 (11%) LSOAs are within the most deprived 20-40% and 71 (43%) LSOAs are within the least deprived 20% of areas in England.

What this also points to is the presence of significant variations across the metropolitan region in terms of both the forms of territorial capital present and the problems faced (deficits in territorial capital) by the local authorities that make up the region. Moreover, traditionally the level of cooperative working between these areas has not been good indicating a weakness in institutional capital and territorial governance of the metropolitan region, although we did find that there was some evidence of improvements in recent years not least due to the election of a City Mayor for Bristol and a Combined Authority for most of the metropolitan region with an elected Mayor.

3.2.2 The Suburban Case – North Staffordshire

The focus here is on the conglomeration of Newcastle-Under Lyme (NuL) and Stoke on Trent (SoT) which form a conurbation. However, it should be noted that the urban morphology of North Staffordshire is considered to constitute a unique problem. The City of Stoke on Trent is made up of six small industrial towns, a ‘fractured and illegible cluster of failing centres’, each with its distinctive character and there has often been a conflictual relationships between these towns and with suburban Newcastle under Lyme. The fractured, polycentric settlement pattern of the conurbation inhibited local connectivity stands in sharp contrast to a centrally located conurbation with good national connectivity (see below).

The area faces considerable challenges perhaps most clearly expressed by its economic and social performance and in its changing demography. The North Staffordshire sub-region underperforms, compared to the UK as a whole, on almost every economic and social indicator, although Newcastle under Lyme is relatively more prosperous than Stoke on Trent. The conurbation is characterised by a low skill, low wage, low value added economy. Levels of educational attainment, for example, are below national averages. The proportion of residents of working age (December 2016) educated to degree level or above are: Stoke on Trent 20.7%, Newcastle under Lyme 36.9%, and Great Britain 38.2%. The proportion of residents of working age with no formal qualification are Stoke on Trent 15.2%, Newcastle under Lyme 10.5% and Great Britain 8.0% (Source: NOMIS). This reflects a historic low demand from local employers for high skilled labour (and also a problem of retaining skilled workers within the conurbation). This is evidence of deficiencies in both economic capital and human capital.

North Staffordshire is characterised by significant concentrations of deprivation. According to the English Indices of Deprivation NuL is ranked the 148th most deprived local authority district according to its overall score with only eight LSOAs (Local Super Output Areas) (10% of the total in the Borough) are ranked in the most deprived quintile of LSOAs in England. SoT is conspicuously more disadvantaged. It is ranked the 14th most deprived local authority district and more than half the LSOAs within the city rank within the most deprived quintile in England. Moreover, the conurbation

witnessed absolute population decline centred primarily on the core urban areas of SoT whose population declined from 272,720 in 1961 to 244,788 in 2001 (www.ons.gov.uk). This decline has been reversed in the early 21st century, although population growth remains modest with a five-year population change 2011-2016 of +3.7% in NuL, +1.8% in SoT and +3.3% in England as a whole.

In terms of the territorial strengths of North Staffordshire (as a city-region) there was unanimity among interviewees that (external) accessibility and connectivity were the principal territorial assets of the area. The North Staffordshire conurbation is centrally located in England and well served by road, rail and air links; proximity to the main M1 North – South motorway, frequent train services to London, proximity to international airports at Birmingham and Manchester, etc. Likewise, most interviewees acknowledged the proximity to nationally important leisure and tourism assets; natural (the Peak District National Park) and man-made (Alton Towers theme park) – examples of environmental and antropic capital. Interviewees, primarily public authority and business respondents, also emphasized the low cost of industrial and commercial property, and housing, within the conurbation relative to the West Midlands region and England as a whole. This, it was argued, made the area a potentially competitive location for investment. However, significant barriers preventing this potential being realised were also identified. Third sector participants identified a strong ‘place loyalty’ as a defining characteristic and strength of North Staffordshire, although some, especially public authority bureaucrats (as opposed to politicians), considered this reinforced a tendency towards stoicism and parochialism that had historically inhibited economic and social progress in the conurbation. In social capital terms this would be characterised as strong ‘bonding capital’ but weak ‘bridging capital’.

In all other respects, the dominant narratives around territorial capital within North Staffordshire are those that one might expect to find in a post-industrial conurbation in central England, one that ‘lags behind on every economic indicator’. All respondents referred frequently to the low skill, low income, low value-added local economy, attributed to the legacy of the industrial period during which there existed abundant demand in secure jobs for low skilled young people in the ‘pots and pits’ (ceramic and mining) sectors. This was reflected in a shared narrative around the prevalence of multiple deprivation within North Staffordshire, although the nature and scope of the problem differed locally. Whereas measures of deprivation would see the central city of Stoke on Trent as relatively homogenously disadvantaged, the suburban district of Newcastle was commonly described as heterogeneous, displaying pockets of multiple disadvantage in the core “market town” area and suburban affluence beyond these, with pockets of rural poverty on the municipal periphery.

The morphological fragmentation referred to earlier was also reflected in the types of geography taken as important by respondent type. Thus, business respondents focused on the strengths and weaknesses of the functional region of which North Staffordshire is a part whilst public authority actors tended to focus on the bounded places that come within their jurisdiction. Neighbourhood and community groups tended to focus on the strengths and weaknesses of their particular area in comparison to the rest of the conurbation. This reflects the reality that local stakeholders work within different formal geographical boundaries and spatial ‘imaginaries’ potentially undermining joint working. The geographical ‘footprint’ of North Staffordshire, thus, differed according to the set of relationships under consideration and the stakeholder being questioned. Public authority respondents – especially bureaucrats rather than politicians – tended to emphasize the strategic challenges of North Staffordshire’s path dependent history as a historically important centre of industry undergoing fundamental transformation and acknowledged functional relationships to other functional and governance scales. Taken together this indicates a local economy characterised by high employment

levels in low value added sectors and occupations, deficiencies in territorial capital (particularly economic and human capital but also institutional capital) and serious social problems.

3.2.3 The Rural Case – West Dorset

Here we look at the case of West Dorset; although it should be noted that when we commenced our case study this was made up of two local authority areas: West Dorset District Council and Weymouth and Portland Council. With the reorganisation of local government in Dorset on April 1 2019 the area is now part of Dorset Council.

In terms of competitiveness, business start-ups, economic activity rates and earnings and the economy more generally the area has experienced significant problems. Generally speaking in what was the West Dorset District Council area the employment rate has averaged 75.0% and unemployment low with no significant concentrations of poverty. However, there are pockets of isolated rural poverty too small for official data to pick up and there is a growing problem of social isolation in rural areas. All of this has implications for growth and development. By contrast the story is rather different in the former Weymouth and Portland District Council area where since 2011, its unemployment rate has remained stubbornly high at around 10%. Furthermore, no other local authority in the South West of England lost a higher proportion of its employee jobs (-17.1%) between 2009 and 2013. Whilst many local areas have seen private sector growth compensate for public sector job losses, at least to some extent, this has not happened in Weymouth and Portland. Reductions in the number of private sector employees have exceeded the reductions in public sector jobs by some margin. This part of West Dorset contains significant deprivation, residents experience problems with regard to social mobility while poor transport links with the rest of the county restricts employment opportunities. Furthermore 25 of Weymouth and Portland's 38 LSOAs feature in the 50% most deprived in the country. This would indicate significant problems in relation to skills and training and serious economic problems (i.e. weaknesses in economic and human capital).

In demographic terms West Dorset has an aging population. It is also losing qualified young people (a 'brain drain'), because of the limited opportunities to access relevant employment and relatively high local house prices, and it is considered to be a 'retirement area'. Given this the local authority identified the potential for further pressures on services and budgets in social care and health as a result of the growing numbers of older people. This has implications for territorial capital and the types present in the area in terms of strengths and weaknesses. The area's aging population and loss of young people has implications for human capital and economic capital as well as implications for social care provision. Its transport infrastructure is 'underdeveloped' with few major roads, limited rail services and a public transport system that is at best described as restricted and in some rural areas often non-existent. This immediately raises issues of accessibility and connectivity that impact on access to services, employment and training opportunities which implies the existence of spatial inequalities in the area. The area has few major employers and largely consists of SMEs; productivity and GVA are low, the workforce is low-skilled and wages are generally low. Although many of the towns and villages have older affluent populations.

In terms of employment 40% of jobs are in the public sector; agriculture, forestry and fisheries constitute 16% of businesses in West Dorset compared to 5% for the county of Dorset and 3% for Great Britain. Wage levels are lower than the national average and there is a shortage of labour with relevant skills or training. Employed residents in the district are classified as: 40.8% high skill occupation, 43.1% intermediate skill occupation and 16.1% low skill occupation. There is also a significant affordability gap between wage levels and house prices, the cost of the average home being 14 times the average salary, as well as a wider housing problem (i.e. an absolute lack of housing

and affordability). Economically tourism is important in parts of the area reflecting the outstanding natural environment (e.g. the Jurassic Coast⁴, much of the area is an Area of Outstanding Natural Beauty [ANOB] and high quality beaches), but it is fragmented and underdeveloped in terms of the overall-tourist offer. Moreover, the tourist industry is seasonal, mainly low value-added and largely consists of low-paid workers.

The existing governance structures are fragmented and coordination and collaboration within local government and with other stakeholders is often limited and intermittent suggesting deficiencies in institutional capital. Although it is hoped the reorganisation of local government in Dorset will address these issues. There are a multitude of community organisations in the area but these tend to be based on towns, villages and hamlets with an overwhelming focus on the issues/problems of the locality. What this implies is that while there may be high levels of institutional capital in small places there is a rather ‘inward looking’ climate that stymies wider cooperation and joint working between smaller places. In terms of social capital it might be argued these places are strong in ‘bonding capital’ but weak in ‘bridging capital’. Given the above overall, in terms of territorial capital, the area faces many challenges and obstacles to growth, but there are opportunities based around the natural environment and potentially for some of the existing more enterprising SMEs to develop. Thus while the area has some strengths in terms of territorial capital it also has significant weaknesses that need to be addressed.

In our interviews it was virtually unanimous agreed that Western Dorset was an area that offered a beautiful environment to live in to which a lot of people move often to retire and/or downsize their business prior to retirement. There was an emphasis on ‘environmental capital’ and the fact that much of the area is classified as an Area of Outstanding Natural Beauty; thus the landscape itself was seen as an economic asset. Also there were arguments that the area had a distinctive food and drink offer that potentially could be utilised to market the area as a tourist destination (e.g. in terms of gastronomy). There also were considered to be considerable opportunities for investing in the ‘environmental economy’ related to the coastal location, in particular aquaculture⁵ has been identified as an area of the economy for investment and future development which can draw on the presence of Cefas (Centre for Environment Fisheries & Aquaculture Science), a world leader in marine science and technology.

On this theme of environmental capital, many interviewees also recognised the economic value of the ‘Jurassic Coast’ and its significance for tourism, as well as the role of the protected landscape as ‘driver for the tourism industry’. Moreover, some of our interviewees referred to forms of antropic capital, in particular Thomas Hardy’s Wessex⁶ which is seen as a potential driver for the tourist industry. In addition combined with the food and drink offer noted earlier these forms of territorial capital provide the potential for developing a ‘high value added’ tourist offer. Thus two forms of territorial capital (environmental and antropic) were also seen as constituting economic capital.

Generally speaking it was recognised that the area faces considerable challenges (weaknesses in territorial capital). In particular a productivity gap and low levels of GVA compared with the rest of the UK and a poor transport infrastructure that placed intense constraints on economic development. High house prices affected all age groups but were seen as particularly acute for economically active

⁴ A World Heritage site indicating a high level of environmental capital.

⁵ There are already significant developments in the ‘farming’ of seafood such as oysters and seaweed.

⁶ Hardy was born in West Dorset and spent much of his life in Dorchester; several of his novels were set in area, for instance the *Mayor of Casterbridge* is set in Dorchester.

graduates and young families. In addition this is also related to a lack of affordable social and private housing. Taken together these issues have created a mix of problems related to local service provision, poor graduate retention in the region, difficulties for employers to attract workers to Dorset with many businesses experiencing entry-level recruitment issues being unable to replace skilled workers who leave the workforce (e.g. through retirement).

3.3 Mobilisation of territorial capital across cases

In terms of the mobilisation process it is important to bear in mind that the sub-national governance landscape in England is complex and fluctuating. This has been further complicated, post 1979, by the ongoing significantly restructured and reduced role of local government, entailing changes in the way services are delivered (e.g. through contracting out, developing delivery partnerships with a range of private, community and voluntary sector organisations). Moreover, since 2010, under an ‘austerity regime’ that has seen a significant reduction in local authority budgets, local authorities have had to increasingly focus their activities on key statutory services leaving community/voluntary sector organisations to attempt to ‘pick up the slack’ (see Laffin, 2016 and McGimpsey, 2017 for overviews). All of which has important implications for the mobilisation of territorial capital and the creation and deployment of appropriate policy bundles to address local development (i.e. in terms of growth), cohesion in its various forms and inequalities within a ‘territorial perspective’.

3.3.1 The Impact of Urban, Industrial and Administrative Structure on Territorial Capital

In D4.4. we noted that the degree of urbanization in both the Greater Bristol and North Staffordshire areas could be described as high and that the particular historic form of urbanization and industrial development has had implications for the contemporary economic/industrial situation and inequality in terms of internal spatial divisions within the areas (e.g. between ‘rich’ and ‘poor’ areas). Moreover, the legacy of previous phases of economic development, particularly in North Staffordshire/Stoke-on-Trent, strongly influenced the response to change. Within North Staffordshire Stoke-on-Trent has had particular difficulty in responding to severe and long-term industrial decline while Greater Bristol has been able to respond to changes in its economy and develop a more modern economy with higher levels of productivity and GVA and can generally be considered to be an economic success story, albeit with significant and enduring social and spatial inequalities. In both cases this reflects the territorial endowments they have and, to a degree, the collective capacity to mobilise them to respond to change. The situation in both these areas has been complicated by being entangled with issues of administrative structures and local identities which have often obstructed mobilisation of territorial capital even in Greater Bristol. However, recent changes in local government in Greater Bristol and within the city of Bristol do seem to have potentially laid the basis for addressing these issues and enhancing territorial governance and increased the potential for the mobilisation of territorial capital and the development and deployment of appropriate policy bundles. Nevertheless, despite some positive signs the extent to which these developments can overcome past problems is unclear, a great deal will depend on the respective roles played by, and cooperation between, the West of England LEP, the Combined Authority and its Metro Mayor and Bristol City Council and its City Mayor which will necessitate further improvements in institutional capital. During our interviews it was suggested that the LEP was judged to be of dubious benefit to the business sector and questions were raised about the level and extent of community engagement particularly given the emphasis on inclusive growth.

In North Staffordshire/Stoke-on-Trent the capacity to address these issues has been complicated by an inability to develop forms of territorial governance to address the issue of the mobilisation of territorial capital and deploy relevant policy bundles to tackle problems associated with inherited its urban and industrial structure. In the relevant documents a number of partnerships are repeatedly identified as key players: the Constellation Partnership, the Midlands Engine and Midlands Connect; the Stoke and Staffordshire Local Enterprise Partnership (LEP). Presumably individually and collectively they will be key to the mobilisation and deployment of territorial capital and the development of appropriate policy bundles to develop strengths/opportunities and weaknesses/challenges. The problem is that broadly speaking, interviewees agreed that leadership and collaboration in North Staffordshire were often dependent on the imposition of formal requirements of partnership working by external actors' such as, central government. Where this framework is absent, a parochial localism tends to prevail. Moreover, the local political class was considered, especially by business and community interviewees, to be lacking in the requisite ambition to change. A recurrent theme was the lack of long term strategic leadership and the frequent experimentation with new governance structures (e.g. directly elected mayors, council managers) that were subsequently abandoned. Furthermore, with regard to the Stoke and Staffordshire Local Enterprise Partnership interviewees observed that the level of business engagement in the LEP was very low compared to similar institutions in other parts on England. Major local employers (e.g. Bet365, JCB) had been active in the governance of the LEP when it was first established. However, business participation, in the governance of North Staffordshire in general, was described as highly instrumental. Overall this is evidence of deep rooted and long-standing deficiencies in institutional capital which show no signs of being resolved.

Taken together the above accounts for why it was difficult to identify concrete examples of the development of an approach that systematically addresses how to deploy policy bundles that build on existing strengths and tackles weaknesses in the relevant forms of territorial capital.

By contrast in the rural case study area of West Dorset the degree of urbanization is low and it has a very different economic history being essentially that of a rural economy. The Dorset Local Enterprise Partnership (DLEP) aims to capitalize on the area's assets, support and inspire innovation and enterprise to generate long-term economic growth and people's quality of life and prosperity. The primary mechanism through which this is to be achieved is entrepreneurship and improved competitiveness. DLEP claims to have a good record of partnership working with the business sector across Dorset, although in an interview with a senior officer it was admitted that the LEP functioned mainly at the strategic level and did not have a great deal of knowledge about what was actually happening on the ground. However, other interviewees were less convinced by the DLEPs ability to work strategically, let alone operationally. As one local economic development officer pointed out: "I don't think we have a very close working relationship with our LEP." (UKDORSET006, lines 1276-1277) and private sector interviewees were equally dubious about the ability of the LEP to work effectively in partnership with relevant partners. Moreover, with regard to West Dorset there was a perception that the LEP did not understand the problems facing a rural economy. Indeed the relevant LEP documents on the Local Industrial Strategy give the impression of a generic approach to economic development across Dorset rather than a more nuanced place-based approach that tackles the specific problems of a rural economy and develops relevant policy bundles to build on existing strengths in territorial capital and tackle weaknesses.

Overall, partnership and joint-working, whether vertical or horizontal, is relatively weak and there was little evidence of it being deployed to develop place-based strategies at local level. Where such strategies existed they tended to emerge at local level in specific places led by enterprising individuals

or groups of individuals (e.g. in Bridport) and to emerge from the local milieu. But the picture across West Dorset was very ‘patchy’. There was little evidence of mobilisation of territorial capital or activities to support the integration of different policy sectors in the process and develop appropriate ‘policy bundles’ to address the area’s problems. Once again this indicates significant deficiencies in terms of institutional capital.

Overall with regard to territorial capital and its deployment and the development of related policy bundles in both North Staffordshire and West Dorset the capacity to develop appropriate forms of territorial governance can be described as low with resulting problems for the mobilisation of territorial capital. In part this reflects fragmented administrative structures, competition between parts of the areas and a lack of political leadership. In both these areas territorial governance is weak and seems to lack the necessary basis to develop in the future. Although in West Dorset the creation of the Dorset Council *may* improve the situation in the future. In the Greater Bristol case historically territorial governance has tended to be problematic, but more recently there is some evidence of improvements due to changes in administrative structures and a greater sense of political leadership and engagement with stakeholders across the area. With the presence of a West of England Combined Authority and a City Mayor for Bristol, providing the two can work together effectively with the LEP, the prospects for an improvement in territorial governance are better than in the other two areas.

Nevertheless we did find some, albeit limited, examples of governance collaboration and coordination in order to mobilise territorial capital, but these tended to be the exception rather than the rule. We will explore some of these below. However, the essential problem derives from the fact that service sectors (child care, labour market, regeneration, VET, growth) have tended to remain isolated and key decisions are made at national level. Together this makes it difficult to integrate them into strategic approaches associated with the construction of coherent policy bundles to address problems. In part this is a result of the fragmented manner in which these services are provided with local government control over them being relatively limited or non-existent (e.g. in the case of child care) and in part due to a lack of the collective capacity to mobilise and combine inputs from different service providers related to the relevant policy fields.

We now turn to the role of the different sectors in the mobilisation process. For ease of exposition and coherence we organise the following under a number of headings: The Role of the Public Sector in the Mobilisation Process, Mobilising Business Interests and Mobilising Community Actors. This is based on the interviews carried out for D4.4 and the documentary research for D4.5.

3.3.2 The Role of the Public Sector in the Mobilisation Process

In the past Greater Bristol has experienced a range of problems related to territorial governance and the inability/unwillingness of the relevant local authorities to work together. As noted earlier in recent years this appears to have been addressed to some extent. Nevertheless the geography of the new West of England Combined Authority remains somewhat problematic given that North Somerset Council opted out of the authority, and as pointed out by a community interviewee, this body has a limited role in terms of community development. However, Bristol’s City Mayor works well with Bath and North East Somerset and South Gloucestershire councils. Overall it is argued that the four local authorities now work well together especially on strategic issue such as housing, transport and skills and this represents a distinct improvement over the situation that existed in the past. This, in combination with the LEP, suggests an improved governance capacity to mobilise territorial capital collectively. However, currently concrete evidence on this remains elusive, but this situation may be remedied as the strategies developed by the LEP and Bristol City council are implemented.

In North Staffordshire the policy documentation surveyed has little specific to say about the topic of implementation (i.e. mobilisation). Much, therefore, remains aspirational. The various strategy documents contain pledges to engage in partnership working. For instance The Newcastle Growth Deal identifies partnership working as one its key principles: “To reflect our joint commitment to working together in a two-tier local government context, with other partners where appropriate, with agreed priorities for investment” (p.4). It also notes the Council’s commitment to engage in multi-level governance working with the Constellation Partnership, the Midlands Engine and Midlands Connect; the Stoke and Staffordshire Local Enterprise Partnership (LEP). However, we were unable to find evidence in either the documents or interviews of how the various partnerships would actually function to mobilise territorial capital, address deficiencies/weaknesses and create relevant policy bundles.

In Dorset there is an underlying, albeit unsubstantiated, assumption that the reorganisation of local government in Dorset will enhance institutional capital and thereby improve collective efficacy and collaboration. Horizon 2038 (DLEP, 2018) expresses this in the following terms:

Dorset’s local authorities have achieved England’s first unitarisation since 2009. This presents an unparalleled opportunity for Dorset LEP and the two new unitary councils to pursue a more strategic approach to growth. We must now make the case to Government for a Dorset ‘deal’ to transform our economy. (Ibid, p.6)

While there are multiple partnerships across Dorset there was no significant evidence to suggest that they are working together in a strategic fashion and have the capacity to mobilise territorial capital in ways that would support the creation and deployment of appropriate policy bundles to build on strengths and address weaknesses. More specifically in relation to West Dorset it was felt that DLEP did not understand the problems facing a rural economy and its needs. One local government economic development officer said DLEP’s approach to rural issues:

I don’t think they spend time out...[in]...the rural area really understanding the rural issues and I think the rural issues can really only be tackled on a micro scale. And I don’t think the LEP...[understands]...you know, it’s gonna be small scale employment here and there. If you’re going to, sort of, set up training and upscaling and innovation centres, you know, they don’t really suit the rural area. (UKDORSET007, lines 790-796)

This indicates a lack of understanding of the issues and the need to develop more local place-based approaches to mobilise territorial capital and address weaknesses.

3.3.3 Mobilising Business Interests

The private sector is seen as a key part of the governance of the city of Bristol and there has been an extremely close alignment between public and private sectors in the city since the 1990s as pointed out by interviewees from both the business and community sectors. In Bristol the business sector is represented through two bodies: the Chamber of Commerce that is a member-based organisation representing small to medium-sized business and the Bristol Chamber of Commerce and Initiative (BCCI) that represents the views of large employers (both public and private sector). These bodies have been active over the past 20 years on various projects – for example underpinning the partnership that produced the Harbourside regeneration project (see Atkinson, Tallon & Williams, 2019). The BCCI was also instrumental in establishing the Bristol Cultural Development Partnership (BCDP) that has underpinned much cultural work in the city over the past 20 years (including the ‘cultural assets’ of the Harbourside Regeneration project). The BCDP has also helped set up film festivals and

was central to articulating the bid Bristol made to be City of Culture in 2008. This suggests that the business sector has been engaged in a wide range of issues and our interviews with business people suggested an awareness of the sector's social responsibility, a recognition of the importance of social cohesion and the need to address issues such as long-term deficiencies in Bristol's education system in order to address social inequalities and improve the life chances of disadvantaged groups.

There is no coherent and cohesive business community in Newcastle under Lyme over and above a limited coming together of retail businesses supporting a Business Improvement District around Newcastle town centre, although somewhat ironically, it was not possible to identify a spokesperson for this initiative. The broad consensus among public authority respondents was that North Staffordshire could be characterised as a locality in which the collective efficacy of the business sector had, historically, remained underdeveloped due to the dominance of paternalistic employers and the public sector. For the most part our respondents noted that private sector companies in the city-region had been notable by their absence from the Local Economic Partnership (LEP). Overall the view from respondents was that business stakeholders largely focussed on their own situation rather than becoming involved in area wide initiatives to address common issues.

The basic problem in West Dorset is that the business sector is largely made up of small and medium-sized businesses focussed on their own development and they tend not to be well organised in order to represent their interests. Portland Port has been cited as an exception and the presence of a Business Improvement District (BID) in Weymouth has helped the businesses in the BID area to articulate their needs to the local council. However, this tends to be about day to day issues or developments that they feel with threaten their market position – i.e. it is reactive rather than proactive – and rarely operates at the strategic level.

Where business did try to engage with the governance of local growth and development policies this was met with limited success. An interviewee from a large employer had tried to work with local government and organise meetings that brought together different departments to address the needs of the employer and how they could work together. However, they pointed out: "But politics...meant that you couldn't get them together in the same room at the same time...". (Portland Port employee - UKDORSET009). Another example was provided by an interviewee from the food and drink sector. When asked about working with the Dorset LEP (DLEP) they replied "It's hard work" Food and Drink Coordinator - UKDORSET004), they went on to say "I sit on the ((Rural Development Board)), which is the rural arm of the DLEP and it is like pulling teeth if I was to be completely honest.". Another private sector actor who has long experience of DLEP and working across the sub-region considered the DLEP to provide little of added value to business development and indeed to be an obstacle to economic development. Given these examples, it is no surprise that most businesses are relatively passive in terms of their involvement in growth and development policies and only interact with local government when they need specific sites for housing or places of work.

However, we did find some positive examples of action to address perceived deficiencies in territorial capital. With reference to VET our interviews in West Dorset revealed one instance where there was evidence of using partnership working to address a widely perceived deficit in training and thus address a deficiency in human capital. The positive example was cited by a former member Dorset Employment and Skills Board who noted it organised regular meetings to bring together skills providers (university, college, school, private training providers,) and businesses, the aim being to bring together the 'demand and supply sides' to listen to one another. They developed a scheme where:

...we actually got businesses to go to the college on...an employer advisory board that actually looked over the whole curriculum...to make sure when kids come out of college with...qualifications they're...more attuned to what the local employers want... (Dorset Employment and Skills Board member - UKDORSET011)

The degree to which this was successful is difficult to determine as there was no monitoring of outcomes. Another key issue this person identified was that business and many of the training providers did not understand one another, they did not talk the 'same language'.

Overall in West Dorset there was no evidence of the business community becoming involved, either on a collective or individual basis becoming involved in local economic development and the mobilisation of territorial capital. The only exception was Portland port which was involved in the development of the Portland Neighbourhood through its Economic Plan.

3.3.4 Mobilising Community Actors

Within Bristol there is a rather complex and what has at times appeared to be a somewhat chaotic policy environment facing the community and voluntary sector. Undoubtedly there is considerable community action in the city, but this is spatially uneven with central Bristol and the inner neighbourhoods being a fertile hotbed in terms of long-term community groups, but there is a much more patchy coverage in the peripheral estates. Moreover, there is a high level of unevenness in terms of access to resources, level of community development and social economy sectors which impacts negatively on life chances at neighbourhood level. Educational inequality is among the most unequal in the country while middle class areas either have greater access to policy through lobbying as well as having the capacity to influence and attract resources or having the option of opting out of the public sector provision entirely (through for example buying private education or funding private tuition).

During the period 1997-2010, there was a flowering of area-based (neighbourhood) initiative funded by central government during which these "peripheral" communities won funding and became formally organised. In the late 1990s these neighbourhood groups were facilitated to hold a city-wide meeting to determine the city-wide (Bristol local authority area) priorities for applying for funding schemes through which Bristol residents chose Barton Hill as the applicant neighbourhood for the New Deal for Communities programme. Thus, neighbourhood community groups in Bristol were able to demonstrate the capacity to think at the level of the city. What this suggests is that levels of social and institutional capital were being developed that allowed community groups to operate at a more strategic level beyond the neighbourhood. However, with the closure of these initiatives since 2010 there has been some waning in community engagement in some of these peripheral communities perhaps illustrating a limited capacity of communities to be constantly mobilised.

A relevant feature of the Newcastle under Lyme district in comparison with the city-centre area of Stoke on Trent is the presence of parishes, although these bodies receive no funding from central government Parish councils, they are funded by levying a 'precept' collected from within the council tax paid by the residents of the parish. The district is partially "parished" meaning that the rural part to the west of the district has a series of parish councils whilst the 'town' of Newcastle under Lyme that is effectively the suburban extension of the built up area of Stoke is unparished. Parish councils are nominally apolitical and deal with a range of local environmental services (e.g. play areas) and grant support to the local community and voluntary sector. It is notable that communities in the rural and fringe areas with parishes have tended to mobilise around the parish council when engaging with the neighbourhood plan-making process. Rural Newcastle communities in the face of speculative

and actual developer interest in building housing on green field sites have been engaging in processes of ‘neighbourhood’ planning as it provides a degree of influence over what happens in the area. Having a neighbourhood plan gives a parish area a voice within the development management process in the District and, to a certain extent, an ability to resist ‘unwanted’ developments. It is possible to infer from this that some local communities are able to develop forms of social and institutional capital that allows them to mobilise against what they perceive as unwanted and unnecessary developments that threatens their quality of life. The problem is that they tend not to operate at a strategic level, the focus tends to be place based, reactive and defensive.

With the reduction in local authority funding resulting from the post-2010 austerity regime the relevant local authorities have reduced or abolished their funding to support community groups. Thus post-2010 some community and voluntary groups have sought alternative sources of funding. For example, the Loggerheads neighbourhood planning group was able to fund external consultants via the Locality organisation. Locality is a membership organisation of community and voluntary sector organisations across England that started off as the training provider for community organising (under a central government funding programme) but has evolved to become a membership-based provider of support for the community and voluntary sector. It is illustrative of the new ways in which community groups get support and funding. National Lottery funding⁷ has also provided support for the community and voluntary sector in the city-region. Voices of Stoke is a voluntary association formed to tackle problems of serious multiple deprivation across North Staffordshire. Severe Multiple Deprivation (SMD) relates to a client group who experience combinations of homelessness, mental health issues, addiction and other conditions. It is a client group that needs complex joined-up responses from service providers and often lack the means of engaging with a professionalised community of providers. Thus, Voices of Stoke was able to use this funding to advocate on behalf of and give voice to this client community. It is also notable that this organisation defines itself in terms of its client community – that is, the organisation recognises that its client group is mobile and thus represents its community wherever that community is located – it is not bound by local authority boundaries. Through these initiatives these groups have enhanced their capacity to operate both within particular localities and more ‘territorially’ suggesting their social and institutional capital has been enhanced. There is not a formal umbrella organisation for the community and voluntary sector in either Newcastle under Lyme or across the city-region as a whole. A handful of nationally linked charities (such as Citizen’s Advice) have formed a Chief Officers Group that meets up regularly to discuss strategic issues for the sector in North Staffordshire but this is an ad hoc arrangement. What all this tends to suggest is that while in some places local communities have been able to develop their social and institutional capital the process is fragmented and there is no evidence of a capacity to work collectively and engage with wider development processes across the region and thus to engage in utilising the forms of territorial capital they have developed to address the area’s problems.

Across West Dorset there are large numbers of community and voluntary organisations which tend to be based around their town/village and focus on issues specific to their situation, whether these be environmental, housing, social care, etc. There was no one single issue or set of issues that are common across the area. One interviewee pointed out: “don’t assume that each town is very similar. They’re not. They’re very, very different, and they’re quite unique in their own ways.”. (Community Organiser - UKDORSET001). This means that the community sector finds it difficult to agree on common issues/problems, develop collective responses to them that transcend particular localities

⁷ The National Lottery Community Fund, legally named the Big Lottery Fund, is a non-departmental public body responsible for distributing funds raised by the National Lottery for "good causes". The fund makes grants to projects working in health, education and the environment and the charitable sector.

and collectively represent their interests to local government, thus undermining collective efficacy and to engage in the mobilisation of relevant forms or territorial capital to address local issues.

As noted earlier the aging demographic structure of the area along with poor levels of connectivity poses particular problems now and in the future. These have been accentuated by the impacts of long-term austerity policies that have seen a dramatic reduction in the budgets of local service providers and a focus by local authorities on statutory service provision. The community/voluntary sector has been expected to ‘fill-in the gaps’ but this is becoming increasingly untenable as existing organisations are already over stretched and there is a lack of new entrants and few resources to train those who enter the sector. This may be seen to place a particular strain on the available forms of human, social and institutional capital in the community/voluntary sector. In the short-term this may have a limited impact upon the more affluent older members of the community but as they age and make more demands on the social care budget this has the potential to become a serious problem as the community/voluntary sector is unable to step in.

Where examples of more overarching partnerships existed these tended to be organised around a specific type of geographical area. A good example of this is the long established Dorset Coast Forum. Although not open to the general public, this multi-sectoral partnership engages with relevant communities involved in coastal and marine management, fishermen, conservationists, businesses, ports. Its main role is to bring together the expertise (knowledge) of these different groups related to the Dorset coast (land and sea) to identify and address issues that cut across specific sectors. This Forum is considered to be an effective body able to influence policy agenda about how these issues are addressed and thus can be seen as an example of ‘high’ collective efficacy’. In a sense this may be seen as the mobilisation of intellectual and professional capital. However, it appears to be the exception rather than the rule, as such examples are not common in the study area.

There was more evidence of concerted community action in Portland to address issues through the mobilisation of territorial capital. It is worth bearing in mind that compared to the rest of West Dorset Portland is a more working class community with areas of deprivation, low levels of income and limited life-chances in terms of social mobility. Nevertheless, the community has developed a detailed Neighbourhood Plan that not only includes a community plan but an economic plan. The process has largely been driven by a small number of people, and one long standing community organiser in particular was central to the process. It is important to note that Portland has a strong sense of its own identity in part determined by its spatial isolation from the rest of (West) Dorset given that it is virtually an island with a single road connecting the town to the mainland. The Neighbourhood Plan was used as part of an attempt at community-based place-making and was led by a ‘key individual’ who can be described as a social or community entrepreneur able to bring together a number of disparate community organisations and work with local government. As part of this process an Economic Plan was developed because the business sector was considered to lack organisational capacity and unable to provide leadership. The aim was to include employers, including the Port authority, in this economic vision and give them a sense of ‘ownership’. Overall the intention was to help frame and influence the development of the local authority’s Local Plan and thus stimulate and influence the development of a place-based strategy for Portland. The Economic Plan sought to, on the one hand, identify the area’s problems/issues and its strengths and weaknesses in terms of ‘territorial capital’, and, on the other, to mobilise, and enhance, the assets it already had.

The degree of organisation and capacity of the community/voluntary sector across our case studies varied considerably as did their spatial focus. But in none of these was the sector able to consistently

and effectively mobilise territorial capital in ways that contributed to the overall development of the area.

3.4 Conclusion

In all three of our case studies attempts have been made to create appropriate local development strategies, involving greater or lesser degrees of consultation with other stakeholders, that represent attempts to address what the lead organisations, and others involved, understand to be the problems of their localities by building on ‘strengths’, seizing ‘opportunities’ and seeking to address weaknesses/challenges. Although as noted the language of territorial capital/assets is not used but the relevant terminology employed is indicative of such a notion. In a sense what each of these organisations has done is to construct a problem (or a set of interrelated problems), develop a ‘diagnosis’ and then develop a strategy to address the problem(s). Each strategy has been expounded in a set of documents that are continuing to be developed, in other words it is an iterative process; however, as things stand, the documents in which this strategy is explicated are largely aspirational. All three strategies emphasise productivity drive growth, although they differ in the way in which they understand this and to what extent they seek to address ‘social issues’.

In the cases of North Staffordshire and Dorset these are explicit responses to a national strategy – the UK Industrial Strategy (HMG. 2017). The relevant Local Economic Partnerships (LEPs) that produced the documents are seeking to develop their own Local Industrial Strategy in line with the UK Industrial Strategy. The North Staffordshire approach attempts to link economic development/growth to social inclusion and the place-based approach which may be interpreted as implying an embryonic concern with territorial cohesion. However, these linkages are rarely, if ever, developed more fully in the documents – they remain statements of intent. In the Dorset case there was a lack of appreciation of the diversity of Dorset. The issue of ‘territorial cohesion’ thus became distorted into one of ‘territorial homogeneity’ which is reinforced by the lack of a clear place-based approach to address the diversity of Dorset and, in particular, the rural dimension which is relevant to our West Dorset case study area. Nor were notions of inclusive growth and thus of social inclusion/cohesion present. The Greater Bristol case is rather different and more complex; in early 2019 the City of Bristol published its own One City Plan and supporting Inclusive Growth Strategy while in July 2019 the West of England LEP and West of England Combined Authority published their West of England Local Industrial Strategy (WELIS) in which the City of Bristol presumably was involved. As in Dorset and North Staffordshire the West of England LEP and West of England Combined Authority were responding to the UK National Industrial Strategy while the City of Bristol’s strategy made little reference to this document and sought to explicitly situate its approach in an international context. However, both sets of documents do consider inclusive growth and a place-based approach to be key elements in their strategies and the WELIS does appear to have taken more care to adapt its approach to the local context than the other two LEPs.

In terms of economic capital in Greater Bristol there were clear strengths represented by the presence of a well-educated and highly qualified workforce reflecting the presence of two universities in the city and the capacity to retain graduates (although there were considerable problems with the quality of education in Bristol’s schools) and to attract such people to the city region. These factors supported economic development in a variety of sectors including a new high-tech and knowledge-based economy. There is clear evidence of this in that the overall make-up of the economy (for the city-region) contains a mix of public services, knowledge intensive business services, and retail and personal firms. Moreover, Bristol is also argued to be the top ‘smart city’ in the UK. Generally Bristol is considered to be a ‘quirky place’ rich in community and social activities and associated groups

providing an attractive environment in which to live. This is supported by the development of institutional capital in terms of strong networking, partnership, and collaboration across sectors and between groups in the city with a much more strategic approach developing over the last five or six years along with improved political leadership. Although the city-region is well endowed with a variety of forms of territorial capital there are long-term and entrenched problems of socio-economic and spatial inequalities in the city of Bristol that appear resistant to resolution.

In North Staffordshire there are considered to a range of territorial strengths and weaknesses. Accessibility and connectivity were considered to be the principal territorial assets of the area along with proximity to nationally important leisure and tourism assets. Also the low cost of industrial and commercial property, and housing make the area a potentially competitive location for investment and was considered by some to be a potential strength. However, others identified significant barriers preventing this potential being realised. A strong sense of ‘place loyalty’ exists within the area which while it may be defined as a strength was also considered by some to be a weakness in that it reinforced a tendency towards stoicism and parochialism that had historically inhibited economic and social progress in the conurbation.

In terms of territorial capital in West Dorset our case study suggests there is considerable variation between parts of our study area. There was a general recognition that the area was rich in environmental capital related to its rural and cultural heritage. In addition there were some strengths in terms of economic capital in the local offer in terms of Food and Drink sector, although there were issues with the development and marketing of this sector. Nor was there a coherent strategy to bring these together in terms of a coherent tourist offer aimed at a high value tourist offer. In Weymouth and Portland the situation was rather different with Weymouth providing a traditional low value tourist offer based around ‘sun and sand’. While Portland lacked economic capital due to economic decline, associated loss of skilled and high quality employment and a remaining low-skilled, low waged and seasonal workforce. The business sector across the area was also concerned with problems related to labour supply and associated skills, connectivity and future development prospects. These concerns reflected the widely acknowledged issues associated with low productivity and skills, loss of young people and an aging demographic structure along with Dorset’s poor internal connectivity and to the rest of the UK and beyond. What was clear was that whilst there is a recognition of the presence of different forms of territorial capital in the area that represent potential, there is little in the way of ‘joining-up’ in terms of understanding the interrelationships between different forms of territorial capital and the need to mobilise that capital through the development of appropriate ‘policy bundles’. It may also be understood as a lack of leadership to ‘bring the fragments together’. Moreover, there was no coherent strategy to address deficiencies in territorial capital related to weaknesses in institutional capital and leadership.

Overall, it is not possible to draw any positive conclusions regarding synergies between the various policy fields (VET, labour markets, child care) and their integration into the overall strategies articulated in the relevant documents. This is partly because the overarching strategies into which they need to be integrated are still ‘in the making’ – they are aspirational documents – and thus, at this point in time, one cannot see any concrete evidence that would support the existence of synergies. But it also reflects the fragmented nature of the ways in which the key policies are delivered through privatised, quasi-market contracted forms of delivery over which lead organisations have only limited or indirect influence. To overcome this requires the construction of a complex set of partnerships and there are question marks over the capacity of lead organisations to do this especially in North Staffordshire and Dorset. Even in terms of local growth/development where lead organisations have more control there is a lack of resources and capacity to engage in an extensive strategy of

development due to the effects of austerity that have severely depleted the resources of local government. Even where resources are available these are competitively allocated making long-term planning difficult.

4 Collective efficacy

In this chapter, we will focus on the role of the “soft” social relatedness to place trying to unravel if local social relations/social relatedness, or what might be described as forms of social capital (bonding and bridging – see Gordon & Percy-Smith, 2003) to place plays a role in the utilization of territorial capital. This interrelation can take many forms and have many variations but the important focus is to investigate how local social relations works with or against the mobilization of territorial capital. In order to capture these interrelations we use Robert Sampson’s concept “Collective Efficacy” which is defined as the “... *link between mutual trust, shared expectations among residents and willingness to intervene and interact and dependent on patterns of social interaction, social organization and social control.* (Sampson et al. 1997).

Face-to-face interactions among residents of a location may stimulate social ties among residents that support collective action in the pursuit of public or collective goals. These shared expectations and mutual trust among residents promote a sense of cohesion or belonging, which Sampson (2011) calls collective efficacy. This aspect of face-to-face interaction is better understood in small units where people recognize each other than in large, anonymous units suggesting the significance of propinquity. According to Sampson, the root of the collective efficacy of a location is the intersection of practices, social meanings and their spatial context (Sampson 2011:230). Sampson is critical of the way Coleman defines social capital as primarily a resource that is realized through social relationships (Coleman 1988) and argues that: “Social networks foster the conditions under which collective efficacy may flourish, but they are not sufficient for the exercise of social cohesion and social control.” (Sampson 2011). Moreover, “networks have to be activated in order to be meaningful” (Sampson et al. 1997) which entails agency. However, it is sensible to bear in mind that while networks can be inclusive they can also be exclusive both in relation to particular places but also with regard to ‘other places’ and relationships with ‘other places’.

From this perspective, one way of defining location is by reference to the social features, the variably interacting population and the institutions of a common place. This definition sets the stage for a varied and differentiated conception of place that is *not* just a matter of individual experiences or collective aggregates of social characteristics such as income or education. Rather, place is largely a matter of how these social features interact with the environmental, social and institutional capital in the place. The capacity of collective efficacy to not only serve as a shield against structural changes to local places but also to impact on the territorial development depends on how local social ties coalesce and make connections to non-profit organisations and the horizontal and vertical ties with institutions, organisations and local decision makers (Sampson 2012). This means that network-density, attachment to place, civic participation, disorder, organizational density, identity, and capacity for collective action are variable and analytically separable from structural variables, although not independent of them (arguably they may be overdetermined by them), and possible consequences. Moreover, it means that when we deploy the concept of collective efficacy we argue that collective action in pursuit of public goods and territorial development cannot be read off as simple measures of the organizational density and the levels of participation in relation to these organizations. Consequently, when analyzing the

role of social ties for territorial development we have to take into account the effects of daily routine activities and the spatial organisation of services and facilities such as schools, shopping, bars, public transportation, tourist facilities, residential areas etc., which permits a variety of social interactions and social behavior (Sampson 2011:234)

Collective Efficacy is thus a **composite measure** of:

- activity patterns/routines
- organizational infrastructure
- social networks
- segregation/resource stratification

4.1 Level of collective efficacy in each case

It is possible to identify a number of recurring themes in respect of collective efficacy as it applies to our case study localities along with other groups (e.g. the local business community) which, while they may overlap with one another are organised in relation to different motivations (see the discussion of stakeholders in relation to area-based initiatives in Atkinson and Zimmermann, 2018, pp274-275). Each of our case study localities is home to a large number of community and voluntary sector groups along with other communities such as the business community. However, they are not necessarily distributed evenly across each locality. Moreover, our results suggest that these groups tend not to act strategically. They are primarily area/place or issue focused which suggests elements of ‘spatial segregation’ and may reflect differences in access to resources. In short, we found little evidence of collective efficacy in any of the case study localities, in the sense outlined above, i.e. in the sense of collective mobilisation of voluntary and community sector resources to achieve specific goals through the mobilisation of territorial capital.

In Bristol for example, there is a thriving not-for profit social economy sector of NGOs in Bristol with at least 600 social enterprises employing 11,000 people and 2800 voluntary organisations with a £378m turnover. There is also a local currency that enables registered account holders to exchange Bristol Pounds (mostly in digital form) for goods and services offered by participating local suppliers. Bristol has long been a fertile environment for social business including social enterprises, co-operatives, and social ventures with cross sector civic stakeholders playing a growing role in market development, support, resourcing and partnership for growth and social impact. The sector has been described variously as entrepreneurial, liberal and radical, and has often defined itself in opposition to the local authority and particular developments instigated by the public sector (e.g. when the M32 urban motorway was initially proposed during the 1960s as it cut through established communities, separating them) and private developments (e.g. there was strong opposition to the opening of a Tesco store in the Bohemian Stokes Croft neighbourhood in inner city Bristol in 2011). The movement is very diverse in terms of the number of issues and campaigns, it is variously anti-capitalist/anti-globalization, peace, squatting, eco-protest, third world solidarity and justice campaigns. It is often informal (i.e. does not take the form of organised social networks), with groups, typically, forming *ad hoc* links with each other rather than to more formal organisations with similar interests. Thus, collective responses tend to be transitory and where forms of ‘local social capital’ are mobilised they do not generally coalesce into more permanent organisational forms.

Generally speaking, Bristol community groups are not powerful players in the governance of the city region. They are primarily public facing, with a mission to meet immediate needs. In a somewhat

complex, emergent and chaotic policy environment, there is lots of community action in the city, but spatially this is uneven with central Bristol and the inner neighbourhoods being a fertile hotbed in terms of long-term community groups, but there is much more patchy coverage in the peripheral estates. Many of the former are legacy groups from previous regeneration schemes in Bristol. There were key active neighbourhood regeneration and thematic partnerships in deprived areas of Bristol City such as St. Paul's Unlimited Community Partnership, Hartcliffe and Withywood Community Partnership and Knowle West Regeneration. These past examples were often associated with particular funding streams such as the Bristol Objective 2 Programme and Barton Hill New Deal for Communities partnership. However, when the funding streams supporting these initiatives were terminated many of the associated community and voluntary sector groups disappeared.

Moreover, across Bristol there is a high level of unevenness in terms of access to resources, levels of community development and social economy sectors which impacts negatively on life chances at neighbourhood level. For instance, several interviewees noted educational inequality in Bristol is among the most unequal in the country, and middle class areas either have greater access to policy through lobbying as well as having the capacity to influence and attract resources or having the option of opting out of the public sector provision entirely (through for example buying private education or funding private tuition). This suggests that some areas have a greater stock of territorial capital (in terms of knowledge, organising capacities and know-how) to draw on when seeking to access resources, in this case education which in turn implies forms of social and spatial differentiation impacts on the capacity of different communities to activate forms of collective efficacy.

Additionally, there are no formal pre-existing political structures around which neighbourhoods in Bristol can mobilise. Bristol does not, for example, have parishes and the associated parish councils (a lower tier of local government) in contrast to its suburban neighbour South Gloucestershire. During the period 2010-17 there were 15 formal neighbourhood partnerships, established by Bristol City Council, and there remains some lasting legacy of these bodies. Over and above bodies generated by local government in Bristol to represent place-based communities, there is a very well organised, mature and widely developed community actor sector across the city. VOSCOUR, the City Fund, and the Quartet Community Foundation are important community and voluntary sector organisations in the city which aim to improve the quality of life for the people of Bristol; to support, develop and represent Bristol's voluntary and community sector; and to enrich lives, connect people and build stronger communities. VOSCOUR is an umbrella organisation for the community and voluntary sector (CVS) that supports, funds and advocates for the CVS in and around Bristol. Groups like VOSCOUR also attempt to develop a more strategic approach and engage with the city council. However, what much of the foregoing suggests is that the more place-based CVS action is frequently orientated to and structured by local government and national funding streams and issues related to service delivery including child care, social care and vocational training. On the other hand, there are a range of groups orientated to wider national and global issues, but we found no evidence of overlaps/interaction these groups and the more place-based groups.

In North Staffordshire, there is also a proliferation of voluntary and community sector groups, but these are active primarily at the neighbourhood or focussed on service delivery rather than the strategic decision making-level. Thus, there was little evidence of links between these neighbourhood groups, so while bonding capital may be 'strong' bridging capital is 'weak' limiting the collective capacity to engage in more strategic activities. The primary support services and umbrella organisations for the sector (e.g. Support Staffordshire, Community Council Staffordshire) are organised at the county level and it would appear the links between them and the neighbourhood groups are weak. In addition to the more place-based groups within the North Staffordshire

conurbation there is a healthy community and voluntary sector of organisations providing welfare and support. However, despite this there is not a formal umbrella organisation representing the community and voluntary sector in either Newcastle under Lyme or across the city-region as a whole. A handful of nationally linked charities (such as Citizen's Advice) have formed a Chief Officers Group that meets up regularly to discuss strategic issues for the sector locally, but this is an *ad hoc* arrangement and does not appear to be 'plugged into' the neighbourhood based groups.

In West Dorset community groups are by no means absent, they are involved in various partnerships and consultation exercises at local level, but do not appear to be significant players in terms of local governance. The only exception to this at the district level is the West Dorset Partnership, a partnership of voluntary and community, public and private sector organisations working together to improve the quality of life in the district. It is responsible for producing and implementing the West Dorset community plan (2010-2026) which provides guidance for future planning policies that will deliver the community plan in terms of land based planning. However, its role and influence vis-à-vis local governance was unclear.

More generally across West Dorset there are large numbers of community and voluntary organisations which tend to be based around their town/village and focus on issues specific to their situation, whether these be environmental, housing, social care, etc. There was no one single issue or set of issues that are common across the whole case study area. Each town is distinctive in respect of its population and socio-economic challenges. This means that the community sector finds it difficult to agree on common issues/problems, develop collective responses that transcend particular localities and collectively represent their interests to local government, thus undermining collective efficacy in this sense. Where more overarching partnerships existed these tended to be organised around a specific type of geographical area. A good example of this is the long established Dorset Coast Forum which we consider later in this chapter. However, it appears to be the exception rather than the rule, as such examples are not common in the study area.

Second, we find that collective efficacy, in common with the other case study areas, has been undermined by the regime of austerity that followed the financial crisis of 2008. Local authorities have experienced very substantial cuts in central government grant support in the past decade. Indeed, they are becoming increasingly reliant on locally raised resources such as council tax, business rates, development capture and municipal enterprise. In turn, this has impacted upon their ability to support the work of voluntary and community sector groups, many of whom are reliant upon public subsidy for their very existence. The third sector has been obliged to develop a culture of 'grantsmanship' seeking alternative sources of funding such as the National Lottery.

4.1.1 Austerity and Collective Efficacy

Under the regime of austerity, since 2010, the mode of funding community groups has moved from a primarily central and local government model to one funded via the National Lottery through national charitable bodies and other central funds that are competitively allocated and association with particular funding streams (e.g. on training). This is taking place at the same time as cuts in local government funding has resulted in cuts to community services. Within this emerging context, new groups have materialised to address local issues in this evolving context.

Bristol City Council has been increasingly looking to the community and voluntary sector to assume responsibility for neighbourhood services. The rationale for closing down the formal neighbourhood partnerships within the city was based on cutting local government spending within Bristol.

Community groups and the local authority have been engaged in a delicate dialogue as both sides seek to find new ways of supporting community activities. One key focus has been how the city council might ‘devolve’ service delivery to community groups and the other is related to public assets (such as buildings) that might be transferred to community groups. Whilst this may sound relatively straight forward as we shall see in the next paragraph this is not necessarily the case.

Within this new context of supporting community groups, new groups have emerged. A particularly good example within Bristol is Ambition Lawrence Weston. Lawrence Weston is a peripheral neighbourhood that had not been prominent in neighbourhood organising through the 2000s. However, in early 2010 a group of residents were unhappy about cuts in local government services in the neighbourhood. From this a community group has emerged that has been able to articulate (and subsequently revise) a Community Plan as well as a land-use related Neighbourhood Plan. One interviewee argued

[In places like] Lawrence Weston [...] you know the framework is based upon people really, obviously people then went and set up their organisations, they need a vehicle, but the actual capacity was in people,...(UKBRISTOL008)

One resident active in the community pointed out that the community group has tried to work with a range of local businesses (including smaller ones) working through the successes they have achieved through neighbourhood planning. Moreover, they went on to state:

...now we’re getting more influence over built developments and other things we wanted to use that influence to support independent traders and small companies over here in Lawrence Weston like small trades people plumbers, electricians, builders. (UKBRISTOL011)

The community group has been particularly successful in securing the funding it has required to buy in professional expertise associated with the preparation of such formal documents. Part of this funding has been secured with arms length agencies of central government rather than from the local authority in Bristol. Within this strategizing activity the Lawrence Weston group have identified affordable housing for local people and a second supermarket (linked to lowering grocery prices in the neighbourhood) as the ‘key priorities’ for the area. The community activists in the Lawrence Weston area of city have also been very keen to draw a clear distinction between assets that they would be keen to take on (plots of land suitable for development) and liabilities that they are keen to avoid such as buildings and services that are likely to be a long-term deficit generator (public liabilities that in the long-term will cost the community money to run). This suggests that some community groups are increasingly seeking to take on activities/assets that can generate future income streams and this may be influencing the nature of collective efficacy and its spatial distribution as they look to pursue more sustainable forms of action.

In North Staffordshire, local authority officers were keen to underline the impact of financial cuts on the ability of the council and communities to fulfil this service delivery role, as well as the symbiotic relationship between public expenditure and collective efficacy, that is, the latter is underpinned by financial and in-kind support from the public authorities.

One of our ward councillors got very upset when we said we’re not doing community engagement anymore because there’s only the two of us, not a team of 24. One of the issues for us with that is residents although beginning quite sceptical around community engagement warmed to it quite quickly and realised that it was beneficial whereas now,

there's nothing. We don't do any community engagement. For many community groups, once that public sector support has gone, they fold. (Regeneration Officer - UKNSTAFFS001).

However, some community and voluntary groups have sought alternative sources of funding. For example, the Loggerheads neighbourhood planning group in rural Newcastle under Lyme was able to fund external consultants via Locality, a membership organisation of community and voluntary sector groups across England that started as the training provider for community organising (under a central government funding programme) but that has evolved to become a membership-based provider of support for the community and voluntary sector. It is illustrative of the new ways in which community groups get support and funding.

A defining feature of the Newcastle under Lyme district in comparison with the city-centre area of Stoke on Trent is the presence of parishes (see 3.3.4 above). The district is partially “parished” such that the rural part to the west of the district has a series of parish councils whilst the ‘town’ of Newcastle under Lyme that is effectively the suburban extension of the built-up area of Stoke is unparished. Parish councils are nominally apolitical and deal with a range of local environmental services (e.g. play areas) and grant support to the formal community and voluntary sector. It is notable that the rural and fringe areas with parishes have tended to mobilise around the parish council when engaging with the neighbourhood plan-making process. Rural Newcastle communities in the face of speculative and actual development interest for housing on greenfield sites have been engaging in processes of ‘neighbourhood’ planning. Having a neighbourhood plan gives a parish area a voice within the development management process in the District. This has been particularly problematic given changes in national planning legislation and the absence of an up to date land use plan for the district of Newcastle. Thus, the organisational form that collective efficacy takes, and its focus, differs between the Newcastle under Lyme district and Stoke on Trent as a result of differences in local government structures.

More generally the Conservative dominated local authorities in North Staffordshire expound a community agenda consistent with the ‘Big Society’ narrative articulated (albeit ambiguously) by the government of David Cameron (2010 to 2015). In this context, the role of the local authority is recast as enabler, working with communities to enable them to access grants and loans. This requires capacity building. Local communities can often assemble a team of people to paint the community centre but are less adept at completing applications to the lottery fund, quite simply it is not necessarily something they are naturally attuned to. All the above suggests a more active role for community groups in the ownership, management and running of local amenities, facilities and services. In essence, the community is being asked to make good the deficit of public sector provision brought about by local authority budget cuts.

The North Staffordshire councils, thus, foresee a new role for community groups in taking on more responsibility for their own well-being and taking control of ex-council assets and community facilities and thus taking on the responsibility for running them. Community groups are perceived to be able to operate such facilities much more cheaply than the Council. Community activists are presented as volunteers that are not bound by the cumbersome bureaucracy of the local authority.

If we have lots of resources in there, we have to ask is that communities doing things for themselves or is that us doing things for them? It doesn't matter how much resource you put in, you're not going to get a successful community because you're basically drip feeding the community and subsidising it on life support. You need to ensure that

the community is sustainable and can do things for itself and that's what we've got to see more of. (Local Conservative Councillor - UKNSTAFFS010)

What this entails is a recasting and restructuring of the role of local government and local communities based on a particular political ideology regardless of how communities feel about this or whether they have the capacity to take on this new role.

In West Dorset similar problems/issues were found. As one community organiser argued:

...until recently we had a really strong...community planning infrastructure in the county. Particularly in West Dorset and also North Dorset... it came out of the old strategic partnership, there was a series of community partnerships set up, which are mainly town-based partnerships. (Community Organiser - UKDORSET001).

However, many of these organisations have ceased to exist as local authorities, under the pressure of austerity, have seen their budgets dramatically reduced and cut support to them. Some continue to exist but only where Town Councils are able to support them. This has implications for the future development of community organisations, who are increasingly being expected to take on roles for supporting the increasing elderly population, as the supply of volunteers is depleted and the resources simply are not there to train new entrants. Even larger long established community organisations have found that while they have been able to maintain free provision for a small number of the core services they provide to other, smaller, community organisations, they are increasingly being forced to charge for many other services (e.g. training of people to develop the skills to take on roles). This point was echoed by others in the community sector and clearly has implications for collective efficacy.

Local government respondents had somewhat varied views on the level of engagement with local communities and this appeared to reflect the differential capacities of town councils to support these activities. For instance, West Dorset District Council and Weymouth and Portland Borough Council had largely withdrawn or severely reduced funding to support community engagement as this was a discretionary service. Dorchester Town Council, which is relatively well off, has, however, continued to employ a community development worker who noted how the town council:

saw it as really imperative, partly, possibly, as a way of...well, just effectively the community spirit that's out there and understanding that communities, whilst they are good at self-organising,...still need...someone who's got a co-ordinating role, who's got a regular telephone number that they can use or someone that can put them in touch with someone else. (Community Development Officer - UKDORSET005)

The reductions in support for local government has impacted negatively on collective efficacy in terms of local government's own capacity but also through reductions in support to community organisations making it difficult for this sector to work with both local government and other community organisations.

What is clear from the above is that the post-2010 austerity regime has had a considerable impact on the CVS and changed the way it operates and the nature of collective efficacy in terms of how it is organised, the focus of action and how it is funded. Exactly how these changes will play out in the future and their longer-term implications is unclear at the moment, what it does suggest, however, is that there is a variegated reconfiguration of community and voluntary activities and their organisation taking place.

4.1.2 Other Communities and Collective Efficacy

Whilst we mostly think of collective efficacy in relation to the traditional neighbourhood based forms of community there are other communities who may, or may not act, be active in relation to places and while Sampson may not consider these communities they arguably do exercise a form of collective efficacy vis-à-vis local governance. In particular we are referring to the business community in each of our case study areas. Generally speaking we found uneven, albeit somewhat limited, evidence of active business engagement in local governance.

In Bristol, there was, until the past decade, a history of antipathy between the local authority and local business, only partially offset by a culture of corporate social responsibility in some parts of the private sector. Formal changes to the structure and process of local governance in the past decade have stimulated closer cooperation. In the two other case studies, active business engagement is the exception rather than the norm. There is limited evidence of businesses engagement at the sub-regional level in any of our case study localities. The Local Enterprise Partnerships, established by the post 2010 Coalition government, have been conspicuously unsuccessful in addressing this deficit.

In Bristol, the private sector has become a key part of the governance of the city and there has been an extremely close alignment between public and private sectors in the city since the 1990s as pointed out by interviewees from both the business and community sectors. The business sector is represented through two bodies: the Chamber of Commerce, a member-based organisation representing small to medium-sized business, and the Bristol Chamber of Commerce and Initiative (BCCI) that represents the views of large employers (both public and private sector). These bodies have been active over the past 20 years on various projects – for example underpinning the partnership that produced the Harbourside regeneration project. Equally the BCCI was instrumental in establishing the Bristol Cultural Development Partnership (BCDP) that has underpinned much cultural work in the city over the past 20 years (including the ‘cultural assets’ of the Harbourside Regeneration project). The BCDP has also helped set up film festivals and was central to articulating the bid Bristol made to be European City of Culture in 2008.

As a large city with large public sector employers, it is always possible to find examples of corporate social responsibility in Bristol. It is possible, for example, to identify an extensive and well-developed, although fragmented and *ad hoc*, set of relationships between the two universities (Bristol and UWE), and community and partnership engagement. This is seen to be at a higher level than in similar cities in terms of numbers of groups involved and the number of academics and students contributing to territorial cohesion and collective efficacy in the city. For example, students from UWE are encouraged to work in a wide array of voluntary and community sector groups on projects such as neighbourhood planning, business and marketing, fundraising strategies and social media strategies. A business sector interviewee pointed out that around 35-40% of the university’s 30,000 students are estimated to volunteer and 1000 students use the formal volunteering service to work with local communities.

The broad consensus among public authority respondents was that North Staffordshire could be characterised as a locality in which the collective efficacy of the business sector had, historically, remained underdeveloped due to the dominance of paternalistic employers and the public sector. The North Staffordshire labour market had, traditionally, been dominated by large, benevolent employers (the potteries, British Steel, National Coal Board) offering jobs for life. The public sector was also a prime employer (the local authorities, universities, National Health Service) and an important provider of housing locally. There is no business community in Newcastle under Lyme over and

above a limited coming together of retail businesses supporting a Business Improvement District around Newcastle town centre.

Our respondents noted that private sector companies in the city-region had been notable by their absence from the Local Economic Partnership (LEP) which was effectively controlled by Staffordshire County Council and the City of Stoke on Trent. However, there are Chambers of Commerce across the county organised under a county-wider umbrella. On the face of it, the Chambers encourage social engagement by business:

The chambers [of commerce in Staffordshire] encourage local businesses to adopt a Corporate Social Responsibility (CSR) approach to their business, which means that the decisions they make and activities they participate in are founded on a commitment to create positive social value. (Chamber of Commerce website).

Despite this the evidence gathered suggested that business stakeholders pursued a highly instrumental view, engaging in an *ad hoc* basis, dependent on narrow commercial gain. Individual businesses might adopt a particular view on their own corporate responsibility and individual businesses support charities across the city-region. Large public sector employers such as the University also do a lot of serious work in supporting young people and education.

In West Dorset, interviews also revealed that there is relatively little in the way of engagement with local businesses. Apart from a small number of community organisations that have received specific grants for training aimed at target groups (e.g. young people), there is little in the way of engagement with issues related to training/skills/local labour markets.

One interviewee summed the situation up in the following terms: "...if...I had to really characterise Dorset, you've got enormously independent towns with a great sense of self-identity, but not necessarily pulling in the same direction.". (Community Organiser - UKDORSET001). Another interviewee linked the issue of identity to the problems of communication/connectivity within the area:

from an economy point of view,...[there are problems with] business's ability to access the support services and support networks, which are predominantly in the east of the county, and the communications challenges....There is no radio BBC Dorset that covers the whole of the county. There is no one BBC or ITV or local TV channel that covers the whole of the county, it's very fragmented....So communication, just in this little bit of (West) Dorset's quite challenging. (Local Regeneration Officer - UKDORSET007)

4.2 Innovative community practices and collaborations in territorial development across cases

The findings presented above suggest that collective efficacy is unevenly developed and distributed both between and within our case study areas and is contingent on a number of variables; territorial morphology, formal governance structure, the impact of austerity, community capacity, etc. In the UK the role of both national government and local government in supporting community action and capacity building through a variety of funding schemes should not be underestimated, however, since 2010 the impacts of radical cuts in these funding streams has quite fundamentally changed the context

in which they operate. Below, we present a number of examples of innovative practice and locate these within the relevant geographical and institutional context.

Of our three case studies, collective efficacy seems to be most robust in Greater Bristol. This is a relatively new development, however, and seems to be the result of emerging changes in the formal structures of city and city region local governance that have enhanced the capacity to engage with and bring together a range of stakeholders to work collectively. As we shall see below the main example relates to the *One City Plan* and the form which innovation has taken here might be described as ‘strategic innovation’ as it relates to the governing of the city of Bristol. This might give succour to those who hope the reorganisation of local government across Dorset will lead to change. In terms of the other two case study areas at the current time North Staffordshire demonstrated low levels of collective efficacy while in West Dorset there were isolated, albeit interesting, examples of innovation. More generally in the latter two case study areas where innovative practices do exist they appear to be isolated cases that do not transcend particular places or organisations (i.e. there does not appear to be any knowledge sharing or ‘best practice learning’).

Overall, limited, examples were present of governance collaboration and coordination with communities to create collective efficacy in order to mobilise territorial capital, but these tended to be the exception rather than the rule. Service sectors (child care, labour market, regeneration, VET, growth) tended to remain isolated and were not integrated into strategic approaches associated with the construction of integrated policy bundles to address problems. However, this may largely be a result of the fragmented manner in which these services are provided with local control over them being relatively limited or non-existent (e.g. in the case of child care).

As noted above, collective efficacy within Greater Bristol and the City of Bristol has traditionally not been good, this reflects administrative divisions, political differences and rivalries across the metropolitan region and within the city. However, in recent years this has improved due to the establishment of the West of England Combined Authority and ‘Metro Mayor’ in 2016 (although one of the local authorities declined to be part of this). In 2012, the City of Bristol adopted the Directly Elected Mayor model of governance. The emphasis of the Bristol new mayor is on greater co-ordination, partnership working, leading to the creation of a *One City Plan* designed to mobilise the collective power of Bristol’s key organisations to make a bigger impact by supporting and mobilising partners, organisations and citizens to help solve key challenges. This represents the best example of strategic level collective efficacy among our three case studies.

The *One City Plan* is an ambitious, collaborative approach to develop a long-term shared vision for Bristol and aims to use the collective power of Bristol’s key organisations to make a bigger impact by supporting partners, organisations and citizens to help solve key challenges such as driving economic growth and addressing social and spatial inequalities. This is an approach that is new to the city and as such is in itself represents an innovation. Additionally it is one of the first such collaboratively produced strategy for inclusive growth published by a major UK city. Moreover, it has received external recognition as an innovative approach (see Centre for Progressive Policy, 2019). The three main themes for the city have been identified as: prosperous and inclusive economy (delivering quality jobs, increased skills, innovation and investment); people and place (safety, health and wellbeing, housing and food, social justice, diversity, mobility and human rights); and healthy environment and infrastructure (connectivity, energy, waste, climate, green space and land use). This plan is being delivered by the newly established Bristol City Office and is promoted as a new way of governing the city. The City Office aims to unite public purpose in the city and strives to mobilise place-based leadership for the benefit of the whole city with the central objective being to drive down

territorial inequality in the city. This office aims to make an additional contribution over and above existing agencies and established collaborative arrangements with a style of leadership characterised by inclusion, facilitation, innovation, and co-creation of new possibilities.

The *One City Plan* would appear to enhance the potential for greater collective efficacy on the part of local government and its interaction with the business and community sectors, although this is still an evolving landscape. The *One City Plan* applies only to the City of Bristol. It does not address issues across Great Bristol, although there was some evidence of the embryonic development of a more sub-regional perspective on policy making organised around infrastructure, transport, housing development and the competitiveness of Bristol as a city-region. This at least indicates the awareness of the need for strategic collective efficacy that addresses issues which transcend administrative boundaries, although little concrete, in terms of concerted action, has emerged to date. Interestingly in our interviews the LEP did not feature as a body seen to be contributing positively to these developments and it does not appear to be regarded as an effective body capable of joining-up the fragments across the city region.

As noted above, the collective efficacy of the community sector differs across both the city and across the city-region. Within the city of Bristol a well-established infrastructure of community groups has developed, albeit unevenly across the city in terms of areas and sectors, that has the capacity and skills to engage with and take advantage of government and local authority programmes as well as looking for support from other sources. However, even within neighbourhood groups there are temporal and spatial variations; this waxing and waning perhaps reflecting the availability of funding and leadership. Whilst there is a strong place-based identity between people and place in different areas of the city this identity politics has also led to rivalry within the city that has often been detrimental to a wider sense of collective efficacy that transcends neighbourhoods and can impede coherent and co-ordinated action.

Interestingly there was evidence of business actors collectively organising to enhance the attractiveness of the city through cultural infrastructure. Although this doubtless improves their ability to attract high quality employees (*a la* the ‘creative class’ and those needed for knowledge intensive sectors). While individual companies do seek to address specific dimensions of disadvantage and issues such as training this is done on a company by company basis and could be interpreted as a case of ‘enlightened self-interest’.

Overall, therefore, there does appear to have been improvements in the collective efficacy of local government and communities both at the city-region level and city of Bristol level. Although the associated reforms have yet to have a sustained impact and whether or not they can be sustained is a moot point. What is also worthy of note is the relationship between the community and business sectors. Here evidence presented suggests that the two do not, or rarely, interface and that each has a different set of priorities. Collectively the business sector focusses on boosting the competitiveness of the city as a whole while the community sector is concerned with more local issues and supporting the types of social business that have direct benefits for their areas.

Nevertheless in Greater Bristol, particularly the city of Bristol, the community sector and the business community provide some positive examples of collective efficacy. Clearly there is the presence of a community and voluntary services council (CVS) that is well-established, strong and diverse, albeit one that is spatially uneven and finds it difficult to transcend place bound ties and thus to engage in concerted collective action. Moreover, the issues that the community sector and business community focus on are different. The CVS focus is on inequality while the business sector, although not unaware

of such issues, is more concerned about enhancing competitiveness. It would appear that representatives from the two sectors rarely cross paths.

As with any city, the collective efficacy of the community sector varies across the city and across the city-region. Within central Bristol there is a long-standing infrastructure of community groups that have been historically able to respond to government and local authority programmes. On the whole both activists within the sector and key local government actors judge the sector as a whole to be an asset for the city. In 2017 (as he was cutting neighbourhood fora), the incoming City of Bristol mayor Marvin Rees noted

I firmly believe that the Voluntary Community Sector is a key part of the city's fabric and that it delivers extraordinary value for the grant funds allocated both from the Council and other sources. But their value is so much more than the effective services they deliver. Its value is also based in the social capital brought to communities through the local connectivity, social organisation, leadership and ownership, along with the evidence that people can lead themselves. (Foreword to the CVS prospectus for Bristol).

The evidence suggests that there is at least a latent neighbourhood-based collective efficacy across many of the city's disadvantaged neighbourhoods. There have even been episodic examples of strategic vision from neighbourhood groups at the scale of the city (the local authority area). The best example of neighbourhood level collective efficacy in Bristol is that of Lawrence Weston cited earlier.

In a more general sense one of the factors inhibiting collective efficacy, mobilisation of territorial capital and social innovation is a strong identity between people and place in different areas of the city. This 'identity politics', whilst in one sense a local strength' has also led to rivalry in the city (public Economic Strategy Manager - UKBRISTOL003). "Identity politics are strong in the city but with both positive and negative connotations varying from cultural and creative identities to stigmatised identities related to poverty, deprivation and crime" (public housing cabinet member - UKBRISTOL004). Populism is a growing issue, although the city as a whole was strongly 'remain' in the 2016 EU Referendum. This is not something peculiar to Bristol but could be found across all of our case studies.

The challenges that collective community efficacy encounters in terms of the role of civil society are initial engagement, the ad hoc nature of the sector, incomers not being aware of existing and previous civil society activity, lack of transparency, capacity to continue if key personnel change and trust. On the local government side traditionally there has been a lack of vision in terms of working with local communities and the need for greater co-ordination in terms of linking different together areas to share 'good practice' and learning. Charities and voluntary sector organisations tend to work in isolation and all too often are independent from each other and often in competition and without awareness of past approaches and issues related to community involvement and regeneration. There is a distinct lack of inter-community links and trust which is a challenge for coherent and co-ordinated action. Indeed, "in some neighbourhoods there is a 'toxic' relationship between organisations in places" (community representative - UKBRISTOL006), due to competition for funds. This is not particular to Bristol but a feature of a sector operating under greater stress and with reduced funding conditions.

In terms of the private (business) sector there is an active group of business leaders who engage with city-wide issues. For the most part the business community recognises the inequality issues across the city but do not have the collective instruments to impact on low educational attainment in Bristol's

disadvantaged neighbourhood collectively. So collectively business actors' impact on the attractiveness of the city through cultural infrastructure. Individual companies work on specific aspects of disadvantage and issues such as training is dealt with on a company by company basis. Examples of involvement of business stakeholders was repeatedly highlighted, for example:

...the Bristol initiative is very well organised, I think, at getting its voice out, but I don't think it's just, just that group, I think there's a lot of...independent actors who are quite influential in their own right...there's something called the city funds board which was created in March of this year...it came out of a city gathering, this view that we need to look at new ways of getting financial, new financial streams working for the benefit of the city and that's got leaders from different private companies, from the universities, from communities as well, to look at new, new ways of conceiving funding a place, it's quite bold. (Advisor to the Directly Elected Mayor - UKBRISTOL001).

One community activist noted that he never saw business representatives on the various boards and meetings he attended. So there is a difference in priorities here. The business sector (as a collective) are interested in boosting the competitiveness of the city as a whole. The business actors that are involved tend to come from large employers and the [property] development sector. When community groups speak of 'business interests', they tend to refer to the promotion of 'social businesses' and in particular social businesses that provide residential (local level) services of general economic interest (including local food jobs for example).

Overall, Bristol is in a period where it is possible to see the development of strong networking, partnership, and collaboration across sectors and between groups in the city (demonstrated by regular city gatherings bringing diverse organisations into the same room), with a much more strategic approach developing only over the last five or six years as one community representative pointed out. This was expressed in the following terms by one of our interviewees: "Developing collective leadership at the level of the city as a whole...creating a city gathering which we now have every few months that brings together voices, leaders from what I call the different realms of leadership" (advisor to the Directly Elected Mayor - UKBRISTOL001).

In North Staffordshire there is an administrative divide between a County Council and the lower tiers of local government. In principle, there is an emphasis on cooperation and collaboration (i.e. joint-working) between the two levels. However, the evidence garnered from interviews contradicts this and this was related to combination of the absence of political leadership able to provide long-term strategic leadership and the depletion of institutional capital caused by the sustained austerity regime imposed by central government. Nor was the LEP capable of filling in this vacuum. Thus, vertical coordination is largely absent. Moreover, without the stimulus of external funding the development of structures capable of developing collective efficacy through horizontal collaboration has also declined and within the city of Stoke there has been a return to parochialism in which the six towns compete with each other and Newcastle-Under-Lyme for investment. The overall impression is of a lack of collective efficacy hindered by historically embedded rivalries and a lack of political leadership exacerbated by deep cuts in central government funding.

Nevertheless, across the region there is a healthy community and voluntary sector composed of organisations that provide a range of welfare and other community support services. However, this requires grant funding from the relevant local authority as well as capacity building. The impact of financial cuts has had a detrimental effect on the relevant council's ability to provide such support and thus threatens to undermine the collective efficacy of the community sector. Some community groups have been able to turn to other sources of funding (e.g. National Lottery Funding), but this

appears to be the exception rather than the rule. There were few examples of CVS organisations able to transcend local boundaries (Voices of Stoke would appear to be a rare exception) and work together across these boundaries to mobilise in pursuit of collective aims.

As noted above Voices of Stoke is a voluntary association formed to tackle problems of serious multiple deprivation across North Staffordshire focused on people experiencing the combined impacts of homelessness, mental health issues, addiction and other conditions. This client group, who often lack the means of engaging with a professionalised community of providers, has complex needs that require a coordinated and integrated responses from service providers. Voices of Stoke accessed National Lottery Funding to advocate on behalf of and give voice to this client community. What is perhaps unique, and thus innovative, about this group in the North Staffordshire context is that it defines itself in terms of its client community. This entails a recognition that its client group is mobile and that it constitutes a community regardless of where it is located. Thus, its activities are not determined by local authority boundaries, indeed they consciously seek to transcend such boundaries regarding them as an impediment to their activities.

The situation with regard to the business sector does not appear to be any better with some respondents attributing this to the legacy of the dominance of paternalistic employers and the public sector. Nor does the LEP appear to have been able to bring businesses together to develop a collective voice, articulate their concerns and engage with other stakeholders. The defining *leitmotif* of business appears to be an instrumental one focussed on their own commercial advantage. In general these factors seem to have produced a fragmented business sector that lacks the capacity to engage in collective action.

Overall there is little sense of collective efficacy in the governmental, community or business sectors either within the constituent parts or across the region. Where ‘collective voices’ do emerge this appears to be at the ‘neighbourhood’ or ‘town’ level and around the rural parishes within the city-region. There is little sense of collective efficacy at the city-region level. This general lack of collective efficacy within a morphologically coherent region appears to be a legacy of the fragmented structure of places within the region, administrative divisions and a now long gone economic structure based around paternalistic employers.

Given the above it is difficult for innovative practices to develop in a situation where the focus is on meeting the immediate needs of ‘target groups’ and day-to-day survival. Nor is this helped by the attitude of councillors who see local government acting as a facilitator devolving activities such as service delivery to community groups, such an approach is problematic, particularly when it takes place without the required funding and where groups may lack the necessary capacity to carry out these tasks. In such contexts the space and time to develop innovative practices is very limited.

In our rural study area local government in West Dorset has been split between rural West Dorset District Council and urban Weymouth and Portland Borough Council. Generally the two authorities have not worked together. Although there is a Joint Local Plan for Dorchester and Weymouth and Portland, but interviewees were of the view that this was largely ineffective in practice. In this sense collective efficacy seems to have been lacking. Moreover, this has been compounded by a lack of coordination between departments within the two local authorities.

Nor has there been any joint working between community groups in the two districts. This situation may also have been exacerbated by the settlement structure in the rural areas of West Dorset which is made up of small towns, villages and hamlets that are the centre of local identity making it difficult for the local authority to organise, support and mobilise communities collectively. The towns

themselves often have Town Councils and these appear to be the focus of attention rather than the district council of West Dorset. In Weymouth and Portland there is a distinct sense of ‘two towns’ that are different and lack a common set of interests around which collective action could be mobilised. In a sense the relevant local authorities face a ‘herculean task’ in that they lack the capacity and resources to address the problems their areas face. It is possible that the upcoming reorganisation of local government in Dorset will address these problems and enhance collective efficacy as the two local authorities are absorbed into the new larger Dorset Council, but whether this can overcome the morphological and identity fragmentation of the area is a moot point.

Linked to the above in recent years local government, under the pressure of austerity induced cuts to funding, has found it increasingly difficult to engage with local communities and support their activities. There are some exceptions to this where particular town councils have been able to generate resources to employ a community development officer who works with local organisations and helps provide a link with the town council. As far as businesses were concerned we found little or no evidence of engagement with local communities (the Port of Portland being an exception).

As noted earlier community organisations are coming under increasing pressure to take on tasks once performed by local authorities. There are indications of an increased reliance on civil society to provide public services but the supply of volunteers is drying up and new ones are not coming forward. Nor is the funding available to train new entrants to the sector and provide them with the skills necessary to deliver services and/or engage with local government and other actors. In this climate the focus is largely on day-to-day survival rather than developing innovative actions.

Overall across West Dorset collective efficacy, isolated examples apart, is relatively low and in some parts of the area appears to be declining. Individually the different sectors are not characterised by a sense of internal coherence or an ethos of collaboration or cooperation either internally or across boundaries. There is an expectation that the upcoming reorganisation of local government will help rectify this situation, but many respondents questioned this assumption.

That said, it is possible to cite several examples of collective efficacy operating at a local or thematic scale.

One town cited as an exemplar of community activities and council support for local community activities was Bridport. This town has developed a very detailed and comprehensive Neighbourhood Plan not just for the town but also the surrounding parishes. It is considered to be a thriving town with a vibrant cultural and arts sector supported by people who have moved into the town attracted by this territorial ambience (one might describe this as an ‘intangible form’ or ‘soft form’ of territorial capital rooted in the *local milieu*). The phrase ‘Down from London’ was used by a number of interviewees in relation to Bridport to illustrate the type of people who have moved to the town. In addition, several interviewees pointed to the presence of a number of key individuals (not local politicians) who have the knowledge and capacity to access resources, combine them and ‘make things happen’. One interviewee noted of the town:

...it has a group that have become very good at promoting what they have in the town, in a particular area of the town, actually in an area used formally for rope works and net making, and they’ve been able to build on that particular arts and craft niche. Similarly it was able to develop an identity around food and drink...I suppose, really it’s been through a bit of a transformation from a town, 20 years ago, that was not performing terribly well, to a town that’s got quite a trendy reputation. The Times, I think, has even described it as Notting Hill by the sea. (UKDORSET006)

The same interviewee went on to point out regarding the success achieved in Bridport:

...in Bridport's case I'd put it down to one particular character who was involved in a number of different groups and was very, very passionate and very driven and, actually, I see his footprint in, not only Bridport, but in a number of other initiatives that happen in the area. (UKDORSET006)

What this suggests is the importance that local leadership, from outside local government, can take on and that these activities are rooted in the *local milieu*, it would seem that together these have driven the processes which have turned the town's fortunes around.

Another potential example of an innovative practice is the Dorchester Area Community Partnership (DACP) which was set up in 2002 with the aim to improve the quality of life within the area by working with the local community and the service providers. The Partnership covers Dorchester and 49 surrounding parishes and villages and is led by a steering group consisting of representatives from local organisations, parishes and service providers. The Partnership is supported by West Dorset District Council, Dorchester Town Council and Dorset Community Action. Its current action plan (2013-2016) highlights issues related to affordable housing, transport and access to services, the environment, economic well-being, safer communities, health and well-being, culture and leisure and community activities.

Portland offers another example. The town has a more working class community with areas of deprivation, low levels of income and limited life-chances in terms of social mobility. Nevertheless, the community has developed a detailed Neighbourhood Plan that not only includes not only a community plan but also an economic plan. The Portland Community Partnership (PCP), a community NGO, works with local authorities, voluntary and statutory authorities to deliver projects and ideas and has sought to play a role in strategic planning. The main objective of the Partnership is to work for the improvement of the physical and economic conditions of life on the island of Portland. A key figure in the process described how they developed the process initially: "So what happened, from 2011 onwards, we used the localism [and] Neighbourhood Planning agenda to actually, then, give some legal basis to what we were trying to do.". (UKDORSET014).

In 2016, following an extensive programme of local consultation involving local businesses, the community and voluntary sector and the local community, they published 'Future Portland Economic Vision and Plan: 2015-2030', aligning the Portland Economic Plan with the growth plans of the Dorset Local Enterprise Partnership (LEP) and the emerging Dorset Councils Partnership and Dorset County Council's Western Dorset Growth Corridor strategy. Here the approach was to ensure that what was being proposed chimed with 'higher level' plans rather than contradicting them, thereby making it easier to win support from these organisations. Once again the process has largely been driven by a small number of people, and one long standing community organiser in particular was central to the process.

It is important to note that Portland has a strong sense of its own identity in part determined by its spatial isolation from the rest of (West) Dorset given that it is virtually an island with a single road connecting the town to the mainland. The Neighbourhood Plan was used as part of an attempt at community-based place-making and was led by a 'key individual' who can be described as a social or community entrepreneur able to bring together a number of disparate community organisations and work with local government. As part of this process an Economic Plan was developed because the business sector was considered to lack organisational capacity and unable to provide leadership. The aim was to include employers, including the Portland Port authority, in this economic vision and

give them a sense of ‘ownership’. The development of this economic dimension in the Neighbourhood Plan was described in the following terms:

The economic vision, we created was part of the development of the neighbourhood plan, very early on we said, well, we’ve got to create an economic vision forward, ‘cause the Chamber of Commerce is too passive. So we had a series of public meetings which we drew together businesses on the island and, from that, I mean, obviously, initially the port led, but there is now a nucleus, you know, quite happy to talk to them. It’s a business led organisation. (UKDORSET018)

Overall the intention was to help frame and influence the development of the local authority’s Local Plan and thus stimulate and influence the development of a place-based strategy for Portland. The Economic Plan sought to, on the one hand, identify the area’s problems/issues and its strengths and weaknesses in terms of ‘territorial capital’, and, on the other, to mobilise, and enhance, the assets it already had.

As noted above, where more overarching partnerships existed these tended to be organised around a specific type of geographical area. A good example of this is the long established Dorset Coast Forum. It was described in the following terms by its former coordinator:

...the forum was set up in 1995 and it’s really a whole lot of people who come together,... it’s a coastal partnership. It works with people who have coastal and marine management [responsibilities]... anything economic, social; it really has expanded. It sort of started off to do with the Jurassic Coast and looking at designation and coastal defence, and really has gone into coastal communities; economic, social and environmental. So, it covers the whole thing. It’s a multi-sectoral partnership. So, you’ve got fishermen, conservationists, businesses, ports. (UKDORSET002)

The forum has developed and updated its own maritime plan for the management land and seascapes of on-shore and off-shore resources in a coordinated manner.

In addition to bringing together a range of relevant stakeholders the Forum also runs its own maritime related initiatives. One recent initiative the Forum has set up is FLAG (Dorset and East Devon Fisheries Local Action Group). FLAG described its priorities as:

- encourage and enable effective collaborative working across and within sectors
- strengthen the aquaculture sector in Dorset
- improve infrastructure and equipment to enable safe, sustainable working ports and harbours
- enable innovation to increase the value of catch and products
- support the industry by enabling diversification, up-skilling and training, and increase the knowledge and understanding of the sector to attract a younger workforce. (<https://www.dorsetcoast.com/projects/flag/>)

The current coordinator of the Forum described FLAG in the following terms:

FLAG is funded by the Maritime Management Organisation [MOO]. It’s a piece of work that we do. ... it’s part of that sort of facilitation, there are grants out there through the MMO for fisherman to access to improve the quality of their catch so that they can then sell it. To renovate their boats, make their boats healthy, improve the health and safety, to train young people, to get young people in [to the industry] but the gap is that

the literacy amongst the fishing fleet is actually remarkably poor. A lot of these are now older people working in the industry, it's an aging industry and they mostly left school at 14 and went straight onto dad's boat. They don't have the level of literacy, numeracy business acumen that you need in this day and age to run a successful small fishing business. So they find, although the funding is there they can't access it. So FLAG is a real go between to allow them to then work up those projects so that they need the requirements for the funding and access that funding and draw it down. (UKDORSET015)

Although the Forum is not open to the general public, this multi-sectoral partnership engages with relevant communities involved in coastal and marine management, fishermen, conservationists, businesses, ports. Its main role is to bring together the expertise (knowledge) of these different groups related to the Dorset coast (land and sea) to identify and address issues that cut across specific sectors. This Forum is considered to be an effective body able to influence the policy agenda about how these issues are addressed and thus can be seen as an example of 'high' collective efficacy'. In a sense this may be seen as the mobilisation of intellectual and professional capital. In its context this clearly represents one of the best examples of innovation in any of our case studies. But two things should be noted: 1) it draws on outside funding; 2) it is a professional/managerial/industry based forum that brings people together to identify common problems and find 'solutions' to them. However, it appears to be the exception rather than the rule, as such examples are not common in the study area.

In addition we came across two examples of what might be termed innovative practice in relation to two policy areas: labour market/VET and child care.

In the first case one positive example was cited by the Dorset Employment and Skills Board. It organised regular meetings to bring together skills providers (university, college, school, private training providers,) and businesses, the aim being to bring together the 'demand and supply sides' to listen to one another. They developed a scheme where:

...we actually got businesses to go to the college on...an employer advisory board that actually looked over the whole curriculum...to make sure when kids come out of college with...qualifications they're...more attuned to what the local employers want... (Dorset Employment and Skills Board member - UKDORSET011)

The degree to which this was successful is difficult to determine as there was no monitoring of outcomes. Another key issue this person identified was that business and many of the training providers did not understand one another, they did not talk the 'same language'.

In West Dorset, in contrast to the other two case study areas, there is still a decided team focussed on pre-school child care run by the former Dorset County Council (now abolished by the reorganisation). The coordinator of the team described their operation in the following terms:

I have a team of people who do all of that. In Dorset because of the geography of Dorset, we have worked linked to the Family Partnership zones and localities, so we have been split into six teams, and then we've partnered those, so (name) works in a team that covers North and West Dorset... I've got a team in Weymouth and Portland,...we specifically set up one team there because of the nature of disadvantage.(UKDORSET020).

The coordinator described the role they play in the following terms:

My role is, obviously I work strategically with colleagues in workforce development, social care, family partnership zones, finance, efficiency funding etc. in terms of we don't do our work in isolation, we work with [the] Family Information Service to ensure parents [know about the service], no good setting up the childcare if parents don't know about it, so we do a lot of work to market to parents, using social media an awful lot now. So, Family Information Service have a great Facebook page, and that's how we've driven up [take-up], we've managed supply of childcare, but we've also driven demand to try and kind of balance that out. (UKDORSET020).

The team also support and advise child care providers on how to meet the required national standards without which they would not be eligible to be part of the relevant national funding streams. However, the coordinator was quite candid when asked how their work related to policy fields such as labour market policy and VET pointing out that the team worked in isolation from these policy fields, nor were they consulted by planners about the child care implications for new housing developments. So while the operations of the child care team may be considered innovative their marginalisation in terms of other key policy fields, for which their work has obvious implications, is typical of the lack of strategic integration in all our case studies.

4.3 Conclusion

Across our three case studies it was possible to identify examples of innovation, although these were variable in nature and scale. However, generally speaking innovation was the exception rather than the rule. In part this is due to the ongoing impacts of austerity which has severely depleted the level of funding available from both central and local government to support communities. Of course some may argue that communities had become over dependent on these funding streams and that the post-2010 Localism agenda sought to reduce this dependency and redress the balance away from state dependency towards local initiative. However, this ignores issues of capacity and willingness on the part of communities to take on many of the tasks previously carried out by local government as they have been forced to focus on their statutory duties and 'off-load' other roles onto communities. Collective efficacy across the case studies was equally variable with more deprived areas struggling to go beyond a day-to-day survival process in the face of austerity induced service reductions.

In terms of innovation and collective efficacy in the Bristol case what stands out is the *One City Plan* which does represent, in terms of the city at least and arguably in relation to other English cities, a new and innovative approach to governing place and engaging with a range of different communities, seeking to involve them in the process and having a long-term strategic vision and strategic plan to guide the process (something that should not be underestimated). In the case of the Lawrence Weston area of the city the local community have sought to develop new community-based ways of addressing the needs of the area as determined by the local community. At the moment it is difficult to determine if this will lead to enhance collective efficacy and a greater capacity to engage in innovation. What can perhaps be argued is that the potential has been enhanced, however only time will tell if this is the case? Speaking more generally one should not ignore the fact that Bristol overall is an affluent economically successful city, albeit not without long-terms embedded issues of spatial and social inequality that have created barriers to significant sections of the population from participating in the city's success.

While some examples of innovation were present there is little sense of collective efficacy of either a community sector or a business community at the level of Newcastle under Lyme. Collective voices are either articulated at a city-region scale (centred on Stoke on Trent) or at ‘neighbourhood’ or ‘town’ level within the city-region. Across the rural western half of Newcastle it is often parish councils that are the focus of collective efficacy, although here it appears to have been focussed on preventing ‘undesirable’ forms of development. What has occurred is that the community and voluntary sector have been successful in setting out the evidence of emergent forms of disadvantage that are currently not recognised within ‘standard’ statistical data (e.g. Voices of Stoke). The collective efficacy of the business sector is much more limited. In Stoke there has been a return to parochialism in which the six towns compete with each other and this has not been conducive to developing either innovative practices or collective efficacy.

The situation in West Dorset is equally variable with the community focus being determined to a considerable by the settlement structure – i.e. it is on the place where people live. However, there are examples of both collective efficacy and innovative practices in the very different towns of Bridport and Portland. Although in both cases this has been driven by a small group of individuals rather than by a wider citizenry. In addition we were able to cite the example of the Dorset Coastal Forum, but this is a very specific example and one which is likely to be difficult to replicate elsewhere unless there is a similar geographically determined coming together of interests. Examples cited in relation to particular policy fields have been isolated and divorced from any wider strategic approach.

As we can see across the three case studies it has been possible to identify examples of innovative practices, but these have tended to be the exception rather than the rule. As we have suggested a number of structural factors, such as cuts in central and local government funding streams, inhibit innovation. This is further compounded by a lack of community capacity to engage in innovative practices. Such capacity is unevenly distributed with more affluent middle-class neighbourhoods being more likely to possess the knowledge, know-how, time and resources to lobby for additional resources and engage in the search for new ways of doing things. Although as the Portland example illustrates this is not necessarily the case. But what the Portland example and in a rather different context the Bridport examples illustrate is the importance of local leadership.

Moreover, the geographical fragmentation of places often inhibits innovation as places compete for scarce resources. However, they are not necessarily distributed evenly, in either social or spatial terms, across each locality. Moreover, our results suggest that these groups tend not to act strategically. They are primarily area/place or issue focused. In short, we found relatively little evidence of collective efficacy in any of the case study localities, in the sense outlined at the beginning of the chapter, i.e. in the sense of collective mobilisation of voluntary and community sector resources to achieve specific goals through the mobilisation of territorial capital.

5 Territorial governance

5.1 Introduction: territorial governance in the UK and the place-based approach

In this chapter, we will investigate the role of territorial governance in mobilizing territorial capital (chapter 3) and in utilizing the effects of collective efficacy as outlined in chapter 4. The emphasis will be on the ‘capacity to act’, which depends on strategic forms of policy coordination (Sevillo, Atkinson and Russo 2012). Policy coordination refers here both to the formation of policy bundles

generating synergy between policy areas, such as labour market and regeneration policies, and in some instances different forms of coordination fora. Strategic policy coordination refers, moreover, to the different forms of collaborative governance (Healey 1997) which not only provide ‘local ownership’ to new initiatives to promote territorially cohesive and more equal local communities, but also to facilitate the development of policy innovations which can range from new policy initiatives to new, more tailored, methods of delivering services. In some instances, networked forms of collaborative government have turned into urban regimes (Stone 1989 and 2015); a type of ‘coalescing collaboration’ that generates particular forms of inclusion and exclusion. While in other instances more ‘agile’ and *ad hoc* forms of partnership emerge around particular projects and play decisive roles in delivering those projects which may, or not, produce more or less, cohesive forms of territorial governance. However, once the projects have been delivered the related governance formations ‘dissolve’, this is what Atkinson, Tallon and Williams (2019) have described as ‘temporary entrepreneurial urban regimes’. The point being that these ‘entrepreneurial project-based governance’ formations are transient, although they may endure for as long as a decade, and the degree to which they are intended to be inclusive, in terms of involving a wide range of stakeholders, address inequalities and social and territorial cohesion will differ from case to case and may well change over the life-time of the project. Nor is there any guarantee that any improvements in social and territorial cohesion they achieve will become embedded.

In a general sense policies addressing territorial cohesion may be connected either to the idea of legitimizing growth, the development of more balanced welfare services and integration of marginalised groups into the labour market. However, in the UK case given the absence of the notion of territorial cohesion from official discourse at any governance level, at best it is only possible to look for ‘traces’ of territorial cohesion in an indirect sense. Thus when considering the relevant local policy discourses in the case study areas we sought to look for these ‘traces’ of territorial cohesion and their manifestation in notions of ‘good territorial governance’ as expressed by different stakeholders (business, civic community actors, policy actors). We did this by including elements of the policy analysis from the three case areas and the interview material from different stakeholders. However, it should be noted that this represents an inferential approach based on our reading of the key policy documents and interview material.

Thus, a central contention of the COHSMO approach is, that for territorial governance to utilise the ‘buffer capacities’ (e.g. in the sense of countering the impacts of austerity) of local collective efficacy it needs to facilitate processes that ensure local communities have a voice in decision-making and implementation, rather than being reduced to tokenism, and that bottom-up initiatives have the ‘space’ to develop and contribute to local development. This is not to say, that territorial governance is necessarily reduced to a question of ‘rolling back’ the state and governing through local communities (Rose 2000). Rather we need to investigate which, if any, forms of ‘rolling out’ of local, regional and national territorial governance might be adapted and create the conditions for local forms of cohesive development (Allmendinger and Haughton 2013, Jessop 2002).

More specifically, this chapter brings together the evidence gathered on territorial governance during the case study research carried out in our three case studies: Greater Bristol (Urban); North Staffordshire (Suburban); and West Dorset (Rural). The chapter builds upon the documents accessed and the interviews carried out with key actors on the theme of territorial governance. As noted in the territorial capital chapter, ‘governance arrangements (institutional capital and territorial governance) are central to the mobilisation process and use of assets and this requires the existence of links, often articulated through organisational arrangements (e.g. partnerships) between stakeholders, local authorities, agencies and citizens in order to identify, create and mobilise assets and develop policies

to achieve specific strategies’, therefore issues of territorial capital are inextricably linked to local territorial governance and to the collective efficacy achieved through collaboration and partnership between the public, private and voluntary and community sectors.

Chapter 2 provided a general overview of the role and structure of central and local government in the UK and in England. As noted earlier below the regional level, which no longer has governance status, and excluding London, England has two versions of local government. In some areas there is a county council responsible for services such as education, waste management and strategic planning within a county, with several non-metropolitan district councils responsible for services such as housing, waste collection and local planning. These are principal councils and are elected in separate elections. In terms of the Bristol Metropolitan Region it is composed of City of Bristol, a unitary authority, Bath and North East Somerset, North Somerset, and South Gloucestershire councils. The North Staffordshire conurbation comprises the Borough of Newcastle under Lyme plus the six industrial towns that constitute the adjacent local authority area, the City of Stoke on Trent. Until April 2019 West Dorset and Weymouth and Portland were districts within the two-tier county of Dorset, however, since April 2019 they have become part a unitary authority known as Dorset Council that has amalgamated five districts in the former county area.

The introduction of new governance structures since 2010 has impacted on and complicated the delivery of services and governance in the UK, such as directly elected mayors (24 in the UK), combined authorities (10 introduced since 2011) and sub-regional partnerships exemplified by Local Enterprise Partnerships (38 in operation since 2011) and Enterprise Zones (24 designated in 2012). This structure indicates a complex institutional framework and differential ways of delivering local growth, regeneration and social investment strategies at the local level. Moreover, the changes in governmental structures and service delivery referred to in the Introduction to this deliverable have further complicated and fragmented the local governance landscape making it more challenging for local organisations to develop territorial forms of governance.

A key policy, and practical, issue in the approach to territorial cohesion is the relationship between territory and administrative institutions (i.e. councils). In effect there is frequently a ‘disjunction’ between administrative areas and functional areas. This inevitably has implications and consequences for governance issues because it is widely acknowledged that only by bringing together the different stakeholders in a (functional) place can a strategic approach be developed. However, many territorial issues and problems transcend traditional institutional and administrative boundaries and across England there remains a deep disjunction between them. There have been a range of attempts to develop ad hoc solutions to these problems, however, they have rarely been successful or long-lasting, often foundering on historical rivalries and conflicts between neighbouring administrative areas in which the governing elites seem either unwilling or unable to set-aside these rivalries, this certainly resonates in the three UK case studies.

Crucial to territorial governance is the capacity to develop an integrated strategic approach. Essentially this means joined-up thinking, policy and action. Integration is thus a multi-level and multi-dimensional notion – including vertical, horizontal and territorial dimensions as well as inter- and intra-organisational facets. However, what is meant by integration is open to dispute and uncertainty. In many cases integration rarely means more than ‘sharing information’. Stead and Meijers (2009) provide an insightful discussion of these issues highlighting the confusion surrounding the notion of integration and noting that “...behind the rhetoric, a range of diverse meanings and manifestations of the concept can be found in policy documents.” (ibid, p319). In terms of territorial cohesion clarity about the nature of integration is vital because, in policy terms, it is a central part of

developing a holistic approach to the issue, including an appropriate governance framework (including multi-level governance where relevant), at whatever scale it is addressed. Unless we know what it is we are seeking to integrate and why then the relationship to territorial cohesion becomes at best blurred and more realistically merely rhetoric. The result will be a continuation of the old fragmented sectoral approach.

More recently, there has been the development of an approach that seeks to bring together the territorial, social and economic dimensions, arguing that they cannot be considered in isolation and that, as a result, policies must be developed in an integrated manner and directed at ‘meaningful places of intervention’ not limited by administrative boundaries or borders (see Barca, 2009, p. 93). This is what is referred to as the ‘place-based approach’ rather than a more abstract or universalist/generic approach. The ‘place based approach’ places is based on a mix of endogenous use of immobile territorial capital and exogenous support articulated and implemented through a reformed governance system that incorporates vertical, horizontal and territorial dimensions and is able to focus action on ‘meaningful functional places’ (see Atkinson and Zimmermann, 2016) Thus this requires an effective local governance system that is able to develop a long-term ‘strategic vision’ for the place, translate this into a strategy and then mobilise local assets to achieve this ‘strategic vision’ and thus enhance the ‘attractiveness’ of a place for residents, investors and relevant mobile populations (see Servillo, Atkinson and Russo, 2011). To reiterate this is an essential element in this process. This requires a governance system at the local level able to mobilise the relevant assets to enhance the attractiveness of a place, for example, a transparent and accountable system of decision making accompanied by the involvement of local citizens may indicate a stable environment and thriving civil society. In addition it requires the development of appropriate ‘policy bundles’ to development territorial assets in ways that support a wider strategic approach.

5.2 Characteristics of territorial governance in each case

In this sub-section we examine in more detail the development of territorial governance in each of our case study areas.

5.2.1 Governance structure in Bristol

Following the major reorganisation of local government in 1974 the County of Avon was created consisting of Bath and North East Somerset, Bristol, North Somerset and South Gloucestershire. Bristol was reduced to a district council, one of four that made up the County of Avon. Following Avon’s abolition in 1996 it was replaced by four new unitary authorities: Bath and North East Somerset, Bristol, North Somerset and South Gloucestershire. The City of Bristol regained many of its local government powers to become a unitary authority; however it failed to obtain an extension of its boundaries, even though the urban area had expanded well beyond them. Thus, the politics of the wider city region now included the need to engage in negotiations between four authorities of varying political persuasion which in the past had quite different attitudes towards growth and planning controls. A lack of joined-up thinking across the four authorities has hindered transport infrastructure and housing development.

For many years Bristol was regarded as a place that was governed in a rather traditional top-down manner with relatively little engagement with the private and community sectors. Thus the rise of partnership as a form of governance has occurred relatively recently in the city of Bristol, from the late 1980s, perhaps reflecting its relative buoyancy and the need to engage with the private sector in a more positive manner as historically the city has had a bad reputation in the development industry.

Thus, during the late 1980s and early 1990s entrepreneurial forms of public-private partnership emerged due to range of factors: contractions in the local economy, persistent social and spatial polarisation, regional capital ambitions, the failure of bids for regeneration funding and a lack of high-grade facilities such as offices. South Gloucestershire by contrast has been more pro-development since the 1980s exemplified in the significant ‘edge city’ developments that took place such as office parks, out of town supermarkets and housing (Lambert and Boddy, 2003). This area has continued to experience significant growth through the post 2010 period. Here the council played more of a facilitating role vis-à-vis the private sector exercising ‘light touch’ regulation through the planning system rather than engaging in partnership working as such. The result was that the necessary infrastructure (e.g. transport) was not put in place to support these developments resulting in a series of problems such as traffic congestion that impacted on the wider area.

More recently, multi-level governance has become more evident, at least rhetorically, in the city-region, thus balancing out political power at a number of hierarchical levels and between a range of political parties, providing an opportunity to analyse issues of governance, co-ordination and integration across and between different territorial scales in a city-centre and edge-city context.

It is worth reiterating some of the changes in local government structures, outlined in Chapter 2, as they are key to the potential development of forms of territorial governance. Since 2012 the City of Bristol has had an elected Mayor (City Mayor – currently Labour) with considerable control over the running of the city. While in 2017 a West of England a Combined Authority with an elected mayor (Metro Mayor) was established (currently Conservative), incorporating Bristol City, South Gloucestershire, and Bath & North East Somerset (although North Somerset chose not to join, meaning that part of the metropolitan region remained outside the new authority). The Combined Authority has powers over education and skills, housing and planning, and transport as part of a £900m devolution deal over 30 years, its population 919,600, and to a significant degree covers the Greater Bristol metropolitan region. The four city-region local authorities and the Combined Authority sit alongside the sub-regional West of England Local Enterprise Partnership (LEP) established in 2011. The latter is a local business-led partnership between the local authorities and businesses. Its 2014 Strategic Economic Plan (SEP) sets out how the region will develop its £25bn economy over six years, stimulating sustainable economic growth and creating 25,500 jobs. This has been further developed in the West of England Local Industrial Strategy published in 2019 and the West of England Joint Spatial Plan which is currently awaiting government approval.

For the previous paragraph it is clear that both Greater Bristol and the city of Bristol have recently undergone changes in local government that have the potential to address issues of territorial governance. Evidence from interviews suggested that the local authority areas making up the Combined Authority have improved their working relationships particularly around strategic issues such as housing, transport and skills; this represents a marked improvement compared to working relationships in the past which were often marked by low levels of cooperation across administrative boundaries. Indeed in some cases these relationships were almost non-existent. Interviewees from the business sector regarded the change in the governance architecture of Bristol as positive, pointing to a greater clarity with regard to political communication and that the longer political tenures of the City Mayor helped strengthen the city’s goals. With regard to Bristol one of the interviewees argued that the city’s *One City Plan* (BCC, 2019) was:

“...intended to create this new organisational arrangement for collaboration in the city, and that’s segwayed over time into what is now called the One City Approach to governance of the place...I think it is breaking quite a lot of new ground in bringing

different interests together to, to address issues of what you might call territorial cohesion, collective efficacy to tackle inequality” (UKBRISTOL001)

Similarly the community and voluntary sector also viewed these changes in a generally positive manner.

With regard to the Combined Authority and its role in territorial governance evidence was more difficult to uncover, perhaps reflecting its relatively recent establishment and the LEP was widely seen as ineffective in terms of territorial governance. Clearly with regard to territorial governance in the City of Bristol there was some recognition of this issue, particularly in interviews. However, the situation here is perhaps an ‘easier’ one to address than in Greater Bristol as the focus is on a single local area governed by Bristol City Council in partnership with various organisations from the private and community/voluntary sectors. In a sense this may also reflect a ‘common identity’ (i.e. Bristol) which the Greater Bristol Metropolitan Region⁸ lacks.

5.2.2 Governance structure in North Staffordshire

The North Staffordshire Conurbation is the location of numerous complex multi-level governance arrangements. Formally, Newcastle-Under-Lyme (NuL) is a ‘Non-Metropolitan District Council’ controlled by a Conservative-Liberal Democrat political coalition. It has formal responsibility for certain basic municipal services; housing; planning and development control; leisure and recreation; waste and recycling; and, council tax collection. Responsibility for service provision and decision making is, thus, divided between NuL Borough and the Conservative controlled upper-tier Staffordshire County Council which has formal competences in respect of: education; transport planning; fire and emergency services; social services; libraries and waste disposal. Stoke-on-Trent (SoT) is, formally, a ‘Unitary’ authority controlled by a Conservative-Independent-UKIP political coalition. It retains formal responsibility for all the services and competences listed above. The two local authorities – NuL and SoT – have not pursued the creation of a combined authority, as in the West of England, presided over by a ‘metro mayor’ that has been adopted in several other city regions in England. So it is immediately obvious that there is a structural dissonance between ‘territorial governance’, at least in terms of formal inter-municipal cooperation at strategic level, and of the functional region vis-a-vis the economic geography of North Staffordshire. Moreover, across the region, particularly in SoT, there is a proliferation of voluntary and community sector groups but these are active primarily at the neighbourhood or service delivery level rather than the strategic decision making level. Although somewhat ironically the primary support services and umbrella organisations for the voluntary and community sector – e.g. Support Staffordshire, Community Council Staffordshire – are organised at the county level.

In terms of governance, the North Staffordshire city-regions straddles two types of local government system and has been subject to much reform and experimentation over the past 20 years. The historic County level, at least in theory, provides the focus for much strategic territorial governance activity, although, traditionally Conservative controlled, Staffordshire Country Council itself has no formal spatial planning powers, except for minerals, waste and infrastructure. The dominant narratives of territorial governance in North Staffordshire and SoT emphasised the importance of multi-level governance. However, many respondents, especially from the community and business sectors, argued that the local political class had failed historically to provide effective strategic leadership of

⁸ Indeed the very term ‘Great Bristol’ is considered to be politically contentious, South Gloucestershire in particular has long objected to the use of this term.

place. Broadly speaking, interviewees agreed that leadership and collaboration in North Staffordshire are often dependent on the imposition of formal requirements of partnership working by external actors' such as central government or the European Union. A recurrent theme among interviewees, particularly in relation to SoT, was the lack of long term strategic leadership and the frequent experimentation with new governance structures (i.e. directly elected mayors, council managers) that were quickly abandoned. The incumbent administration was described, by business and community interviewees, as introspective, parochial and, generally, sceptical of pluralism (i.e. developing horizontal governance linkages). In theory the Stoke and Staffordshire Local Enterprise Partnership might be thought as a possible site for the development of forms of territorial governance. In practice, interviewees observed that the level of business engagement in the LEP was very low compared to similar institutions in other parts of England. Major local employers (e.g. Bet365, JCB) had been active in the governance of the LEP when it was first established. However, business participation, in the governance of North Staffordshire in general, was described as highly instrumental. Key companies had disengaged when the LEP as they appeared to think it could offer little of commercial value. LEP funding had, primarily, been distributed to public bodies - Stoke City and Staffordshire County Councils for infrastructure investment and the two local universities, Keele and Staffordshire. More generally, in relation to territorial cohesion, defined in terms of the capacity for governance networks to co-ordinate across sectors within the same locality (horizontal co-ordination) as well as being able to link between different spatial scales of governance (vertical co-ordination) territorial governance was underdeveloped in North Staffordshire and SoT.

In part this may be attributed to a lack of strategic long-term political leadership and rivalries between the constituent parts of the region. Nor was local government able to work effectively with the community and voluntary sectors. There was little or no recognition that the community and voluntary sector was an asset to be included in the territorial governance of the area. Tensions exist between municipalities such as the historic "Newcastle versus the Six Towns" divide. Taken together these factors have inhibited the emergence of effective forms of territorial governance. In terms of the policy documents we analysed for North Staffordshire there were some residual traces of evidence of a concern with territorial cohesion. For instance specific place-based interventions were identified in the documents, but it is difficult to discern whether or not this represents a clear commitment to territorial cohesion or a rhetorical device.

Overall, in terms of territorial governance, strategic development of the city region and service delivery, the experience of North Staffordshire and SoT is one in which joint working and co-ordination based on enduring vertical and horizontal governance relationships remains elusive. Business respondents were critical of the lack of strategic leadership of place within North Staffordshire whilst, themselves, engaging in the city regional governance 'network' on an incremental, selective and narrowly self-interested manner. The community and voluntary sector interviewees stressed the formal 'transactional' nature of relationships with the local authorities – the latter regard the former as mere delivery agencies – rather than the councils recognising the assets that exist within the third sector and actively cultivating relational capital with them. There exists significant tensions within each of the local authority districts – e.g. the urban/suburban/rural split in Newcastle under Lyme on declassifying greenbelt sites for housing development, the path dependent "Six towns" mind-set in Stoke on Trent. There are similar tensions between municipalities; the historic "Newcastle versus the Six towns" divide endures.

5.2.3 Governance structure in West Dorset

West Dorset, in contrast to the other two case studies, is a ‘classic’ English rural area largely made up of small towns and villages and experiencing problems associated with rurality (e.g. accessibility to services). At the time of data collection our case study area of West Dorset was composed of West Dorset District Council, a rural municipality (a non-metropolitan district council) and a parliamentary constituency situated in the Country of Dorset, and the adjacent local government district of Weymouth and Portland. These two districts, particularly the southern part of the district around the administrative centre of Dorchester, are closely intertwined in economic and functional terms. An example of this is that the two district councils have developed a Joint Local Plan for West Dorset, Weymouth and Portland.

As West Dorset Council and Weymouth and Portland Council were district councils within the Country of Dorset this also meant that responsibility for service provision and decision-making was divided between the district councils and the county council. A number of key services (including schools, social care for the elderly and vulnerable, road maintenance, environmental health) were located at the County level (Dorset County Council). While the District Councils were responsible for services such as planning, waste collection and housing. While both the County Council and the District Councils were concerned with local economic development, not least through the planning system and roads, the key economic development agency is Dorset Local Enterprise Partnership (LEP), which operates across the county. In 2016 it published ‘Transforming Dorset: Strategic Economic Plan’. A key element in this strategy, in partnership with local authorities and other local stakeholders, is the development of ‘place-based strategies’ for areas within the county. An example of the ‘place-based’ activities it supports is the Western Dorset Growth Corridor (WDGC), which includes significant parts of West Dorset and Weymouth and Portland. The WDGC sub-regional economic strategy focuses on developments in the corridor of Weymouth, Dorchester and Portland to achieve a better economic balance and more sustainable future for the towns whilst releasing the employment and investment potential of Portland. The WDGC Programme Board comprises member representatives of Dorset County Council, Weymouth & Portland Borough Council, West Dorset District Council and North Dorset District Council to strategically drive and coordinate the projects with local partners and the Dorset LEP.

As part of this, in 2015 the councils of West Dorset and Weymouth and Portland developed a Joint Local Plan covering the period 2011-2031 in which economic development features as a key priority in order to provide opportunities for high quality, better paid jobs, meeting local housing needs for all and regenerating key areas including Weymouth and Dorchester town centres. In 2017, as a result of a joint commitment between North Dorset District, West Dorset District, Weymouth and Portland Borough, Dorset County Council and the Dorset LEP, the ‘Western Dorset Economic Growth Strategy (2017-2022)’ was published. The Western Dorset Economic Growth Strategy is a vision for the area for the next 17 years based around 5-year Strategic Growth delivery programmes focusing on five strategic economic themes: infrastructure, home and employment sites, regeneration of town centres, employment and skills, business and sectors and assets and policy. The Dorchester, Weymouth and Portland initiative and the Western Dorset strategy represent good examples of collaborative working across local government boundaries and between district and county levels of government. Although none of the interviewees was able to point to any concrete outcomes from the Western Dorset Growth Corridor initiative and one interviewee from the private sector described it in disparaging terms. Even the interviewee from DLEP accepted that it required significant inputs of funding (from central government) and that was currently not available and the West Dorset and Weymouth and Portland Joint Local Plan was described as largely existing on paper.

There is a further complication related to economic geography that faces the area and the LEP which poses problems for territorial governance. This was well summed up in an interview with a local economic development officer who point out:

...as you go around the edges of Dorset the businesses look different ways. You go to Bridport and Lyme Regis they look west towards Exeter and Axminster, if you go north to Sherborne they're gonna be looking towards Yeovil and Bristol and if you go further around to Shaftesbury they're gonna be looking up the A354 [one of Dorset's major roads] into Wiltshire. And, therefore, those natural linkages those businesses have with suppliers, consumer, customers and employees, aren't within the natural boundary of Dorset or the immediate vicinity of the LEP's concentration of effort. (UKDORSET006).

This poses particular challenges for the development of forms of territorial governance able to reflect this complex economic geography and suggests the existence of a number of sub-regional economic geographies. This in turn raises issues around territorial cohesion in terms of how the local economy functions and where firms sell to and recruit labour.

In late 2018 Dorset Local Enterprise Partnership (DLEP) published its own Local Industrial Strategy (LIS) (DLEP, 2018) and associated documents. These documents represent the first step in a process that will attempt to develop a local industrial strategy appropriate for Dorset. Clearly the development of a LIS has implications for territorial governance as it requires the development of forms of governance that encompass two separate local units and a range of different economic and social conditions. As noted earlier the south-east of Dorset is dominated by an urban agglomeration based around Bournemouth-Poole-Christchurch, which post-reorganisation is a single local authority, and the rest of Dorset, West Dorset Council, is a largely rural area with the urban area of Weymouth and Portland in the south of the district. This inevitably requires the development of forms of territorial governance across the county that are able to embrace the different territorial economic and political formations and associated problems.

Until the local government reorganisation of April 1st 2019 our case study area of West Dorset has been divided between West Dorset District Council and Weymouth and Portland Borough Council. Traditionally there has not a great deal of joint working between the two, although as noted above there is a Joint Local Plan for Dorchester and Weymouth and Portland, but as pointed out this appears to exist largely on paper. In this sense partnership working, and thus forms of territorial governance, between the two authorities seems to have been lacking. Moreover, this has been compounded by a lack of coordination between departments within the two local authorities.

The evidence we collected from the case study work indicates that across West Dorset territorial governance is weak, partly as a result of a lack of capacity within local government, divisions within the business sector due to its structure, the locally organised focus of the community and voluntary sector combined with a fragmented settlement structure and the prevalence of local identities hindering its development. The DLEP might be expected to lead on the development of territorial governance but as in the other two case studies it was regarded by interviewees as lacking the capacity, and perhaps political will, to do so. Moreover, it largely focuses on the east of the county, particularly the urban agglomeration of Bournemouth-Poole-Christchurch, where it can achieve key output targets and this may account in part for its inability to take a strategic lead in stimulating processes that could facilitate the development of territorial governance. Furthermore the area generally lacks bodies that transcend local boundaries which could facilitate the creation of collective

organisations that bring a range of stakeholders together and form the basis for the creation of mechanism to support territorial governance.

Territorial governance is indirectly addressed through the commitment of DLEP to work with the two new local authorities, however, to date there is no evidence to substantiate this commitment in terms of development of concrete forms of territorial governance. There is also mention by DLEP of the Great South West initiative, inspired by the UK Industrial Strategy, involving LEPs, local authorities, businesses and universities across the South West region. This may be seen as a form of territorial governance designed to promote the region nationally and internationally, support collaborative working where opportunities arise and address barriers to productivity. However, as this is an embryonic and voluntary initiative with no resources of its own and there is no real evidence of its achievements to date.

5.2.4 Summary

The Metropolitan area (Greater Bristol) and Suburban area (North Staffordshire) are both functionally and morphologically integrated and this is typical of the type of urbanisation found in England. However, both are up of formal independent local authorities and this raises important issues of territorial governance, most notably around cooperation and coordination and the need to reconcile ‘conflicting political and economic interests’ which have implications for territorial cohesion. In both areas attempts have been made to address these issues, through various formal and informal partnership arrangements, which appear to have been more or less successful. While in West Dorset the same administrative divisions are present (i.e. between West Dorset and Weymouth and Portland District councils), further complicated by the very different contexts (i.e. rural and urban) present. Here territorial governance has been weak, further complicated by the fragmented economic structure of the rural areas and the local term industrial decline of Portland. Perhaps the new Dorset Council will be in a better position to address these issues, but that is something that will only become clear in the future. In all three localities the LEP is the key economic player seeking to address economic growth issues and develop policies relevant to each locale by building on existing territorial capital and addressing weaknesses in order to drive local growth. However, in none of the case study areas did we find any real belief that the relevant LEP could provide the leadership needed and development forms of territorial governance to put their strategies into practice.

In terms of local development in all three case study areas we have seen the development of local growth strategies that have implications for territorial cohesion and territorial governance. While all three sets of documents appear to have been written in-house the level and degree of participation by stakeholders in the three cases varied considerably. For instance in Bristol the evidence gathered through interviews suggests that with regard to the *One City Plan* there was an extensive process of consultation with various organisations in the public, private and community/voluntary sectors and that all are supportive of the strategy. As for the West of England LEPs LIS there does appear to have been some consultation with a range of stakeholders including the community and voluntary sector. In Dorset DLEP when developing its LIS appears to have been restricted consultation to the private sector and ‘experts’ with the community/voluntary sector ‘excluded’. In North Staffordshire the situation is less clear, the LEP claims to have engaged with a wide cross section of partners through a programme of consultation on the draft document, but there is no real evidence to substantiate this claim. Only in the Bristol case does there appear to have been a sustained attempt to engage with a variety of audiences and to obtain their consent, and thus establish a degree of ‘legitimacy’ for the approach and thus to build what might be described as a ‘discourse coalition’ and a ‘political regime’ that can transcend electoral cycles. Without a degree of legitimacy and identification with the relevant

local growth strategy it will be difficult to develop the forms of multi-sectoral partnerships that can address issues related to cohesion and to build forms of territorial governance needed to put policies into practice.

5.3 Coordination of territorial governance across cases

5.3.1 Innovations in territorial governance

Territorial governance represents one of the governing mechanisms associated with making plans/strategies and delivering public services. Within English local government the provision of welfare services and land use planning are mandatory functions but local economic planning is discretionary. Major decisions on welfare provision, labour market policy, VET and child care are all made at national government level and delivered through a bewildering variety of organisations (public sector, private sector, community sector) that varies from policy field to policy field. In many instances local authorities only have indirect influence over these delivery mechanisms. This requires the construction of complex partnership arrangements which as the previous sub-sections suggest are largely absent in our case study areas. The relevant LEPs, which might be expected to take the lead here, at least in terms of local economic development, appear to lack the capacity to do this. Only in one case did we find an example of what might reasonably be described as an innovation in territorial governance and this was in the city of Bristol.

In the case of Bristol, the city-region has been subject to an evolution of local government reforms over the past 20 years. Prior to 1996 the city-region was governed in a two-tier system where there was a sub-regional local government area (Avon) that dealt with welfare services. In 1996, the 6 districts of Avon were grouped into four competing unitary local authorities (each dealing with both planning and welfare service provision). Respondents often refer to the other local authorities in the area (other than Bristol), and it is clear that there has recently been greater co-operation and collaboration between these authorities, in contrast with the conflict and competition which existed in the late 1990s and early 2000s.

A recent innovation introduced by the city mayor was the setting up of a City Office in 2016 charged with the elaboration of a One City Plan. This plan brings together different actors and interest groups in the city (such as business and civil society) and was launched in January 2019. The aim of the One City Plan is to ‘use the collective power of Bristol’s key organisations to make a bigger impact by supporting partners, organisations and citizens to help solve key challenges such as driving economic growth for everyone’. Building on the City Office, the plan will help focus activity from organisations across the city including the business sector, the local authority, education groups, the NHS, social care providers and the voluntary sector. By drawing on existing partnerships, strategies and expertise the plan aims to form a collaborative and place-based approach to resolve city challenges and create a more equal, inclusive and sustainable city. This is highly innovative for a UK city in that it is a local initiative and not imposed by central government, and has been commended by respondents from the public, business and community sectors.

The One City approach (focused only on Bristol local authority area) brings together collective interests in the city every few months in a city gathering and has an engagement of around 20 city leaders and a total of around 200 people from a total of 400 on the complete list of participants. This is seen widely to be a key advance in the governance and collective efficacy arrangements of the city. The City Mayor also holds an annual lecture setting out governance priorities for the city. Bristol is

becoming renowned for innovative place-based governance and hosted a Global Parliament of Mayors event in October 2018.

One problem facing the city is that the sort of explicit government funded area interventions that were available in the past to address issues such as concentrations of multiple deprivation no longer exist in England and therefore local authorities must target their meagre resources at area regeneration, land use planning and social investment programmes. Specific interventions now rely on the city council using housing and land ownership to direct development to achieve ‘social mixing’ and ‘balanced communities’.

A key problem facing governance arrangements in the city are that its limits are ‘under-bounded’ as the city is effectively a much wider economic unit incorporating much of North Somerset and South Gloucestershire. The geographies of the new West of England Combined Authority are therefore also problematic, especially given that North Somerset Council opted out of the authority. The City Mayor works well with Bath and North East Somerset and South Gloucestershire councils. Overall it is argued that the four local authorities now work well together especially on strategic issue such as housing, transport and skills and this represents a distinct improvement over the situation that existed in the past.

Although a place-based approach is explicit and evident at a local level in Bristol, its impacts to date are more uncertain, in the context of wider cuts to social investment strategies, as demonstrated by the indices of multiple deprivation and the city’s quality of life survey. These findings show a strong link between areas of deprivation and negative views of local public services and of the city council.

Overall in terms of territorial governance, strategic development of the city-region and service delivery, there have been improvements in terms of the local authorities working together with a level of co-ordination which is still somewhat chaotic and emergent. Business respondents see the general change in the governance landscape of Bristol as positive with clearer political messages and longer political mandates reinforcing the clarity of the city’s objectives. The community and voluntary sector would also describe the changes in governance as broadly positive but they also are forced to exist in an ever-more budget constrained world of local service provision.

Thus, there is evidence of greater horizontal co-ordination across multiple agencies within the city (often by necessity), increasing and more confident horizontal coordination between neighbouring authorities and new ways of framing complicated social problems. There is an emergent set of thinking about sub-regional policy making that has yet to settle down (joint land use planning) but this vertical co-ordination is principally about hard (transport) infrastructure, housing development and the competitiveness of Bristol as a city-region.

There is a thriving not-for profit social economy sector of NGOs in Bristol with at least 600 social enterprises employing 11,000 people and 2800 voluntary organisations with a £378m turnover (West of England LEP, 2013). Bristol is a fertile environment for social business including social enterprises, co-operatives, and social ventures and cross sector civic stakeholders playing a growing role in market development, support, resourcing and partnership for growth and social impact. However, this seems to be largely based on the *local milieu* and often to be outside more formal governance mechanisms.

In the Greater Bristol case, historically speaking, territorial governance has tended to be low. However, more recently there has been some evidence of improvements in collective efficacy with greater levels of partnership working, for example between Bristol City Council and sub-regional

bodies. This has been enabled by changes to administrative structures, such as the creation of a City Mayor in 2012 and a Metro Mayor in 2017, a greater sense of political leadership and engagement with stakeholders across the area, as exemplified by the One City Plan, published in 2019. This relies on the two mayors working together effectively with the LEP, the business community and community groups. As a result of them working in collaboration the prospects for an improvement in territorial governance are more optimistic than in the West Dorset and North Staffordshire where we found it difficult to identify any real innovations in territorial governance.

5.3.1.1 Public-private partnerships

In all three cases, there are sub-regional public-private partnerships, however they differ in their effectiveness. The West of England, Stoke and Staffordshire and Dorset all had Local Enterprise Partnerships (LEP) established in 2011. In essence there are intended to be business-led bodies primarily concerned with local economic development, although they have no planning powers and limited resources.

In North Staffordshire the LEP's governing board comprises representatives from business, small and medium sized enterprises, tourist attractions, Chambers of Commerce – higher education, the voluntary and community sector and Staffordshire County Council and the constituent District authorities of Staffordshire (including NuL and SoT). Unlike in Greater Bristol and West Dorset, there is a legacy of inter-authority working on strategic issues left by the Renew North Staffordshire Housing Market Renewal (HMR) programme and the joint Core Strategy developed by NuL and SoT Councils. The two authorities are continuing to collaborate on a Joint Local Plan. Moreover, the Stoke and Staffordshire Local Enterprise Partnership and City Deal operates a strategic county level but with a particular investment priority aimed at the conurbation. There is, thus, a 'larger than local' orientation to what might be termed strategic planning and policy making that, in recognising labour and housing market linkages has, as its focus, the North Staffordshire conurbation rather than the constituent districts. However, despite this apparently positive description in our interviews there was a broad consensus among public authority respondents that the collaborative model of territorial governance at the city region level introduced by HMR had not survived the abolition of Renew North Staffordshire. In short, the conurbation had regressed into the historic 'default' mode of parochialism in which the six towns compete with each other – and Newcastle – for investment. They noted a diminution of the planning policy framework.

Moreover, this situation is further complication by the widely articulate view that the local political class was considered, especially by business and community interviewees, to be lacking in the requisite ambition to change. A recurrent theme was the lack of long term strategic leadership, which is much more evident now in the Bristol case, the frequent experimentation with new governance structures, the collapse of the traditional working class Labour vote and the rise of populism including the Far Right. The local authorities in North Staffordshire had, until recently, been all dominated politically by the Labour Party. However, no party has been able to form a majority administration for Newcastle under Lyme District Council since 2017. Stoke on Trent had an executive directly elected (Labour) mayor between 2002 and 2009. The City Council, traditionally strongly Labour, has, since 2015, been led by a coalition of Conservative and Independent (i.e. non-partisan) councillors. The incumbent administration was described, by business and community interviewees, as introspective, parochial and, generally, sceptical of pluralism (i.e. developing horizontal governance linkages). This is, perhaps, best illustrated by the perception, on the part of some respondents, of a policy of 'containment' – meeting the development needs of Stoke on Trent within its own boundaries

rather than seeking a dialogue on development with adjacent councils. Thus leaving little room for the development of innovations in territorial governance.

As noted earlier the level of business engagement in the LEP is very low compared to similar institutions in other parts on England and was described as highly instrumental. Key companies had disengaged when the LEP could offer little of commercial value. LEP funding had, primarily, been distributed to public bodies - Stoke City and Staffordshire County Councils for infrastructure investment and the two local universities, Keele and Staffordshire.

The Stoke and Staffordshire City Deal - a bespoke contractual agreement between the local authorities and central government to provide new local autonomies and additional government investment – also operates at County level. This is atypical of the English experience in which City Deals are focused primarily on core urban areas. The key themes of the deal are energy; enterprise and innovation; the Etruria Valley Enterprise Zone (nominally focused on new growth in the historic ceramics sector), and skills. To what extent this has led to innovations in territorial governance is unclear as none of the interview respondents commented on this.

The development of collaborative working relationships in North Staffordshire – especially ‘horizontal’ linkages – were critically dependent on the availability of external resources, and/or the external imposition of governance structures and processes. As an example of an externally enforced institutional frame it is instructive to consider the Housing Market Renewal (HMR) programme. The ‘Renew North Staffordshire’ (one of nine such programmes nationally) was launched in 2002 and terminated abruptly in 2011. Interviewees argued that this central government investment (£2.3 billion) and intervention enforced an unprecedented degree of focus to territorial governance in North Staffordshire; a genuine ‘larger than local’ perspective that has since dissipated.

The sub-regional agenda pursued by the Constellation Partnership enables North Staffordshire partners to pursue a number of important developmental aims. These all focus on reversing ‘leakage’ of resident and consumer spending from the conurbation to other areas. The Constellation Partnership, thus, represents a new set of horizontal governance relationships between North Staffordshire and neighbouring authorities in Cheshire. However, it is important to note that respondents, especially those from the business and community sectors, were highly sceptical that the participating councils had put in place robust governance arrangements for the partnership or, indeed, demonstrated genuine political commitment to the realisation of strategic joint working.

A number of dissenting voices – outside the public authority group – are highly critical of the growth at all costs agenda in terms of housing development. All interviewees considered a recent increase in developer interest in North Staffordshire to be positive but many voiced concern over the low quality of housing products being provided by the private sector locally and, more fundamentally, expressed concern that the growth agenda ignored important residual socio-economic problems; poor quality housing, low levels of skills and attainment, and low incomes. This would suggest that the priority is development at all costs rather than forms of development that reflect the needs of the area.

In the context of diminishing territorial governance capital, respondents in all cases studies repeatedly stressed the importance of multi-level governance and the need to engage with central government in particular to cultivate vertical governance linkages. It was acknowledged in North Staffordshire that there were certain advantages in this respect, not least active and engaged Conservative councillors with strong links to central governing.

Overall, in terms of territorial governance, strategic development of the city region and service delivery, the experience of North Staffordshire is one in which joint working and co-ordination based on enduring vertical and horizontal governance relationships remains elusive. Business respondents are critical of the lack of strategic leadership of place within North Staffordshire whilst, they only engage in the city regional governance ‘network’ on an incremental, selective and narrowly self-interested manner. The community and voluntary sector interviewees stressed the formal ‘transactional’ nature of relationships with the local authorities – the latter regard the former as mere delivery agencies – rather than the councils recognising the assets that exist within the third sector and actively cultivating relational capital with them. There exist significant tensions within each of the local authority districts such as the urban/suburban/rural split in Newcastle under Lyme on declassifying greenbelt sites for housing development, the path dependent “Six towns” mind-set in Stoke on Trent. There are similar tensions between municipalities; the historic “Newcastle versus the six towns” divide endures.

A key finding of the North Staffordshire study is that the nature and scope of the engagement of local stakeholders, especially in the business and public authority sectors, in the networks of local governance are highly instrumental and, typically, resource led. Overall, North Staffordshire lacks institutional structures to deliver the different policy areas, unlike Bristol. A common criticism in terms of public-private partnerships in all three case studies was that the LEP’s were not seen to be effective in providing leadership or enhancing territorial governance.

In terms of West Dorset DLEP (Dorset Local Economic Strategic Partnership), a business-led organisation, has an overarching coordinating role across Dorset, but the evidence suggests that the dominant perception among actors in West Dorset is that the DLEP is focussed on the urban conurbation in south-east Dorset. This was largely accepted by the LEP but explained by the way in which the metrics attached to government funding operates. DLEP has a Rural Enterprise Group, but as one respondent argued: “I’ve been involved with that...group for a long time, it meets very regularly, it’s chaired by a LEP board member. What I have no sight of at all is how the LEP respond to any of the debate that takes place at...group.”. (Local Economic Regeneration Officer - UKDORSET006).

In an interview with a senior manager at DLEP it was asserted that partnership working across Dorset was good. When a question was asked about the Joint Local Plan developed by Dorchester and Weymouth and Portland, this was cited as an example of good horizontal partnership (i.e. joint working), but when it was pointed out that some local respondents considered the partnership to exist more on paper than in practice the response was that ‘we work at the strategic level and don’t know about what’s going on the ground’. Someone who sat on the board of DLEP stated: “What I found...was in reality...LEP meetings focus purely on the...big government agenda, large infrastructure projects and so forth,...And when I made requests about actually, how can we start a conversation around the third sector and social enterprise...There was little appetite for that.”. (Community Organiser - UKDORSET001). At the local level it was pointed out “I don’t think the links are as good as they could be between health provision, social care provision and the community voluntary sector.”. (Community Advisor - UKDORSET012)

Overall across West Dorset, partnership and joint-working, whether vertical or horizontal, is relatively weak and there was little evidence of it being deployed to develop place-based strategies at local level. Where such strategies existed they tended to emerge at local level in specific places led by enterprising individuals or groups of individuals. But the picture across our study area was very ‘patchy’. There was little evidence of mobilisation of territorial capital or activities to support the

integration of different policy sectors in the process and develop appropriate ‘policy bundles’ to address the area’s problems.

5.3.1.2 Community organisations and stakeholders

5.3.1.2.1 *The Bristol Case*

In a somewhat complex, emergent and chaotic policy environment, there is lots of community action in the city, but spatially this is uneven with central Bristol and the inner neighbourhoods being a fertile hotbed in terms of long-term community groups, but much more patchy coverage in the peripheral estates. Over and above bodies generated by local government in Bristol to represent place-based communities, there is a very well organised, mature and widely developed community actor sector across the city. VOSCUR, the City Fund, the Quartet Community Foundation and the Green Capital Partnership are important community and voluntary sector organisations in the city which aim to improve the quality of life for the people of Bristol; to support, develop and represent Bristol's voluntary and community sector; and to enrich lives, connect people and build stronger communities. VOSCUR is an umbrella organisation for the community and voluntary sector (CVS) that supports, funds and advocates for the CVS in and around Bristol.

Since 2010, the mode of funding community groups has moved from a primarily central government model to one funded via the National Lottery through national charitable bodies at the same time as cuts in local government funding has resulted in cuts to community services. Within this new context of supporting community groups, new groups have emerged. A particularly good example within Bristol is Ambition Lawrence Weston. Lawrence Weston is a peripheral neighbourhood that had not been prominent in neighbourhood organising through the 2000s. However, in early 2010 a group of residents were unhappy about cuts in local government services in the neighbourhood. From this a community group has emerged that has been able to articulate (and subsequently revise) a Community Plan as well as a land-use related Neighbourhood Plan. The community group has been particularly successful in securing the funding it has required to buy in professional expertise associated with the preparation of such formal documents. Part of this funding has been secured with arms lengths agencies of central government rather than from the local authority in Bristol. Within this strategizing activity the Lawrence Weston group have identified affordable housing for local people and a second supermarket (linked to lowering grocery prices in the neighbourhood) as the ‘key priorities’.

Under increasing financial austerity the local authority (Bristol) has been increasingly looking to the community and voluntary sector to take on neighbourhood services. The rationale for closing down the formal neighbourhood partnership within the city was centred on cutting local government spending within Bristol. Community groups and the local authority has been engaged in a delicate relationship as both sides draw distinctions between buildings and services that might generate long term and sustainable revenue streams (public assets) and buildings and services that are likely to be a long-term deficit generator (public liabilities i.e. in the long-term they cost the community money to run). The community activists in Lawrence Weston have been very keen to draw a clear distinction between assets that they would be keen to take on (plots of land suitable for development) and liabilities that they are keen to avoid.

What the above suggests in a time of financial austerity local community organisations have sought to develop new relationships and organisational forms that can address the particular problems of their areas. While in one sense these activities might be described as innovations in territorial governance they are purely ‘place specific’ and do not articulate with any wider conception, institutionally speaking, of territorial governance.

5.3.1.2.2 *The North Staffordshire case*

A defining feature of the Newcastle under Lyme district it is notable that the rural and fringe areas with parishes have tended to mobilise around the parish council when engaging with the neighbourhood plan-making process. Rural Newcastle communities in the face of speculative and actual development interest for housing on green field sites have been engaging in processes of ‘neighbourhood’ planning. Having a neighbourhood plan gives a parish area a voice within the development management process in the District. This has been particularly problematic given changes in national planning legislation and the absence of an up to date land use plan for the district of Newcastle. What this implies is that any developments in community based forms of governance are largely ‘defensive’ designed to protect the existing character of the area.

Within the built up area there is a healthy community and voluntary sector of organisations providing welfare and support. These groups can be supported through grant funding from the local authority within whose area they operate. In this context, the role of the local authority is recast as enabler, working with communities to enable them to access grants and loans. This requires capacity building. Local communities can get a team of people to paint the community centre but when it comes to filling in an application to the lottery fund, it’s not necessarily something they’re naturally attuned to.

However, local authority officers were keen to underline the impact of financial cuts on the ability of the councils to fulfil this role, as well as the symbiotic relationship between public expenditure and collective efficacy, that is, the latter is underpinned by financial and in-kind support from the public authorities.

One of our ward councillors got very upset when we said we’re not doing community engagement anymore because there’s only the two of us, not a team of 24. One of the issues for us with that is residents although beginning quite sceptical around community engagement warmed to it quite quickly and realised that it was beneficial whereas now, there’s nothing. We don’t do any community engagement. For many community groups, once that public sector support has gone, they fold. (Regeneration Officer - UKNSTAFFS001).

However, through the 2010s some community and voluntary groups have sought alternative sources of funding. For example, the Loggerheads neighbourhood planning group was able to fund external consultants via the Locality organisation. Locality is a membership organisation of community and voluntary sector organisations across England that started off as the training provider for community organising (under a central government funding programme) but that has evolved to become a membership-based provider of support for the community and voluntary sector. It is illustrative of the new ways in which community groups get support and funding. Lottery funding has also provided support for the community and voluntary sector in the city-region. Voices of Stoke is a voluntary association formed to tackle problems of serious multiple deprivation across North Staffordshire. Severe Multiple Deprivation (SMD) relates to a client group who experience combinations of

homelessness, mental health issues, addiction and other conditions. It is a client group that needs complex joined-up responses from service providers and often lack the means of engaging with a professionalised community of providers. Thus, Voices of Stoke was able to access Lottery Funding to advocate on behalf of and give voice to this client community. It is also notable that this organisation defines itself in terms of its client community – that is, the organisation recognises that its client group is mobile and thus represents its community wherever that community is located – it is not bound by local authority boundaries.

Moreover, there is not a formal umbrella organisation for the community and voluntary sector in either Newcastle under Lyme or across the city-region as a whole. A handful of nationally linked charities (such as Citizen's Advice) have formed a Chief Officers Group that meets up regularly to discuss strategic issues for the sector in North Staffordshire but this is an ad hoc arrangement.

Overall in North Staffordshire the situation is rather fragmented and is it difficult to identify evidence of other than isolated examples of 'innovations' in local territorial governance. Where they do occur activities largely relate to accessing external financial resources.

5.3.1.2.3 *The West Dorset case*

Key actors in the county include Dorset Local Enterprise Partnership, Bournemouth University, and Dorset Chamber of Commerce and Industry represents business interests in the county. Community groups, whilst not absent and involved in various partnerships and consultation exercises at local level, do not appear to be significant players. At the district level, another key actor is the West Dorset Partnership, a partnership of voluntary and community, public and private sector organisations working together to improve the quality of life in the district. It is responsible for producing and implementing the West Dorset community plan (2010-2026) which provides guidance for future planning policies that will deliver the community plan in terms of land-based planning. The plan involved consultation with local people on parish plans, local area partnership action plans and consultation on a draft of this plan in early 2010. The community plan covers issues relevant to local residents, including housing, transport and roads, the environment, health, safety, the economy, culture and leisure and community facilities, as well as a general vision for the rural hinterlands focusing on improving the delivery and accessing of services in rural communities.

While there are large numbers of community organisations and stakeholders in the area their focus is very local and the lack of a collective (West) Dorset identity makes it difficult to identify common interests around which more over-arching forms of collective mobilisation can be organised. Where more overarching forms of collective organisation/partnership exist, they tend to be organised around a set of specific identifiable territorial interests (e.g. the Dorset Coast Forum) that bring together 'expert' stakeholders rather than engaging directly with local communities. Moreover, in the context of austerity, community organisations are coming under increasing pressure to take on tasks once performed by local authorities across the urban, suburban and rural contexts, as developed further in the collective efficacy chapter. There are indications of an increased reliance on civil society to provide public services but the supply of volunteers is drying up and new ones are not coming forward. Nor is the funding available to train new entrants to the sector and provide them with the skills necessary to deliver services and/or engage with local government and other actors.

While there are a large number of community and voluntary organisations active in our rural case study, their overwhelming focus is on their town or village. In theory this would tend to suggest that this is a fruitful basis from which such organisations can engage with local government and other

actors to develop place-making strategies. However, the situation varies considerable across the area. For instance there were places such as Bridport and Portland where examples of local knowledge being integrated into the development of local place-based strategies could be found. But these were the exception rather than the rule.

5.3.1.2.4 *Relations between policy sectors and policy bundles*

In all three sets of policy documents (urban, suburban and rural examples) there is a general recognition that the various policy fields (e.g. VET, labour markets, local economic growth) need to be integrated into the overall strategies developed through appropriate partnership arrangements. However, this is largely rhetorical at the moment in all cases as highlighted by the key actor interviews and policy documents. In part this is related to the relatively recent origins of the documents and their strategies which are still in the process of being developed, elaborated and operationalised. Moreover, some of the key policies (e.g. on skills and training) are mainly delivered by organisations over which the creators of the documents and strategies have no direct control – this is a highly fragmented landscape. In addition, this is also related to the recent origins of the documents and strategies, in that they are largely aspirational in all three contexts.

There are, however, more concrete issues, particularly regarding the North Staffordshire and Dorset situations where a lack of ‘confidence’ in the capacity and ability of the LEPs to address the problems of each area is evident. The availability of the resources necessary to implement the strategy is limited as LEPs have a relatively small amount available to them and have to apply to central government funding streams for the necessary resources, which themselves are limited. In addition local authorities have seen their budget contributions from central government dramatically cut since 2010. Bristol is slightly different in the sense that here a range of partners are actually ‘on board’ with the strategy developed; what remains to be specified is how it will be implemented and where the resources will come from.

With regard to pre-school child care policy, this remains most noticeable by its absence from any of the documents other than the occasional reference to it in the Bristol documents. This policy is delivered by a large number of private sector organisations that LEPs have no direct control over and local authorities can only indirectly influence. Service delivery varies by type of social investment policy, for example labour market policy and VET is delivered by contractors such as higher education colleges and private contractors combined with a new apprenticeship system⁹. Local government and LEPs have to engage in partnership working with this range of stakeholders in order to deliver these services. While pre-school child care is mainly delivered by a bewildering system of private sector providers that includes larger providers and a multitude of smaller providers. Whilst the importance of child care to labour market policy and VET may be acknowledged there is no evidence of action being taken to integrate it into the strategies developed in West Dorset and North Staffordshire. The Bristol case is an evolving one and how child care might be integrated into the overall strategy remains unclear, though affordable child care is one of the top three priorities of the One City plan in 2019.

⁹ The most recent policy mechanism put in place to increase apprenticeships is the Apprenticeship Levy. The Levy requires large companies (paying out more than 3 million pounds in salaries) to pay 0.5% of their wage bill into the Levy, which is then used to subsidise companies that take on apprentices. However, the complexity of the system means the number of apprenticeships has actually declined since the new system was introduced in 2017.

As indicated in Chapter 2, it is not possible to draw any overall positive conclusions regarding interactions between policy bundles and their integration into the overall strategies since these are in their early stages. Arguably the Bristol case, where a wide range of organisations from different sectors have signed up to the strategy, is the place where such synergies may develop in the future. In the rural and suburban examples, a similar degree of agreement that could lay the foundations for the development of synergies in the future is not as apparent.

5.4 Relation to other scales of government

The evidence we have collected implies that territorial governance related to the five policy fields is weak in the North Staffordshire and West Dorset examples, with non-cooperation evident between neighbouring authorities, but is significantly improving in the case of Greater Bristol. Here, collaboration and coordination between Bristol and South Gloucestershire, and new forms of urban governance such as the Metro and City Mayors have improved the situation. However, even in the Greater Bristol case it is unclear to what extent the organisations responsible for delivering policies (e.g. on the labour market, VET, child care) are actually integrated into governance arrangements.

In terms of relations with other larger than sub-regional levels of governance at the regional and supra-national scales, these are now largely irrelevant as the regional level of governance was abolished by the Conservative-Liberal Democrat Coalition Government on entering power in 2010. Additionally, the sub-regional agenda has disappeared other than the quasi-governance form represented by the LEPs, though in governance terms, these bodies lack the authority and legitimacy to structure the government landscape as they have no legal status or authority. Similarly, none of the three cases are in receipt of significant European Union funds and have not been for over a decade. Brexit will mean that the equivalent of EU structural funds will be distributed by a Shared Prosperity Fund though the nature of size of this fund currently remains unclear as no documentation has gone out for consultation. The various policy fields are directed and led from the national level but are differentially implemented at the local level by a wide range of players from the public, private and voluntary sectors. In essence, at the local level the policy landscape is complex and fragmented (see Atkinson, Tallon and Williams, 2019). These complex private-public partnership models mitigate against cooperation and coordination which makes it difficult for them to work together, as demonstrated to a greater or lesser extent in each of the case studies.

As discussed in the introductory chapter on the national context, at the local level the relationship is also problematic with a multiplicity of partnerships in many instances in competition with each other for service delivery, while decision making takes place at the national level. These decisions which are made at the national level are implemented differentially within the three case studies locations so there is a degree of fragmentation. This is greatest in North Staffordshire and West Dorset and less so in Bristol because of the overarching One City Plan, with numerous organisations signing up to the plan, and the single local authority.

5.5 Conclusion

As already noted both Greater Bristol and the city of Bristol have recently undergone changes in local government that address issues of territorial governance. The new Combined Authority includes the

local authority areas of Bristol, South Gloucestershire, and Bath and North East Somerset, although North Somerset chose not to join, meaning that part of the metropolitan region remained outside the new authority. Evidence from interviews did suggest that the local authority areas making up the Combined Authority have also improved their working relationships particularly around strategic issues such as housing, transport and skills; this represents a marked improvement compared to working relationships in the past which were often marked by low levels of cooperation across territorial boundaries. Indeed, in some cases these relationships were almost non-existent. It is worth noting that interviewees from the business sector regarded the change in the governance architecture of Bristol as positive, pointing to a greater clarity with regard to political communication and that the longer political tenures of major helped strengthen and intelligibility of the city's goals. Similarly, the community and voluntary sector also viewed these changes in a generally positive manner.

Within the North Staffordshire case study area, the capacity to engage in territorial governance is underdeveloped. The area appears to lack the capacity to engage in such activities and where it did occur this was largely stimulated by the formal requirements of partnership working by external funding bodies such as, central government or the European Union. Where this framework is absent, a parochial localism tended to prevail. In part this may be attributed to a lack of strategic long-term political leadership and rivalries between the constituent parts of the region. Nor was local government able to work effectively with the community and voluntary sectors. There was little or no recognition that the community and voluntary sector was an asset to be included in the territorial governance of the area. Moreover, significant tensions were present within each of the local authority districts (e.g. the urban/suburban/rural split in Newcastle under Lyme on over greenbelt sites for housing development, the path dependent “Six towns” mind-set in Stoke). Similar tensions also existed between municipalities such as the historic “Newcastle versus the Six Towns” divide. Taken together these factors have inhibited the emergence of effective forms of territorial governance.

Across West Dorset territorial governance is weak, partly as a result of a lack of capacity within local government, divisions within the business sector due to its structure, the locally organised focus of the CVS combined with a fragmented settlement structure and the prevalence of local identities hindering its development. The DLEP might be expected to lead on the development of territorial governance but as in the other two case studies it was regarded by interviewees as lacking the capacity, and perhaps political will, to do so. Moreover, it largely focuses on the east of the county where it can achieve key output targets and this may account in part for its inability to take a strategic lead in stimulating processes that could facilitate the development of territorial governance. Furthermore, the area lacks bodies that transcend local boundaries which could facilitate the creation of collective organisations that bring a range of stakeholders together and form the basis for the creation of mechanisms to support territorial governance. As noted earlier, this may well be partly the result of a lack of political leadership, but also reflects the factors outlined earlier in the paragraph. In certain circles considerable faith is being placed on the impact of the new larger local authority in Dorset, and it is possible that it will attempt to develop instruments of territorial governance that seek to create a greater degree of territorial cohesion and integration across its varied area. However, a number of our respondents were sceptical about its ability to do this.

Overall across the three case studies Greater Bristol emerges as the area which provides the most positive examples with regard to the three themes covered above, although it was not without its problems. Given the strength of its economy it seems highly likely it will continue on an upward trajectory and recent changes in governance appear to have reinforced this trajectory. Both North Staffordshire and West Dorset, in their different ways, exhibit significant weaknesses across the three themes, and while there were ‘bright spots’ in each area these tended to be the exception. In many

ways the future prospects for North Staffordshire look rather bleak as there seems to be no way out of its path-dependent trajectory. West Dorset certainly has some potential with parts of the area exhibiting examples of positive development and around the high-quality environmental capital it has in relation to tourism. But like North Staffordshire it lacks the capacity to effectively mobilise these.

The strategies developed in Dorset and North Staffordshire by their LEPs is based on the UK Industrial Strategy document (HMG, 2017). In each case it is about enhancing growth through improvements in productivity and competitiveness led by markets and making their areas ‘a great place in which to do business’. In both cases the LEPs have attempted to identify key industrial sectors that they wish to support, these are seen as the drivers of productivity led growth and enhancements in the area’s competitiveness. Both LEPs are attempting to adapt the UK Strategy to the situation in their areas, although in the Dorset case there is little evidence of the place-based approach being developed. The North Staffordshire case is somewhat more complex as there is some recognition of the need for a place-based approach, although this remains underdeveloped. In neither case was it possible to identify forms of territorial governance that were enduring and not tied to particular, time-limited, funding streams.

The Bristol case while following the overall ethos of productivity driven growth and competitiveness only mentions the UK Industrial Strategy in passing and while there is a recognition of the LEPs Local Industrial Strategy and the West of England Joint Spatial Strategy the overwhelming emphasis is on the Bristol Approach and Inclusive Growth. Here the term ‘placed focussed approach’ is used to indicate the ambition to “Develop high quality places, communities and neighbourhoods to retain and attract a diverse mix of residents, workers and visitors” (BCC, 2019b, p12). However, the One City Plan and the Inclusive Growth Approach are both anchored in a larger international agenda that differs somewhat from the UK National Strategy in terms of seeking to develop mechanisms to ensure that marginalised people and places are able to participate in and benefit from productivity driven growth and enhanced competitiveness. Here we can see the potential for the development of forms of territorial governance in relation to the three strategies outlined above.

6 Discussion and Conclusion

As we noted in the Introduction the role of the state, in terms of both national and local government, has been restructured over the post-1979 period within the framework of a neoliberal ‘political and economic regime’ that itself has changed and mutated over time and across space. Following Allmendinger and Haughton (2014) we argued that the current phase of neoliberalism in the UK has been characterised by what they term the ‘roll-out’ variety of neoliberalism with its attendant processes of ongoing experimentation with forms of governance that support market-based forms of action. However, this has not been a uniform process across space and these wider processes continue to be mediated by local factors meaning that one cannot simply read off the local implications of this phase of neoliberalism. Moreover, parallel, arguably complimentary, changes in the reorganisation, restructuring and fragmentation of the British state and sub-national government have produced a more fragmented system of service delivery through privatization, contracting out, the creation of quasi-markets and developing delivery partnerships with a range of private, community and voluntary sector organisations. Much of this has taken place under the banner of New Public Management and been pushed forward under governments of different political hues. Finally, post-2010 the ‘austerity regime’ has led to major reductions in local authority budgets, forcing them to increasingly focus their activities on key statutory services leaving community/voluntary sector organisations to attempt to ‘pick up the slack’. Although the impacts of these cuts have been uneven with the poorest places often experiencing the most dramatic cuts in funding.

Overall in terms of our three case studies the Metropolitan area (Greater Bristol) and Suburban area (North Staffordshire) are both functionally and morphologically integrated and this is typical of the type of urbanisation found in England. However, both are administratively separate and as we have seen this posed important issues/challenges in terms of territorial governance, most notably around cooperation and coordination and the need to reconcile ‘conflicting political and economic interests’ which have implications for territorial cohesion. As we have seen in both areas attempts have been made to address these issues, through various formal and informal partnership arrangements, which appear to have been more or less successful. West Dorset on the other hand is on the whole a ‘classic’ English rural areas made up of small towns and villages and experiencing problems associated with rurality (e.g. accessibility to services) while Weymouth and Portland is an ‘urban outpost’ with a very different history to the rest of the area. As in the other two case study areas this has created problems of territorial governance. In Greater Bristol and West Dorset recent changes in their governance structure may help overcome some of these historical territorial governance problems.

Each of our case study areas is endowed with different forms/stocks of territorial capital largely reflecting their histories. Although this should not be interpreted as meaning that they are inevitably trapped in unbreakable path-dependent trajectories. In the Greater Bristol case it has been better able to cope with change because of its embedded territorial assets which have provided the basis for dealing with change. While in the other two case study areas they have experienced greater problems in terms of their historical territorial capital legacies. What also stands out is that the settlement structure (including degree and form of urbanisation), administrative structures and historical relationships between different administrative areas matter in terms of the development of both territorial governance and collective efficacy. In each case, albeit to varying degrees, this has impacted, often negatively, on the mobilisation of territorial capital to address the area’s problems and pursue strategies that address ‘territorial cohesion. In Greater Bristol recent changes in governance offer the potential to rectify some of these issues while in the other two areas the picture is less positive although it is contended that the recent reorganisation of local government in Dorset may help attenuate some of these governance issues.

In terms of territorial capital and its mobilisation in all three of our case studies relevant organisations attempted to create local development strategies tailored to the area. These strategies have involved variable degrees of consultation with other stakeholders being to a greater or less extent inclusive/exclusive particularly vis-à-vis communities. Each strategy reflects what the lead organisations, and those consulted, considered to be the problems of their localities, although in Dorset and North Staffordshire these were largely structured by a national discourse, created by the National Industrial Strategy (HMG, 2017). As we have seen the urban case was somewhat different with a greater emphasis on inclusive growth. Following on from this all three strategies were framed by an emphasis on notions such as productivity-driven growth, competitiveness, enhanced productivity and increases in GVA. In none of the cases was the terminology of territorial capital deployed, rather the attendant policy discourses talked of building on ‘strengths’, seizing ‘opportunities’ and seeking to address weaknesses/challenges. In each case there was an attempt to construct a problem (or a set of interrelated problems), develop a ‘diagnosis’ and then develop a strategy to address the problem(s). While all three strategies emphasised productivity drive growth they differed in the ways in which they interpreted this and the degree to which they explicitly attempted to address ‘social issues’ and sought to reduce social and spatial inequalities thereby, at least indirectly, territorial cohesion.

In terms of the development of their local strategies both North Staffordshire and Dorset portrayed their local strategies as direct responses to the UK Industrial Strategy (HMG. 2017). In North

Staffordshire the LEP did attempt to articulate economic development/growth with social inclusion and some semblance of the place-based approach. This in turn may be understood as representing a concern with territorial cohesion. The problem was that these linkages were underdeveloped functioning mainly as statements of intent. In Dorset the LEP strategy displayed a failure to comprehend, and react to, the diversity of the area. In this case ‘territorial cohesion’ was subordinated to ‘territorial homogeneity’. This was reinforced by the absence of an appreciation of the need to develop a place-based approach to address the diversity of problems/issues across Dorset. Instead the emphasis was on the rollout of generic policies across the whole LEP area. In relation to our case study area of West Dorset the significance of the rural dimension and the fragmented and diverse settlement structure was not fully taken into account by the LEPs strategy. Nor were notions of inclusive growth and thus of social inclusion/cohesion present. Greater Bristol was somewhat different. Here in early 2019 the City of Bristol published its own *One City Plan* and supporting Inclusive Growth Strategy while in July 2019 the West of England LEP and West of England Combined Authority published their West of England Local Industrial Strategy (WELIS) in which the City of Bristol presumably was involved. In a manner similar to Dorset and North Staffordshire the West of England LEP and West of England Combined Authority were responding to the UK National Industrial Strategy, albeit in a more context aware manner which did, at least rhetorically, take on board the notion of inclusive growth. However, Bristol’s strategy made little reference to this document or the National Industrial Strategy and sought to explicitly situate its approach in an international context. In both the Greater Bristol and City of Bristol strategies there was evidence of a greater appreciation of the ‘territorial dimension’ and of the need to mobilise ‘territorial capital’ not only to achieve national goals but also to try and ensure locally embedded social and spatial inequalities were addressed.

Comparing the territorial capital present in the three cases Greater Bristol has significant advantages over the other two case study areas. For instance, in terms economic capital in Greater Bristol there are obvious strengths in terms of a well-educated and highly qualified workforce, which in part reflects the presence of two universities in Bristol and the fact that a considerable number of students stay after graduation and work in the area. In addition, the area has consistently been able to attract well-educated and highly qualified people to live and work there. These factors supported economic development in a variety of sectors including a new high-tech and knowledge-based economy. Moreover, Bristol is considered to be a place with a good quality of life. Recent improvements in institutional capital expressed in better networking, partnerships, and collaboration across sectors and between groups in the city in association with the more strategic approach adopted by the city council and improved political leadership have further supported these processes. Nevertheless, while the city-region is well endowed with forms of territorial capital there remain longstanding and embedded issues of socio-economic and spatial inequalities in the city of Bristol that appear to defy a solution.

In North Staffordshire its territorial strengths and weaknesses were primarily expressed in terms of accessibility and connectivity along with proximity to important leisure and tourism assets. Additionally, some interviewees argued the low cost of industrial and commercial property and housing were thought to make the area, at least potentially, a competitive location for investment. Although this view was not universally shared and, other interviewees argued there were significant barriers to this potential being realised. The area has been successful in terms of creating low-paid low productivity jobs, but this has not addressed the fundamental problems facing the area. Moreover, the situation in the area was complicated by the presence of a strong sense of ‘place loyalty’ that reinforced a tendency towards resignation and parochialism that has historically inhibited cooperation between different administrative areas and economic and social progress in the conurbation. Thus, there was little evidence of the development of a coherent strategy being developed and appropriate

‘policy bundles’ being deployed to mobilise territorial capital. In part this seems to have been attributed to a lack of political leadership but also to poor coordination between different sectors, both public and private.

In West Dorset our research revealed considerable variation in territorial capital across our study area. One thing everyone agreed on was that the area was rich in environmental capital related to its maritime, rural and cultural heritage. Furthermore, some interviewees argued that, in terms of economic capital, there were strengths, albeit underutilised, in the Food and Drink sector. Nor was there a coherent strategy to bring these together in terms of a coherent tourist offer aimed at a high value tourist offer. The situation in Weymouth and Portland was very different. Traditionally Weymouth as a tourist destination has focussed on a low value tourist offer based around ‘sun and sand’ and the town’s tourist industry has shown a market reluctance to move away from this model. Portland displayed a set of very different problems/issues vis-à-vis territorial capital. Most notably it lacked economic capital due to economic decline associated with the closure of defence-related facilities, associated loss of skilled and high-quality employment and a remaining low-skilled, low waged and seasonal workforce. It is an example of deindustrialisation and of an area locked into a form of path-dependency. In addition, businesses throughout West Dorset reported problems related to labour supply and associated skills, connectivity and future development prospects. More generally these concerns were part of widely acknowledged issues associated with low productivity and a low-skilled workforce, loss of young people and an aging demographic structure along with Dorset’s poor connectivity both internally and to the rest of the UK and beyond. Whilst there were forms of territorial capital in the area that provided the basis for future development potential there was an absence of ‘joining-up’ in terms of understanding the interrelationships between different forms of territorial capital and the need to mobilise that capital through the development of forms of governance and of appropriate ‘policy bundles’. In part this was argued by interviewees to be the result of a lack of leadership to ‘bring the fragments together’ and the lack of a coherent strategy to address deficiencies in territorial capital, weaknesses in institutional capital and leadership.

In relation to our policy fields (VET, labour markets, child care, etc.) and their integration into the overall strategies in the case study areas it was not possible to draw any positive conclusions regarding synergies between them. This partly reflects the aspirational nature of the strategy documents and that they are a ‘work in process’ making it difficult to see evidence of synergies. But it also reflects the fragmented nature of the ways in which the key policies are delivered through privatised, quasi-market and contracted forms of delivery over which lead strategy organisations have only limited or indirect influence. If this is to be overcome it will require the assembly of a complex set of partnerships and there are question marks over the capacity of lead organisations to do this especially in North Staffordshire and Dorset. Even in terms of local growth/development where lead organisations have more control there is a lack of resources and capacity to engage in an extensive strategy of development due to the effects of austerity that have severely depleted the resources of local government. Even where national resources are available these are competitively allocated, and the associated allocation metrics favour urban areas, making long-term planning difficult.

Overall while it was possible to identify examples of innovation in the three case studies, albeit variable in nature and scale, innovation tended to be the exception rather than the rule. Partly this reflects the impacts of austerity that has seen very significant reductions in the level of funding to support communities. In addition, there does seem, in some places, to have been a decrease in the capacity and willingness on the part of communities to take on tasks previously carried out by local government. Collective efficacy across the case studies was equally variable with more deprived areas

struggling to go beyond a day-to-day survival process in the face of austerity induced service reductions.

The Bristol case stands out because of the *One City Plan* in terms of innovation and collective efficacy; arguably it represents a new and innovative approach to governing place and engaging with a range of different communities. It is perhaps best described as an example of strategic innovation. The Lawrence Weston area of the city displays evidence of the development of a more place-based example of both collective efficacy and innovation. Here the local community is seeking to develop new community-based ways of addressing the needs of the area as determined by the local community. At the moment it is difficult to determine if this will lead to sustained enhancements in collective efficacy and a greater capacity to engage in innovation. In North Staffordshire there were some examples of innovation, however, there was little evidence of collective efficacy from either the community sector or business community at the level of Newcastle under Lyme. Voices of Stoke was perhaps the best example, particularly of an organisation that works across administration boundaries to address the complex needs of a dispersed client community. The situation in West Dorset was variable with the community focus being largely determined by the place where people lived. Although there was evidence of both collective efficacy and innovative practices in two very different towns - Bridport and Portland. Interestingly in both towns this was led by a small group of individuals rather than by local government or the wider community, although once the process was underway more members of the community appeared to have become involved. The Dorset Coastal Forum was an interesting example of collective efficacy and innovation, but one based on a professional and managerial community which is likely to be difficult to replicate elsewhere unless there is a similar geographically and functionally determined coming together of interests. Generally, examples of innovation cited in relation to particular policy fields have been isolated and divorced from any wider strategic approach. In short, we found relatively limited evidence of collective efficacy in any of the case study localities, in the sense outlined above, i.e. in the sense of collective mobilisation of voluntary and community sector resources to achieve specific goals through the mobilisation of territorial capital.

With reference to territorial governance recent changes in local government structures in Greater Bristol and the city of Bristol appear to be capable of bringing about improvements. In Great Bristol the new Combined Authority could provide the basis for improved territorial governance, evidence from interviews suggested that the local authorities making up the Combined Authority have improved their working relationships particularly around strategic issues such as housing, transport and skills. If this is the case, then it does represent a significant improvement compared to the past when low levels of cooperation across territorial boundaries was the norm. Moreover, interviewees from both the business sector and the community and voluntary sector also considered the changes in governance within the City of Bristol, associated with the *One City Plan*, to be positive.

Within the North Staffordshire case study area, the capacity to engage in territorial governance is underdeveloped. The area appears to lack the capacity to engage in such activities and where it did occur in the past this was largely stimulated by the formal requirements of partnership working by external funding bodies such as, central government or the European Union. When these funding streams were discontinued the associated forms of governance disappeared. Where this framework is absent, a parochial localism tended to prevail. In part this may be attributed to a lack of strategic long-term political leadership and rivalries between the constituent parts of the region. Moreover, significant tensions were present within each of the local authority districts (e.g. the urban/suburban/rural split in Newcastle under Lyme over greenbelt sites for housing development, the path dependent “Six towns” mind-set in Stoke). Similar tensions also existed between

municipalities such as the historic “Newcastle versus the Six Towns” divide. Taken together these factors have inhibited the emergence of effective forms of territorial governance.

In West Dorset territorial governance is weak, partly as a result of a lack of capacity within local government, divisions within the business sector due to its structure, the locally organised focus of the CVS combined with a fragmented settlement structure and the prevalence of local identities have hindered its development. The DLEP might be expected to lead on the development of territorial governance but as in the other two case studies it was regarded by interviewees as lacking the capacity, and perhaps political will, to do so. Furthermore, the area lacks bodies that transcend local boundaries which could facilitate the creation of collective organisations that bring a range of stakeholders together and form the basis for the creation of mechanisms to support territorial governance. Considerable faith is being placed on the impact of the new larger local authority in Dorset, and it is possible that it will attempt to develop instruments of territorial governance that seek to create a greater degree of territorial cohesion and integration across its varied area.

In terms of the three case studies Greater Bristol emerges as the area which provides the most positive examples with regard to the themes addressed above, although it is not without its problems. Given the strength of its economy it seems highly likely it will continue on an upward trajectory and recent changes in governance appear to have reinforced this trajectory. Both North Staffordshire and West Dorset, in their different ways, exhibit significant weaknesses across the themes, and while there were ‘bright spots’ in each area these tended to be the exception. In many ways the future prospects for North Staffordshire, particularly Stoke on Trent, look rather bleak as there seems to be no way out of its path-dependent trajectory. West Dorset certainly has some potential with parts of the area exhibiting examples of positive development and around the high-quality environmental capital it has in relation to tourism. But like North Staffordshire it lacks the capacity to effectively mobilise these.

All three cases, whilst not explicitly addressing issues of territorial capital, territorial cohesion and territorial governance do deploy a more traditional language of ‘strengths’, that are to be built on, ‘opportunities’, to be grasped, and ‘challenges’/‘weaknesses’ to be overcome. The issues of territorial cohesion and territorial governance are ‘easier’ to address in Bristol because the strategy is focussed on a single local authority area and one may interpret the ‘place focussed’ approach as addressing these issues. In North Staffordshire there is some evidence of a concern with territorial cohesion, specific place-based interventions are identified in the strategy documents, but it is difficult to discern whether or not this represents a clear commitment to territorial cohesion or a rhetorical device. Territorial governance is addressed through a commitment to engage in multi-level governance by working in partnership with a range of local and regional organisations. The Dorset documents pay less attention to territorial cohesion, although there is some acknowledgment that specific policies may need to be developed to address problems in certain places (e.g. Weymouth and Portland) provided a ‘business case’ can be made for doing so. Territorial governance is indirectly addressed through the commitment to working with the two new local authorities when they are up and running. There is also mention of the Great South West initiative, inspired by the UK Industrial Strategy, involving LEPs, local authorities, businesses and universities across the South West region. This may be seen as a form of territorial governance designed to promote this wider ‘region’ nationally and internationally, support collaborative working where opportunities arise and address barriers to productivity. However, as noted this is an embryonic and voluntary initiative with no resources of its own and there is no real evidence of its achievements to date.

In none of the cases is the notion of a place-based approach explicitly referred to but one can, to varying extents, perceive elements of it in both the Bristol and North Staffordshire strategy

documents, while it appears to be almost entirely absent from the Dorset strategy documents. In the North Staffordshire cases where elements of a place-based approach may be detected these are currently underdeveloped in the sense that they are rather general. It is entirely possible that they may be developed further in the future. In the Bristol case there is a clear commitment to a ‘place focussed’ approach and there does appear to be a commitment to greater ‘territorial cohesion’ within the city in the sense that marginalised areas of the city, and those who live in them, should be more integrated into the city and be able to participate in the benefits arising from productivity driven growth in terms of a having a better quality of life and enhanced life chances by improvements in services provided to these areas. One can, perhaps somewhat generously, identify something similar in the North Staffordshire documents.

In Bristol with regard to collective efficacy there is recognition of past deficits with previous administrations and the need to address them. This was seen as necessary in order to focus all the various organisations in the city and fragmented programmes and projects on achieving a shared vision which does imply a degree of reflexivity and learning. Whereas in North Staffordshire the discourse of collective efficacy – defined in respect of public participation and third sector activism – is almost wholly absent from the documentation. In Dorset the documents seek to create a variety of partnerships that will perhaps enhance collective efficacy. A great deal of emphasis (hope?) is invested in the reform of Dorset local government which came into effect on April 1st 2019. There is an underlying, albeit unsubstantiated, assumption, that this will enhance institutional capital and thereby improve collective efficacy and collaboration.

Overall, at the moment, it is not possible to draw any positive conclusions regarding synergies between the various policy fields and their integration into the overall strategies articulated in the relevant strategy documents. This is mainly because the overarching strategies into which they need to be integrated are still ‘in the making’ – they are aspirational documents – and thus, at this point in time, one cannot see any concrete evidence that would support the existence of synergies. Arguably the Bristol case, where a wide range of organisations from different sectors have signed up to the strategy, is the place where such synergies may develop in the future. In the other two cases one cannot identify a similar degree of agreement that could lay the foundations for the development of synergies in the future.

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Project no.: 727058

Project full title: Inequality, urbanization and Territorial Cohesion: Developing the European Social Model of economic growth and democratic capacity

Project Acronym: COHSMO (Former Hans Thor Andersen)

Deliverable no.: D4.6

Title of the deliverable: Report on policy analysis - Greece

Contractual Date of Delivery to the CEC:	31.12.2019
Actual Date of Delivery to the CEC:	20.12.2019, 01.07.2020
Organisation name of lead contractor for this deliverable:	Aalborg University, Uniwersytet Warszawski
Author(s):	Artelaris Panagiotis, Balampanidis Dimitris, Maloutas Thomas, Mavrommatis George
Participants(s):	P1, P2, P3, P4, P5, P6, P7
Work package contributing to the deliverable:	WP4
Nature:	RE
Dissemination level:	PU
Version:	1.0
Total number of pages:	84
Start date of project:	01.05.2017
Duration of project:	54 months

Abstract:

This synthetic report draws together all the work that has been done in Working Package 4 (WP4); namely policy review, interviews with stakeholders, discourse analysis of policy documents and interviews with policy actors in order to examine specific issues in the individual case-localities as well as more general issues in support of a cross-national discussion. More to the point, this synthetic report focuses on how location matters in policies aimed at promoting economic growth and social well-being within the analytical context of local territorial cohesion. It is based on the hypothesis that local conditions such as territorial cohesion, are often neglected in relation to policy programs that aim to alleviate inequalities and generate economic growth and social well-being. The main theoretical hypothesis that holds this synthetic report together is that territorial capital in all areas under study is dependent on its mobilization. Otherwise, it remains dormant. However, for the mobilization of territorial capital, what is important are the levels of collective efficacy and

the territorial governance structures in place. Moreover, although the mobilization of territorial capital and the levels of collective efficacy are very close to each other, territorial coordination and governance is another thing. According to such a line of thinking, the question then changes to: How can territorial governance utilize collective efficacy for/and the mobilization of capital? Subsequently, in this report, we try to provide some answers to this question by drawing on our selected case studies and by proceeding in a cross-case analysis.

Keyword list: territorial cohesion, economic crisis, territorial capital, collective efficacy, territorial government, policy coordination, policy areas, policy bundles.

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Abbreviations

CBD	Central Business District
EATA	Athens Development and Destination Management Agency
GDP	Gross Domestic Product
KOINSEP	Social Cooperative Enterprises
NGO	Non-Governmental Organization

Executive summary

In this report, we synthesize all the work done in Work Package 4. As this particular work package is extensive to try to do such a task is not an easy job. The main theoretical glue that holds the whole package together is that territorial capital in all areas under study is dependent on its mobilization. Otherwise, it remains dormant. However, for the mobilization of territorial capital what is important are the levels of collective efficacy and the territorial governance structures in place. Moreover, although the mobilization of territorial capital and the levels of collective efficacy are very close to each other, territorial coordination and governance is another thing. According to such a line of thinking, the question then changes to: How can territorial governance utilize collective efficacy for/and the mobilization of capital? This has been the main analytical inquiry that has shaped this report. Furthermore, territorial governance is related to the ‘capacity to act’. Effective policy coordination has to include ways that take into account ‘bottom up’ initiatives and ‘grassroots actions’ in any local development plan; different voices have to be included within such endeavours. All these together in a way constitute effective and successful processes of taking advantage of territorial capital within local development processes that aim to strengthen territorial cohesion. To put it differently, territorial cohesion is clearly dependent on the ways that the mobilization of territorial capital, collective efficacy and territorial governance/ coordination work together (or not). Of course, all these assumptions are on a normative theoretical level. But what is happening on the actual (or narrative/discursive) level of our selected case studies? Does the mobilization of territorial capital, collective efficacy and territorial governance function synergetically and thus produce enhanced levels of territorial cohesion? Or is it the opposite way, where these dimensions of territorial cohesion do not add up, some of them are not mobilized, or even not thought of yet? Is territorial cohesion a policy reality within and across our cases? Do forms of territorial capital get mobilized across cases? Are levels of collective efficacy adequate and enough to mobilize such forms of territorial capital? And finally, are regimes of territorial government in place to facilitate such processes? These are some of the questions that this report attempts to provide answers to.

To start with, in all study areas within the region of Attiki (the urban, the suburban and the rural one), a wide spectrum of quite similar territorial problems were observed. In the urban study area, problems may appear to be more acute and alarming, solely because of the higher concentration of population; in the suburban study area, some of the problems may relate especially to (recent) processes of suburbanization; while in the rural study area, problems may relate especially to the (longer) distance from points of access to infrastructures and services (although the Municipality of Marathon is not really a remote area). Contrary to the urban and the rural study area, where local problems are long lasting, in the suburban study area problems emerged more recently, following the suburbanization trends of the 1980s and 1990s. Anyway, in all study areas, local problems further exacerbated after the deep, multi-faceted and on-going crisis in Greece that burst out back in 2009. Last, although local problems concern primarily the most vulnerable social groups in the most deprived neighbourhoods of the study areas, they generally are – especially after the outburst of the crisis – geographically and socially dispersed.

Beyond local problems, all study areas appeared to possess different forms of territorial capital. Obviously, the urban study area presents comparative advantages, such as centrality and high accessibility to services and infrastructure (anthropic capital) or the existence of unique historical and cultural heritage (cultural capital). However, this does not automatically imply that the suburban and the rural study area do not possess their own (other) comparative strengths, such as more recently constructed and adequate infrastructure (anthropic capital) or a unique physical capital respectively (environmental capital). Although the on-going crisis in Greece does not constitute a favourable

condition for the local actors in the study areas to mobilize territorial forms of capital, significant efforts have been made by public authorities and, at the same time, significant initiatives have been undertaken by civil society. Due to limited financial resources in all study areas, instead of mobilizing various forms of territorial capital, public policies are primarily – yet not exclusively – focused on the provision of basic public services. Especially in the urban study area, public policies have been sometimes interestingly innovative, while in the suburban and the rural study area they usually follow already tried and tested practices. Civil society is significantly mobilized, in most study areas, undertaking significant initiatives on various different topical issues. Civil society includes large domestic philanthropic private foundations (especially in the urban study area), large international and domestic NGOs, volunteers' networks, citizens' associations and groups, as well as small non-profits' and other local businesses' associations and networks. Especially in the urban study area, the number of civil society actors is larger, the spectrum of issues that they are engaged in is wider and the ways of engagement are more innovative.

Overall, collective efficacy is assessed to be relatively high in most study areas (except the Municipality of Marathon) and, thus, able to support the mobilization of different dimensions of territorial capital. However, mobilization of the local public authorities and the local civil society – although valuable – is not sufficient, especially under conditions of crisis, while collaboration between different local actors is weak. In fact, although NGOs, citizens' associations and groups, and local non-profits and businesses are there, they are not so much interconnected between them and not really interconnected with public authorities. Furthermore, the involvement of civil society in territorial governance and, therefore, collaboration with public authorities emerged as an urgent need after the outburst of the crisis and occurs primarily in the stage of implementation – and less in the stage of design, monitoring and evaluation – of public policies. Civil society actors are rarely invited to provide their knowledge and experience on local needs, so that public authorities manage to design place-based policies. Thus, in all study areas, the design of public policies is made primarily by the local elected officials in collaboration with the working staff in public services (top-down approach) and, apparently, rather in empirical than in a more systematic way. Especially in the urban study area, civic engagement in the implementation of public policies is relatively higher, thanks to more innovative initiatives taken by the local municipal authorities.

Last but not least, concerning the monitoring and evaluation of public policies, collaboration between civil society and public authorities again proved to be weak. In monitoring processes, only financial controls are carried out systematically and strictly by public authorities, concerning all kinds of incomes and expenses originating from the national or municipal budget, EU structural funds, private donations etc. Besides, it is rather rare that data on beneficiaries of and participants in public policies are collected and carefully analysed. As for evaluation, similarly to the design of public policies, it is made primarily by public authorities and rather empirically, that is, through the everyday contact of public authority actors with citizens' complaints and requests, which are raised unofficially and not through questionnaires, consultation meetings etc.

1 Introduction

1.1 National context, purpose and main findings

Territorial cohesion is a European Union concept based on the European Spatial Development Perspective (ESDP); the prior goals of economic and social cohesion, introduced in 1986, have been supplemented with territorial concerns. Although critical for the EU, the notion of ‘territorial cohesion’ has not been explicitly introduced into the policy debate and academic discussions in Greece. In fact, from the post-war period until today, official public policies and scientific literature have been rather revolved around issues of ‘socio-spatial inequalities’, ‘disparities’ or ‘imbalances’ that emerge at the national, regional and local level. To address problems of ‘uneven development’, policy makers and scholars have suggested measures aiming at ‘social and economic cohesion’, on the basis of a more ‘balanced’ and ‘sustainable development’ across but also within regions and prefectures, urban, rural, mountainous and island areas. Overall, seeking an appropriate – efficient and fair – development model for Greece, a greater emphasis has been placed on the notions of ‘economic cohesion’ and ‘regional convergence’. In this sense, territorial cohesion has not attracted much attention in either the policy or academic field in Greece.

To follow the long discussion about ‘socio-spatial inequalities’ and ‘uneven development’ in Greece, it is fundamental to take into account two basic contextual conditions: the structure of Greece as a centralized state and the predominant role of the capital city, Athens. Nowadays, the capital region of Attiki (mainly consisting of the metropolitan area of Athens) is responsible for more than 36% of the total population and 48% of GDP. In general terms, all economic development indicators reveal a similar pattern since they also confirm the dominance of Attiki to the Greek regional system. The great socio-economic precedence of Athens over all other regions and cities of Greece constitutes a long-lasting phenomenon – since at least the beginning of the post-war era – and implies one of the most apparent and persistent socio-spatial inequalities, that is, the uneven development between the capital city and the rest of the country. This is usually described as the ‘core-periphery’ dichotomy, which is accompanied by many other persistent dichotomies in space, such as the ‘north-south’, ‘east-west’ and ‘urban-rural’ divide.

To explain phenomena of persisting ‘socio-spatial inequalities’ and ‘uneven development’ in Greece, scholars have stressed various reasons related to the specificities of the local context, but also, to international developments. Particular attention has been paid to regional and local policy and planning that have been implemented at the national and the European level, with the aim of achieving ‘social and economic cohesion’. Official policy and planning have been often criticized and, consequently, rejected, revised or adjusted. The notion of ‘territorial cohesion’ constitutes a relatively recent idea, suggesting new ways of understanding inequalities, setting new targets and priorities. However, this policy idea has still not been explicitly introduced into the Greek public and academic debate. Especially under conditions of a long and continuing crisis in Greece, the notion of ‘territorial cohesion’ could offer a useful analytical tool for discussing inequalities and, thus, new and alternative ways to address them.

Evaluating the public (regional and urban) policies designed and implemented by the Greek state and/or in cooperation with the European Union, studies have produced mixed results. Greek scholars have recognized significant positive impacts of regional and urban public policies on economic growth, social cohesion and convergence but also raised a number of questions and criticism concerning the suitability of the country’s regional and urban model in efficiently promoting balanced

development. The most important criticism that national public policies have received are related to the lack of internal coherence and continuity between programmes and objectives, to the enforcement of uniform solutions to different types of regional problems instead of ‘context-based’/‘local-based’ policies, to the overwhelming emphasis to and absorption of a very large portion of regional programmes resources for basic infrastructure as well as to the fact that policy objectives do not always include aspects of productivity, quality and sustainability but focus on the quantitative expansion of public and private investments. Other forms of criticism are associated with uneven distribution of public investment expenditures and other resources, with the fact that decentralization of power, responsibilities, services and resources has not been achieved despite the reforms of the administrative divisions and governance system and with the low levels of civic engagement and participation in public policies and planning.

Broadly speaking, territorial cohesion policy is directly or indirectly linked to various national and regional policies in Greece. In the context of this project, five critical policy areas have been chosen for analysis: 1) Active labour market policies 2) Vocational training 3) Childcare policies 4) Area regeneration policies (urban and rural areas) 5) Economic growth policies. Firstly, active labour market policies, either in the form of public employment services or training schemes or subsidies, are a useful tool for Greece to boost employment of the most vulnerable groups of people, such as long-term unemployed, women and young unemployed. Active labour policies are based to a great extent, on European structural funds (especially the European Social Fund). In this context, almost all major policy areas include active labour policies such as the Development Law, expected to grant 480 million euros until 2022, the "Human Resources Development, Education and Lifelong Learning", with a budget of 2.667 billion (1.933 billion from the ESF and €171 million from the YEI), focuses on increasing employment opportunities for all citizens in all regions (although there is a different funding of the planned actions in each region favouring less developed regions), the "Rural Development Programme" focusing on rural areas (e.g. support of "Young Farmers") the "Competitiveness, Entrepreneurship and Innovation" programme focusing on new entrepreneurial initiatives, products and jobs as well as the Regional Operational Programmes (ROP).

Secondly, vocational education, aiming at the enhancement of human capital and the increase of “employability” of the labour force, as well as, tackling inequalities and promoting inclusion, has played a major role in Greece since the 90s and especially ‘00s. Similar to active labour policies, the funding of vocational policies has been based, to a great extent, on European structural funds and especially the European Social Fund. In the last programming period (2014-2020), several major policies include measures related to vocational education such as the "Human Resources Development, Education and Lifelong Learning" aiming at the creation of educational opportunities for all citizens in all regions, the "Rural Development Programme" focusing on the upgrade of the human capital and reinforcement of the entrepreneurial culture in rural areas (e.g. knowledge transfer and information actions, advisory services and farm management services) as well as "Competitiveness, Entrepreneurship and Innovation" aiming at the improvement of the adaptability of enterprises and employees to the new development requirements.

Thirdly, childcare policy in Greece deals with inequalities across social and geographic divisions. It is implemented via two basic categories of tools, (a) the provision of pre-school and primary school programs and (b) the provision of various forms of monetary or other support to families with children. Policy design and policy implementation in both fields basically lie within the responsibility of the national government and governmental agencies, while Municipalities share a part of competences concerning the management of schools. In the recent period, care issues have also been

discussed and decided upon in the context of the Economic Adjustment Programmes (EAPs) for Greece.

Fourthly, deficiencies in the national planning system of Greece has been one of its main features. More to the point, deficiencies at the strategic level meant that area regeneration policies were usually focused on physical planning and prioritizes the perspective of the landscape and architectural forms without necessarily combining them with broader social and economic considerations. Today, strategic priorities of area regeneration policies are defined in the context of the 13 Regional Operation Plans (ROPs) elaborated by the respective Regions and co-funded by the European Regional Development Fund (ERDF) and the European Social Fund (ESF). ROPs include activities and measures that are of direct interest to area regeneration policies, such as the promotion of sustainable urban mobility, waste and water management, improvement in energy efficiency, upgrading of tourist infrastructure etc. Important planning tools in the ROPs are Community Led Local Development, Sustainable Urban Development and Integrated Territorial Investments. ROPs are adjusted to the smart specialization strategy (RIS3) which aims at promoting innovation by fully exploiting local advantages, based on existing local knowledge.

Lastly, in terms of policies that focus on economic growth, there are three main goals that relate to territorial cohesion: a. the promotion of geographically balanced development, especially through the support of lagging areas of the country. b. the enhancement of the competitiveness of regions on the basis of their competitive advantages (place-based knowledge, human capital, natural resources etc.). c. the promotion of “integrated” territorial development through the enhanced coordination of different economic sectors within a given area (the more characteristic tool is that of the Integrated Territorial Investment). Alongside these three explicit territorial goals we should also stress the increased importance of *ad hoc* spatial arrangements, which are promoted through tools like the Specific Spatial Plans and the Special Plans of Spatial Development of Public Real Estate Property. The *ad hoc* spatial arrangements are crucial in the implementation of policies (such as privatizations) which require an “exceptional” regulatory framework and treat, consequently, the national territory in a rather fragmented way. As a result of the influence of EU policies, the participation of stakeholders in policy-making and policy-implementation was reinforced during the last two decades. The EU projects promote directly such participation. National policies also adopt participatory logics under the influence of the EU.

In relation to all these aforementioned policy fields, this synthetic report draws together all the elements of the Working Package 4. More to the point, we examined the overall policy review, interviews with stakeholders, discourse analysis of policy documents and interviews with policy actors. This examination took place in relation to specific issues in each individual case-locality, as well, across cases in order to produce a more general discussion (cross-national investigation). More to the point, this synthetic report focuses on how location matters in policies aimed at promoting economic growth and social well-being within the analytical context of local territorial cohesion. It is based on the hypothesis that local conditions, such as territorial cohesion, are often neglected in relation to policy programs that aim to alleviate inequalities and generate economic growth and social well-being. The main theoretical hypothesis that holds this synthetic report together is that territorial capital in all areas (and in relation to all policy fields) under study is dependent on its mobilization. Otherwise, it remains dormant. However, for the mobilization of territorial capital, what is important are the levels of collective efficacy and the territorial governance structures in place. Moreover, although the mobilization of territorial capital and the levels of collective efficacy are very close to each other, territorial coordination and governance is another thing. According to such a line of thinking, the question then changes to: How can territorial governance utilize collective efficacy

for/and the mobilization of capital? Subsequently, in this report, we try to provide some answers to this question by drawing on our selected case studies and by proceeding in a cross-case analysis. More concretely, this synthetic report attempts to do the following two things. Firstly, to identify the dimensions of territorial cohesion (territorial capital, collective efficacy, territorial governance) in each study area and how they seem to communicate and relate to each other. Secondly, to try synthesize the findings across cases and provide contribute to the discussion on policies on territorial cohesion and local development in Greece.

In more detail, this report presents the main findings that derived from desktop and fieldwork research. The desktop research included a general policy analysis and a discourse analysis on territorial cohesion in all study areas and in relation to the aforementioned policy fields. The fieldwork included interviews with different key local actors (public authority, community and business actors) in all study areas. These selected areas vary from the central municipality of Athens, to the suburban Municipality of Pallini, to the rural Municipality of Marathon respectively. The conducted interviews revolved around three main research questions. The first one concerned the knowledge about local territorial capital, that is, the knowledge about local problems and advantages, as well as the way that these local problems and advantages relate to the very specific local context and developments. The second one concerned the level of local collective efficacy and, therefore, the extent to which the local society manages to deal with local problems and make use of local advantages (territorial strengths). Lastly, the third research question concerned the involvement of different local actors in territorial governance and the ways that they collaborate (or not) in policies, initiatives, actions etc. As argues above, these research questions focused primarily on the aforementioned specific policy areas, that is, on area regeneration policies (especially in relation to the provision of social services), active labour market policies, vocational education and training, childcare, and economic growth.

From all cases, the Municipality of Athens appeared as the most successful one in mobilizing forms of territorial capital. This was something to be expected as we are talking about the central Municipality of Athens with much more policy significance than the other two cases. More to the point, the mobilization of capital took place through higher levels of collective efficacy that become partly possible through more efficient territorial governance and policy coordination. The suburban area came second in terms of mobilization of capital. In this case, the mobilization of particular forms of territorial capital (mostly social capital) were mostly related to enhanced levels of collective efficacy than territorial governance. Lastly, the Municipality of Marathon appeared to lag behind in terms of mobilization of local dimensions of territorial capital. That has probably to do with low levels of collective efficacy as well as inefficient territorial governance. However, it is important to underline that public policies designed and implemented in Greece (especially at the local level, in all study areas) do not constitute a single and cohesive territorial policy narrative, which would cut across and link all different policy areas, and deal with territorial problems by successfully mobilizing forms of territorial capital. On the contrary, these policies seem rather fragmented, leading to very few synergies between the different policy areas. A cohesive strategy for local territorial cohesion would have to include a concrete set of policy goals, which should run all through the policy areas and connect different scales of space. This articulated set of policy goals should derive from a systematic territorial knowledge and should make the most of mobilizing different forms of territorial capital. It should require a strong cooperation between all different levels of public administration (from the supra national to the local) and should include “civic engagement and participation” not just in basic terms, but in terms, of complex involvement in all stages of public policies (design, implementation, monitoring, evaluation and redesign). Up to now, the above-mentioned policy elements are absent from the concrete policy field. Greek local territorial cohesion policies are not

there yet. There are hopeful examples that may lead the way towards this direction (Municipality of Athens) but they are not there yet. There are policy examples that there are probably towards the middle of the road (Municipality of Pallini). Yet there are others that they have not gone far (Municipality of Marathon). It is actually a pity that these policy ‘examples’ (in a Kuhnian sense) did not develop further during the years of the unprecedented crisis as they could have functioned as potent local remedies for the symptoms of it.

1.2 Methods

As argued above, in order to examine all these things, three different case studies were selected. All case studies are localities located in different territorial context, but within the same region. More specifically, we chose one municipality area located in a big city area, where urban complexity, diversity and social exclusion issues could be high. Another municipality/area located in a rural or mountainous area, subjected to under-development and lack of resources. Lastly, a municipality/area located in a dense suburbanized context; showcasing the typical characteristics of European urbanization: strong territorial cohesion, low complexity and a medium level of resources. In order to avoid variations of regional policy context that could disrupt our analysis, all three were taken from the same region. Moreover, all cases were in the same region because one of our important tasks was to analyze multi-level governance policies. Therefore, selecting cases located in different regions would push us towards analyzing different regional policies and complicate selection of key actors leading to not only comparability problems, but also, research complications. The choice followed a two-stage procedure: a) selection of the region within Greece and b) selection of localities within region (a metropolitan, a suburban and a rural one),

The most important criteria for the selection of the region (NUTS-2) was that it should be the region with a clear metropolitan centre within its territory and considerable variation of socio-economic conditions within the region. In Greece, the selected region is the Region of Attiki, which encompasses the country’s capital and largest city (the city of Athens), comes first both in terms of population and of various social, economic and political variables (followed far behind by the rest regions of Greece) and also faces various socio-economic challenges. More specifically, this region is one of the 13 distinct regions of Greece and one of the only two regions (along with the Region of Central Macedonia) with a clear metropolitan centre within their territory (Athens and Thessaloniki respectively). Despite its great precedence over all other regions, the region of Attiki is internally highly diversified (both in terms of its environment and population) and faces significant problems of territorial inequalities. A quite apparent and persistent territorial inequality is observed between the west and the northeast part of the region, with less educated population, lower socio-professional categories and higher levels of urban deprivation on the one side and more educated population, higher socio-professional categories and better-equipped neighbourhoods on the other. This is the central municipality of the metropolitan area of Athens and the dominant “centre” of the region of Attiki. For the case of suburban area, the criteria followed for the selection was the recent experience of population growth related to suburbanization and/or urban sprawl, significant commuting to the core city of the agglomeration, domination of non-agriculture functions, a high degree of diversification and presence of social challenges such as unemployment level above median for the selected metro region. Last but not least, and for ensuring better comparability of cases across countries, the size of suburban locality was between 25.000 and 70,000 inhabitants. The selected municipality is located in the northeastern suburban zone very close to the central Municipality of Athens: the Municipality of Pallini. The municipality clearly reflects the suburbanisation trends that occurred back in the 1980s and 1990s and transformed many areas surrounding central Athens into

densely built and densely populated suburbs. For the case of rural area, the criteria followed for the selection was low population density, tendency for migration-out (perhaps depopulating character) as well as role of agriculture (measured by employment structure and land use) higher than median in the considered region. Last but not least, and for ensuring better comparability of cases across countries, the size of rural locality was between 5 to 15,000 inhabitants. The selected rural area was the Municipality of Marathon, located in the northeastern part of the region of Attiki. It is one of the most distant areas from Athens, is not part of the metropolitan area and not strongly connected to central Athens but via road axes. The selected rural area consists of municipal and local communities of low population density, below the regional average.

In terms of methodology, the selected approach was based on both qualitative interviews and discourse analysis. Firstly, qualitative interviews were used to explore the three aforementioned main research questions. These questions were explored through interviews with three different types of local actors, that is, public authority, community and business actors (20 per study area). The interviewees were contacted through telephone calls and e-mails, and received an official invitation to participate in the research. Contacting the interviewees was based at aiming at persons with a significant position as either public authority, community or business actors. We also used a snowball technique. In general, the contacted interviewees were willing to give an interview, with the exception of business actors – especially in large firms – who proved to be reluctant, using as an excuse the lack of time. However, all interviews were finally conducted (20 per study area), while a reasonable balance between different types of interviewees (public authority, community and business actors) was achieved. In fact, in the case of the Municipality of Athens (urban study area) the interviews were conducted with 7 public authority actors, 6 business actors and 7 community actors; in the case of the Municipality of Pallini (suburban study area) the interviews were conducted with 8 public authority actors, 5 business actors and 7 community actors; and, last, in the case of the Municipality of Marathon (rural study area) the interviews were conducted with 5 public authority actors, 8 business actors and 7 community actors. The interviews conducted with each type of local actors in each study area were based on a specific interview guide, organized into three parts corresponding to the three main research questions and several sub-questions. At the end of the interview, all interviewees were asked to provide us with policy documents, information leaflets or any other material that might be useful to our research. Moreover, all interviewees signed the official consent form that explains the rationale and the objects of the research and, more importantly, guarantees anonymity. All conducted interviews were fully transcribed, while their most interesting points were summarized in short notes. All members of the research team and authors of this report are aware of the content of interviews, which has been systematically and thoroughly discussed through meetings.

The second methodological approach is based on discourse analysis. Based on that, it is examined whether, to what extent and in what ways the term and the notion of “territorial cohesion” are introduced into the public political discourse and are discursively constructed through official policy documents that public authorities formulate and deliver to citizens. At the same time, it is explored what other terms and notions (related to “territorial cohesion” or not) are also introduced into the public policies’ vocabulary, building public policy narratives around territorial “problems” that have to be dealt with. The analysis is conducted in the three study areas within the Region of Attiki. The discourse analysis is based primarily on official policy documents that concern primarily local public policies designed and implemented in these study areas. Due to difficulties and deficiencies related to the gathering of official policy documents, the discourse analysis is also based on the transcribed interviews with local policy actors. Moreover, given that the local public policies are often linked to the regional, national and supra-national (European) ones, the discourse analysis concerns public policies not only at the local but also at the rest (higher) levels of public administration. Finally, the discourse analysis refers to all different policy areas that the COHSMO research project focuses on

(economic growth, labour market, vocational education and training, childcare and welfare, and area regeneration), as well as to all different stages of public policies (design, implementation, monitoring, evaluation and redesign).

More concretely, in the case of the urban study area (Municipality of Athens), the local public policies were usually delivered in official, detailed and publicly accessible policy documents, which did not refer only to the design and the implementation but also to the monitoring and the evaluation processes. This allowed us to selectively focus on strategic policy documents, which gave us a quite comprehensive and detailed overview of the designed and implemented local public policies in all policy areas of interest. On the contrary, in the case of the suburban study area (Municipality of Pallini), the design, implementation, monitoring and evaluation of local public policies were rarely delivered in official policy documents widely accessible to citizens. The (few) policy documents that the interviewed local policy actors provided us with and those that we managed to find on and download from the official website referred almost exclusively to the design and implementation of public policies, they rarely referred to processes of consultation, while no documents on policies' monitoring and evaluation were found. Consequently, the selection of policy documents in the case of the Municipality of Pallini was not exhaustive but concerns the local public policies that are more "visible" and more often discussed by the (interviewed) local policy actors. Lastly, in the case of the rural study area (Municipality of Marathon), the local public policies were communicated only through press releases uploaded on the municipality's official website. This series of press releases has been the main basis for the policy discourse analysis, along with the transcribed interviews that we conducted with local policy actors in the COHSMO deliverable D4.4.

It is noteworthy that, for the writing of the present report, beyond the above mentioned interviews (20 per study area), we also conducted 15 additional interviews. The interviewed persons were all policy actors, responsible for all different policy areas that are being studied in the COHSMO research project, working at the regional (not at the local) level. The way that these additional interviews were conducted and further transcribed and analysed was the same as described above.

2 Presentation of cases

Information sheet [Greece]	
Number of inhabitants, 2011	10,816,286
Size in km2, 2019	132,049
Name of largest city, 2019	Athens
Number of inhabitants in largest city, 2011	664,046
Size of largest city in km2, 2019	39
Proportion living in settlement with less than 1,000 inhabitants	no data

Sources: Panorama of Greek Census Data 2019, Wikipedia 2019

Before we present the study region (Region of Attiki) and, within it, the urban, suburban and rural study areas (Municipalities of Athens, Pallini and Marathon respectively), it is fundamental to take into account two basic contextual conditions occurring in Greece: first, the structure of Greece as a centralised state and, second, the predominant role of the capital city of Athens. Only in terms of population the region of Attiki concentrates almost 4,000,000 inhabitants (out of almost 11,000,000 inhabitants countrywide), followed far behind by the metropolitan area of Thessaloniki (inhabited by slightly more than 1,000,000 people) and by four smaller cities with a population of over 100,000

inhabitants (the cities of Patras, Heraklion, Larissa, Volos) (ELSTAT 2011). The rest of the country hosts several small cities with a population of fewer than 80,000 inhabitants, as well as several dispersed, sparsely populated and remote rural, mountainous and island areas. However, the region of Attiki does not come first only in population but also in various social, economic and political variables, followed again far behind by the rest areas of the country. To give only some characteristic evidence, the region of Attiki produces almost half of the country's Gross Domestic Product (ELSTAT 2014a), concentrates almost 40% of total employment (ELSTAT 2014b) and hosts almost all of the central public administration.

The great precedence of Attiki over all other regions of Greece constitutes a long-lasting phenomenon – since at least the beginning of the post-war era – and implies one of the most apparent and persistent socio-spatial inequalities, that is, the uneven development between the capital city and the rest of the country. This is usually described as the ‘core-periphery’ dichotomy, which is accompanied by many other also apparent and persistent dichotomies in space, such as the ‘north-south’, ‘east-west’ and ‘urban-rural’ divide. Such patterns of socio-spatial inequalities are observed at various scales of space, at both the regional and the local level, not only across but also within regions, cities and other areas.

Socio-spatial inequalities at various scales of space have been significantly increased since the outburst of the crisis in Greece back in 2008. Challenges for territorial cohesion that emerge from the crisis concern primarily the economic downturn and, therefore, the impoverishment of the population, the shrinkage of the middle class and the increasing distance between social extremes. Only indicatively, during the crisis, the national GDP declined by almost 26% in total, the average real wage declined by 25% (between 2010 and 2014) and unemployment reached 28% (in 2013) (INE/GSEE 2016: 64, 96, 141). Under conditions of a long (and continuing social crisis) in Greece, the notion of ‘territorial cohesion’ could offer a useful analytical tool for discussing territorial inequalities and, thus, new and alternative ways to address them. However, the notion of ‘territorial cohesion’ has not been explicitly introduced into the public (and the academic) discussion. However, it is often implied indirectly both in policy discourse and in official policy documents, which opens (at least implicitly) the following discussion about territorial capital, collective efficacy and territorial governance at various scales of space and different (urban, suburban and rural) environments.

2.1 The region – Region of Attiki

Information sheet [Region of Attiki]	
Number of inhabitants, 2011	3,828,434
Size in km ² , 2019	3,808
Proportion of 0-14 years, 2011	13.9%
Proportion of 15-64 years, 2011	68.7%
Proportion of 65 years or older, 2011	17.4%
Proportion of women, 2011	51.8%
Old age dependency ratio, 2011	25.3
Net-migration	no data
Natural population change	no data
Population density, 2011	1,005 inh./km ²
Per capita income in euros, 2011	10,204
Proportion of employed individuals working in the primary sector, 2011	1.4%
Proportion of employed individuals working in the secondary sector, 2011	18.5%
Proportion of employed individuals working in the tertiary sector, 2011	80.1%
Full-time unemployed persons in per cent of the labour force	18%
Proportion of people living in poverty	no data
Proportion aged 15-64 with master's degree as highest attained level of education, 2011	3.6%

Proportion of men, aged 35-64 with primary education as highest level of education, 2011	13.4%
Proportion of women aged 35-64 with primary education as highest level of education, 2011	16.3%
Pre-school enrollment rate (%)	no data
Name of largest city, 2019	Athens
Number of inhabitants in largest city, 2011	664,046
Size of largest city in km2, 2019	39
Proportion living in settlement with less than 1,000 inhabitants	no data

Sources: Panorama of Greek Census Data 2019, Petrakos & Psycharis 2016: 60, Wikipedia 2019

The region being studied in the case of Greece is the Region of Attiki (Map 1), one of the 13 distinct regions of the country and one of the only two regions (along with the Region of Central Macedonia) with a clear metropolitan centre within their territory (Athens and Thessaloniki respectively). Within the region of Attiki, the selected study areas are: the central Municipality of Athens (urban study area), the Municipality of Pallini (suburban study area) and the Municipality of Marathon (rural study area) (Map 2).

Until 2010, the region of Attiki comprised 4 prefectures: the prefectures of Athens, West Attiki, East Attiki and Piraeus. After the major administrative reform “Kallikratis Plan 2010”, the region’s administrative division was completely transformed, while its authority and powers were significantly redefined and extended. Thenceforth, the region represents the second-level local administration, supervised by the Decentralized Administration of Attiki, which is an independent self-governing body with powers and a budget comparable to the former prefectures. The former prefectures have been replaced by 8 regional units: the regional units of West Attiki and East Attiki, Central Athens, North Athens, South Athens and West Athens, Piraeus and Islands. The region of Attiki and its regional units are governed by an elected Regional Governor and a large elected Regional Council, as well as by 8 Deputy Regional Governors appointed by the Regional Governor (already members of the Regional Council though) and responsible for each regional unit of Attiki. The current Regional Governor was first elected in the last regional elections in May 2019, standing as a candidate of the right-wing party NEW DEMOCRACY (see Ministry of Interior 2019). With the participation rate rising up to almost 60% and 42% in the first and the second round respectively, his electoral list obtained 37.63% of the vote in the first round and 65.79% of the vote in the second one, followed by his fellow candidate (of the left-wing party SYRIZA) who obtained 19.71% and 34.21% of the vote respectively. Within the Regional Council, the Regional Governor’s electoral list holds 38 seats (out of the 101) and the rest are shared by 10 opposition parties.

The region of Attiki encompasses the entire metropolitan area of Athens, the country’s capital and largest city, along with the surrounding less (or not) urbanised areas. Its population raises up to almost 4 million inhabitants, out of a total population of almost 11 million inhabitants. Thus, the region of Attiki hosts 36% of the total population, followed far behind by the region of Central Macedonia, which hosts only 17%.

The region of Attiki comes first not only in population but also in various social, economic and political variables, followed far behind by the rest regions of Greece (indicatively, see Petrakos & Psycharis 2016). To give only some characteristic evidence, the region of Attiki (specialised primarily in the tertiary – and public – sector) produces almost half of the country’s Gross Domestic Product, concentrates almost 40% of total employment and hosts almost all of the central public administration. The region of Attiki scores the highest GDP per capita (25,380 euros), significantly

above the national average (16,059 euros),¹ as well as the highest disposable household income (55,406 million euros), five times higher than the national average (10,215 million euros).²

Despite its great precedence over all other regions, the region of Attiki is internally highly diversified (both in terms of its environment and population) and faces significant problems of territorial inequalities. A quite apparent and persistent territorial inequality is observed between the west and the northeast part of the region, with less educated population, lower socio-professional categories and higher levels of urban deprivation on the one side and more educated population, higher socio-professional categories and better-equipped neighbourhoods on the other. Indicatively, in the regional unit of West Athens, only 16.2% of the population has received higher education, only 18.8% of the economically active individuals are managers and professionals, while unemployment rate raises up to 20.8%. On the contrary, in the regional unit of North Athens, 36.3% of the population has received higher education, 40.6% of the economically active individuals are managers and professionals, while unemployment rate stands at 13.7%.³ Despite the characteristic and long-lasting socio-spatial division between the west and the northeast, it is remarkable that the metropolitan area of Athens has managed to maintain low levels of segregation – at least in comparison with metropolitan areas in other countries of Western and Northern Europe – thus attaining relatively high rates of territorial cohesion. Yet, the metropolitan area of Athens also experienced all typical problems of urban decay during the 1970s and 1980s, such as congestion, pollution, degradation of the building stock etc. These problems led to considerable trends of suburbanisation during the 1980s and 1990s – and, thus, to considerable socio-spatial transformations – with the core city being abandoned mostly by middle and upper socio-professional categories. After the early 1990s, the core city started being re-inhabited by international immigrants, which contributed – to a certain extent – to its revival but also raised concerns about alleged inter-ethnic spatial and social conflicts. Beyond the above demographic changes and socio-spatial transformations, the metropolitan area of Athens is currently facing the effects of a long (and continuous in the social field) economic crisis – burst out in Greece back in 2008 –, which raises again serious problems of urban (physical and social) decay, as well as intense debates around urban poverty, violence, gentrification etc. (indicatively, see Maloutas 2000, Maloutas et al. 2006, Emmanouel et al. 2008, Maloutas et al. 2013).

Map 1: The Region of Attiki in Greece

¹ In terms of GDP per capita, the region of Attiki is followed far behind by the region of South Aegean (19,748 euros) while last ranks the region of Eastern Macedonia and Thrace (13,320 euros).

² In terms of disposable household income, the region of Attiki is followed far behind by the region of Central Macedonia (21,051 million euros) while last ranks the region of North Aegean (2,324 million euros).

³ For more data on intra- and inter-regional inequalities, see the COHSMO Deliverables 2.2 and 3.1 (Greek national reports).



source: Wikimedia Commons and authors' elaboration
(https://commons.wikimedia.org/wiki/File:Periferia_Attikis.png#filelinks)

Map 2: Three selected study areas within the Region of Attiki

(1. urban area / 2. suburban area / 3. rural area)



source: Region of Attiki and authors' elaboration
(http://patt.gov.gr/site/index.php?option=com_content&view=article&id=2415&Itemid=6)

2.2 The urban case – Municipality of Athens

Information sheet [MUNICIPALITY OF ATHENS, URBAN CASE]	
Number of inhabitants, 2011	664,046
Size in km2, 2019	39
Proportion of 0-14 years, 2011	11%
Proportion of 15-64 years, 2011	70%
Proportion of 65 years or older, 2011	19%

Proportion of women, 2011	52.5%
Old age dependency ratio, 2011	27.1
Net-migration	no data
Natural population change	no data
Population density, 2011	17,027 inh./km2
Average household income	no data
Proportion of employed individuals working in the primary sector, 2011	0.8%
Proportion of employed individuals working in the secondary sector, 2011	18.4%
Proportion of employed individuals working in the tertiary sector, 2011	80.8%
Full-time unemployed persons in per cent of the labour force, 2011	20.4%
Proportion of people living in poverty	no data
Proportion aged 15-64 with master's degree as highest attained level of education, 2011	4.7%
Proportion of men, aged 35-64 with primary education as highest level of education, 2011	12.2%
Proportion of women aged 35-64 with primary education as highest level of education, 2011	13.6%
Pre-school enrollment rate (%)	no data ⁴
Name of largest Municipal Community, 2019	6 th Municipal Community
Number of inhabitants in largest Municipal Community, 2011	130,582
Size of largest city in km2, 2019	4
Proportion living in settlement with less than 1,000 inhabitants, 2011	0%

Sources: Panorama of Greek Census Data 2019, Wikipedia 2019

The Municipality of Athens is located in the center of the Attiki Basin, approximately 5 km from the seafront, and represents the very core of the urban tissue of the Attiki metropolitan agglomeration (Map 2). It is well connected to the rest of the region of Attiki (both to the neighbouring and to more distant municipalities, to urban, suburban and rural areas), served by three metro lines, three tramway lines, one suburban railway, numerous bus and trolley lines, as well as a dense road network.

Over the last decades, the population of the Municipality of Athens was significantly reduced. In 2011, the Municipality of Athens counted 664,046 inhabitants against 789,166 in 2001 and 816,556 in 1991. Scholars attributed this demographic decline to the suburbanisation process, which led part of the middle and upper socio-professional categories to the north- and south-eastern suburbs (Maloutas 2013), as well as to the broader trends of birth rate reduction and the reduction of the size of households (Emmanouel 2013). Overall, the local population is relatively gender-balanced, having a slightly stronger representation of women (52.5%) compared to the region of Attiki (51.8%). More pronounced differences between the Municipality of Athens and the region of Attiki are found in age, household structure, education and ethnicity. The population of the Municipality of Athens is comparatively older, more educated, more ethnically differentiated and lives mostly in households with one member. Inhabitants who are older than 65 represent 18.9% of the population against 17.4% at the regional level; households with one member represent 16.9% of the population against 10.9%; inhabitants who hold a bachelor degree stand for 19.6% against 17.8%; and foreigners represent 22.7% of the total population against 10.5%.

In economic terms, the Municipality of Athens hosts the Central Business District (CBD) of the regional economy. Therefore, it could be expected that it occupies a specific position in the regional economy and that the sectoral structure of its economy would be different compared to the structure of the economy of the region of Attiki. However, this is true only in part. Employment in the tertiary

⁴ According to the only data available, during the year 2012-2013, public nurseries of the Municipality of Athens hosted 4,843 children (NTUA 2013). In Greece, nurseries host children aged between 5 months and 5 years, before they enter the elementary (pre)school grade in public kindergartens. Public kindergartens host all children aged between 5 and 6 years.

sector is indeed larger in the Municipality of Athens but only slightly (80.8% of the economically active population against 80.1% at the regional level). Employment in the primary sector is smaller than that of the region (0.8% against 1.4%), while employment in the secondary sector is almost equal (18.4% against 18.5%). These small differences indicate the relatively low degree of economic specialisation of the Municipality of Athens in the wider context of the regional economy. Between 2001 and 2011, the sectoral structure of the Municipality of Athens changed: in 2011, employment in the tertiary sector was about 12% higher than in 2001 (71.2%) and employment in the secondary sector was about 6% lower (22.3% in 2001). This change reflects a long process of deindustrialisation whose roots are traced back in the 1980s. At the same time, this trend has been strengthened by the 2008 crisis, a major expression of which was the sharp reduction in private investments. In fact, in terms of absolute numbers, employment in the tertiary sector decreased as well, as an outcome of the general demographic decline of the Municipality of Athens and the soaring unemployment, which raised up to 20.4%. However, the crisis hit more severely the secondary sector, which lost almost 45% of jobs.

Socio-economic segregation in the Municipality of Athens is rather moderate compared to other metropolises of the western world. While the level of socio-economic inequality is relatively high, parameters like the high rate of home ownership and the low rate of residential mobility prevent from translating this inequality into marked segregation (Maloutas 2016). The main socio-spatial division in the Municipality of Athens is between the western part, which is inhabited by lower social strata, and the eastern part, which corresponds to middle and upper social strata. During the last decades, some of the neighbourhoods of the western part of the historical centre of Athens (Psirri, Keramikos, Metaxourghi, Gazi) experience processes of gentrification (Maloutas 2012, Alexandri 2015). However, this trend does not alter the general pattern of social segregation as gentrification is limited and affects selectively small parts of the neighbourhoods in question. The distribution of immigrants in particular follows the general pattern of division between lower and upper-middle strata. Thus, the bulk of immigrants are located in the western part of the Municipality of Athens as well as in northern neighbourhoods that lost part of their native population during the last decades of demographic decline. However, this concentration of immigrants remains relatively moderate. Immigrants are more or less mixed with the native population and there are no ghetto-like neighbourhoods.

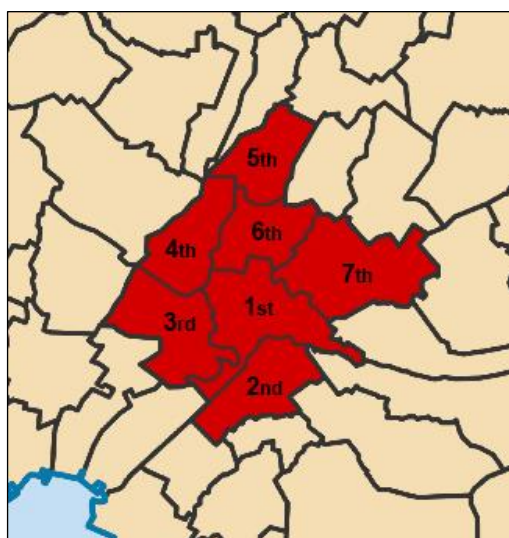
Concerning its administrative structure and governance, the Municipality of Athens is part of the Region of Attiki and, more precisely, belongs to the Regional Unit of Central Athens. The major administrative reform “Kallikratis Plan 2010” did not entail any significant change to its administrative status or boundaries and, thus, it always encompasses seven (7) distinct Municipal Communities (Map 3). Similarly to all municipalities in Greece, the Municipality of Athens is governed by an elected Mayor and an elected Municipal Council, as well as by several Deputy Mayors appointed by the Mayor and responsible for various policy areas. The current Mayor of Athens was first elected in the last municipal elections in May 2019, standing as a candidate of the right-wing party NEW DEMOCRACY (see Ministry of Interior 2019). With the participation rate rising up to only 47% and 33% in the first and the second round respectively, his electoral list obtained 42.65% of the vote in the first round and 65.25% of the vote in the second one, followed by his fellow candidate (of the left-wing party SYRIZA) who obtained 16.98% and 34.75% of the vote respectively. Within the Municipal Council, the Mayor’s electoral list holds 21 seats (out of the 49) and the rest are shared by 9 opposition parties, including the neo-nazi party Golden Dawn, and thus covering the entire ideological spectrum.

In terms of urban governance, the Municipality of Athens is faced with a wide spectrum of territorial problems in all different policy areas. Only indicatively, the Municipality of Athens has to deal with

issues of economic growth and development (for instance, through the promotion of a sustainable tourism model and a rebranding of the city). It also has to address phenomena of urban deprivation, including the degradation of public space and infrastructure, high vacancy rates, traffic congestion and air pollution, delinquency, drug use and prostitution etc. Last but not least, it has to guarantee the access of all different population groups (especially of the most vulnerable ones) to social services (related to housing, education, health or childcare and eldercare), as well as to support the access and/or reintegration of unemployed individuals to the labour market, against the increasing rates of unemployment. Such issues constitute long-standing problems, yet further exacerbated after the outburst of the deep and multi-faceted crisis in Greece back in 2008. The crisis led to (even more) limited financial resources, which – along with the weak implementation capacity of the city’s administrative mechanism – does not allow local authorities for integrated and effective territorial policies but, instead, for the provision of only the minimum public support and the implementation of only the most ‘mature’ and practically feasible public policies. Challenges around territorial cohesion, collective efficacy and territorial governance concern not only the Municipality of Athens but all three municipalities studied here and they are discussed in detail in the following sections (sections 3, 4, 5).

Map 3: Municipal Communities, Municipality of Athens

(1st Municipal Community: 75,810 inhabitants, 2nd Municipal Community: 103,004 inhabitants, 3rd Municipal Community: 46,508 inhabitants, 4th Municipal Community: 85,629 inhabitants, 5th Municipal Community: 98,665 inhabitants, 6th Municipal Community: 130,582 inhabitants, 7th Municipal Community: 123,848 inhabitants)



source: Wikimedia Commons and authors’ elaboration
(https://commons.wikimedia.org/wiki/File:2011_Dimos_Athineon.png)

2.3 The suburban case – Municipality of Pallini

Information sheet [MUNICIPALITY OF PALLINI, SUBURBAN CASE]	
Number of inhabitants, 2011	54,415
Size in km2, 2019	34
Proportion of 0-14 years, 2011	18.7%
Proportion of 15-64 years, 2011	70%
Proportion of 65 years or older, 2011	11.3%
Proportion of women, 2011	50.9%
Old age dependency ratio, 2011	16.1

Net-migration	no data
Natural population change	no data
Population density, 2019	1,600 inh./km2
Average household income	no data
Proportion of employed individuals working in the primary sector, 2011	0.7%
Proportion of employed individuals working in the secondary sector, 2011	17.7%
Proportion of employed individuals working in the tertiary sector, 2011	81.6%
Full-time unemployed persons in per cent of the labour force, 2011	13.2%
Proportion of people living in poverty	no data
Proportion aged 15-64 with master's degree as highest attained level of education, 2011	5%
Proportion of men, aged 35-64 with primary education as highest level of education, 2011	10.1%
Proportion of women aged 35-64 with primary education as highest level of education, 2011	12.8%
Pre-school enrollment rate (%)	no data
Name of largest Municipal Community, 2011	Gerakas
Number of inhabitants in largest Municipal Community, 2011	29,939
Size of largest Municipal Community in km2, 2019	11
Proportion living in settlement with less than 1,000 inhabitants, 2011	0%

Sources: Panorama of Greek Census Data 2019, Wikipedia 2019

The Municipality of Pallini is located in the east of the Region of Attiki and is part of the northeastern suburban zone, located very close to the central (urban) municipalities (Map 2). It is directly connected to the city centre of Athens (20 km) by metro and the suburban railway, as well as by bus lines and the main road system, the motorway and/or the ring road. Although there are no data available for commuting from suburban areas to the city centre, it is quite typical that the medium to low level of suburbs' resources (such as services, commercial markets or recreational spaces) implies a significant dependence on (and commuting to) the core city.

In comparison with the central Municipality of Athens, the Municipality of Pallini is less diversified and, thus, presents lower complexity. However, it also faces significant socio-economic challenges, such as a relatively high unemployment rate, a certain lack of resources and, thus, lower access to certain services. First, the local population raises up to 54,415 inhabitants. This population is gender-balanced and young enough, with only 11.3% being older than 65. Greek citizens constitute the vast majority of population, while foreigners stand at 5.7%. Almost all inhabitants (90% of the total population) are members of a nuclear family,⁵ married couples constitute the most common case, while most of the households comprise between 2 and 4 members. In terms of education, a significant part of the adult population (34%) have received higher education (some hold a Master's degree and some also hold a PhD), 42% have completed upper secondary education, while illiterate population (people unable to read and write) is quite small (517 individuals).

Between 1991 and 2011, the Municipality of Pallini experienced a remarkable demographic change. The population more than doubled, increasing from 22,337 inhabitants in 1991 to 34,043 in 2001 and 54,415 in 2011. Although there are no data available about the previous place of residence of the newly arrived residents, it is reasonable to assume that the above remarkable increase in population is due to the suburbanisation trends occurring since the 1980s. Beyond the increasing arrival of native population, the Municipality of Pallini has not attracted a significant number of immigrants. The latter have increased from 382 inhabitants in 1991 to 2,883 in 2001 and 3,093 in 2011, standing at only 5.7% of the total population. Concerning the geographical distribution of the Greek population within

⁵ A nuclear family is a household in which two or more persons are related as spouses, companions or parents and children; nuclear families may have the form of a couple without or with one or more children or one parent with one or more children, residing permanently in the same house.

the Municipality of Pallini, the Municipal Community of Gerakas is the most densely populated (with 3.6 inh./km²), followed by the Municipal Communities of Pallini and Anthoussa (with only 1.0 inh./km² and 0.7 inh./km² respectively) (Map 4). As for the geographical distribution of migrant population, beyond the fact that the number of immigrants is quite small, there are no significant geographical concentrations.

Concerning the local economy, similarly to the Municipality of Athens (urban study area), the vast majority of the economically active population in the Municipality of Pallini (81.6%) is engaged in the tertiary sector. According to the occupational categories that the local population is active in, it seems that the Municipality of Pallini is inhabited mostly by middle to upper socio-professional categories, presenting though a high level of social mix. Between 2001 and 2011, there have been some important changes with ambivalent effects on the local development. First, employment in the secondary sector decreased from 27.4% to 17.7%, the already low level of employment in the primary sector decreased from 1.3% to 0.7%, while employment in the tertiary sector increased from 71.3% to 81.6%. During the same period of time, unemployment increased from 10.5% to 13.2%, apparently as a result of the outburst of the economic crisis in Greece back in 2008. Last, it is remarkable that the local population that received higher education has increased from 14.7% to 26.3% but, at the same time, there has been also a significant increase in low educated population, that is, population that followed up to lower secondary education, which stands at 31.9% in 2011 instead of 24.6% in 2001.

In terms of socio-spatial disparities, the Municipality of Pallini presents low levels of social and ethnic segregation. In general, it appears to be socially mixed, with the exception of a higher concentration of low educated population, middle to lower socio-professional categories and unemployed in the Municipal Community of Anthoussa, on the one hand, and a higher concentration of highly educated population, upper socio-professional categories and employers in the settlement of Leontario/Kantza (Municipal Community of Pallini), on the other.

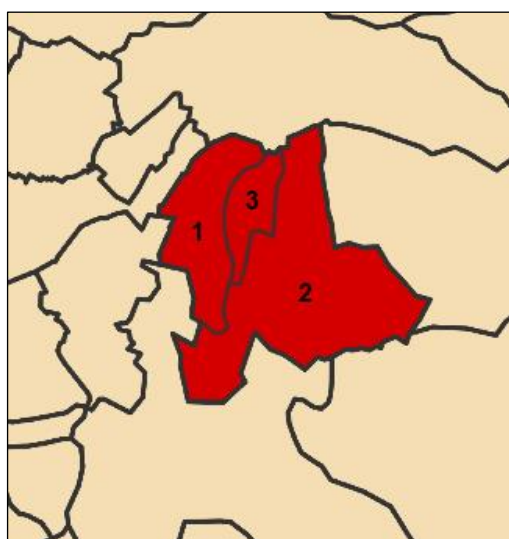
At the administrative level, the Municipality of Pallini is part of the Region of Attiki and, more precisely, belongs to the Regional Unit of Eastern Attiki. After the “Kallikratis Plan 2010”, that is, the reform that sharply reduced the number of the country’s municipalities and increased their territory and responsibilities, the Municipality of Pallini encompasses the former Municipalities of Gerakas and Pallini, as well as the former Community of Anthoussa, all renamed into Municipal Communities (Map 4). Similarly to all municipalities in Greece, the Municipality of Pallini is governed by an elected Mayor and an elected Municipal Council, as well as by several Deputy Mayors appointed by the Mayor and responsible for various policy areas, such as social policy, education and lifelong learning, quality of life, cleansing, environment etc. Beyond the Municipal Council, the Municipality of Pallini also comprises one Local Council for each Municipal Community, while it has established several Committees responsible for the Quality of Life, Financial Issues, Consultation and Equity. The current Mayor of Pallini was reelected for a third time in the last municipal elections in May 2019, standing as an independent candidate, officially supported by the social-democratic party (KINAL) (see Ministry of Interior 2019). With the participation rate rising up to 68.26% and 49.06% in the first and the second round respectively, his electoral list obtained 48.38% of the vote in the first round and 63.70% of the vote in the second one, followed by his fellow (independent and rather conservative) candidate, who obtained 22.91% and 36.30% of the vote respectively. Within the Municipal Council, the Mayor’s electoral list holds 16 seats (out of the 33) and the rest are shared by 4 opposition parties. It is noteworthy that, before the “Kallikratis Plan 2010” (the reform that sharply reduced the number of the country’s municipalities and increased their territory and responsibilities), the current Mayor of Pallini had already served once as Mayor of the (former)

Municipality of Gerakas, which currently belongs to the Municipality of Pallini being one of its three Municipal Communities. Taking into account his reelection for a fourth time, with high participation rate and high rate of the vote, the local government is significantly stable.

In the Municipality of Pallini, local authorities have to deal with a wide spectrum of territorial problems faced by various population groups: homeless and people living below the poverty line; unskilled, long-term unemployed and uninsured persons; single parents and elderly with no help at home; orphaned children; disturbed, disabled, chronically ill and addicted individuals; Roma population etc. Such problems are geographically and socially dispersed, derive from relatively recent processes of urbanisation of the area and relate to the local physical and human capital. Unfortunately, the deep, multi-faceted (and in its social consequences on going) crisis has exacerbated the local territorial problems and, on top of this, created unfavourable conditions for the use of the local territorial advantages. However, to achieve territorial cohesion, local actors appear to be significantly mobilized and, more importantly, collaborate in the same direction. The way that the local territorial capital is being mobilised through territorial governance and collective efficacy is discussed in detail in the following sections (sections 3, 4, 5).

Map 4: Municipal Communities, Municipality of Pallini

(1: Municipal Community of Gerakas: 29,939 inhabitants, 2: Municipal Community of Pallini: 22,344 inhabitants, 3: Municipal Community of Anthoussa: 2,132 inhabitants)



source: Wikimedia Commons and authors' elaboration
(https://commons.wikimedia.org/wiki/File:2011_Dimos_Pallinis.png)

2.4 The rural case – Municipality of Marathon

Information sheet [MUNICIPALITY OF MARATHON, RURAL CASE]	
Number of inhabitants, 2011	33,423
Size in km2, 2019	226
Proportion of 0-14 years, 2011	14%
Proportion of 15-64 years, 2011	60.5%
Proportion of 65 years or older, 2011	16.5%
Proportion of women, 2011	44.2%
Old age dependency ratio, 2011	23.8
Net-migration	no data

Natural population change	no data
Population density	148 inh./km2
Average household income	no data
Proportion of employed individuals working in the primary sector, 2011	25.8%
Proportion of employed individuals working in the secondary sector, 2011	16.6%
Proportion of employed individuals working in the tertiary sector, 2011	57.6%
Full-time unemployed persons in per cent of the labour force, 2011	15.6%
Proportion of people living in poverty	no data
Proportion aged 15-64 with master's degree as highest attained level of education, 2011	2.4%
Proportion of men, aged 35-64 with primary education as highest level of education, 2011	23%
Proportion of women aged 35-64 with primary education as highest level of education, 2011	16.9%
Pre-school enrollment rate (%)	no data
Name of largest Municipal Community, 2011	Nea Makri
Number of inhabitants in largest city, 2011	16,670
Size of largest city in km2, 2019	37
Proportion living in settlement with less than 1,000 inhabitants, 2011	0%

Sources: Panorama of Greek Census Data 2019, Wikipedia 2019

The Municipality of Marathon is a primarily agricultural area, located in the northeastern part of the region of Attiki (Map 2). It is one of the most distant areas from the city of Athens (43.5 km), is not part of the metropolitan area and not strongly connected to central Athens but via car or certain bus routes. The construction of the regional ring road (Attiki Odos) back in the early 2000s brought closer the Municipality of Marathon to central areas of Attiki, significantly reducing travelling time by car.

According to the most reliable data (2011 Census), the local population raises up to 33,423 inhabitants, including 18,661 men and 14,762 women. Thus, the Municipality of Marathon scores one of the highest rates of men inhabitants in the country, ranking 4th out of 325 municipalities countrywide. The local population can be characterised as relatively young, since less than 17% of inhabitants are older than 65 (the average of the country at municipal level being 22.8%). The vast majority of the local population are Greek citizens (about 78%) but, at the same time, the Municipality of Marathon hosts a significant number of immigrants. Overall, 50% of the local population are married couples and 40% are singles, while most of the households (almost 65%) consist of two up to four members. As for the educational level of the local population, the percentage of adults with higher education raises up to about 18%, while 30% have completed upper secondary education. On the other hand, a significant part of the adult population (46%) are illiterate, which is probably linked to the agricultural structure of the local economy.

During the period 1991-2011, the total population of the Municipality of Marathon increased by 35%, from 25,062 inhabitants in 1991 to 33,423 in 2011. Compared to the rates of other areas of the country, this is not a significant increase and, more importantly, this derives primarily from the increase of immigrants rather than of Greeks. In fact, immigrants increased from 927 inhabitants in 1991 to 3,629 in 2001 and 7,412 in 2011, standing at around 22% of the total population. The high concentration of immigrants in the Municipality of Marathon is closely related to the local agricultural industry, which has been increasing in size and importance and which immigrants are massively employed in. Concerning the geographical distribution of immigrants within the Municipality of Marathon and its different Municipal and Local Communities (Map 5), they concentrate primarily in the Municipal Community of Marathon (more than 5,000 immigrants, who represent almost 40% of the local population), while their presence in the Municipal Community of Nea Makri and the Local Communities of Varnavas and Grammatiko is much lower, ranging between 6.5% and 11.5%. The high concentration of immigrants especially in the Municipal Community of Marathon is again

related to the agricultural industry, which is primarily developed in the Municipal Community of Marathon and which most of immigrants are employed in.

Concerning the local economy, the Municipality of Marathon is one of the most important agricultural areas in the country (at municipal level) and the most important agricultural area in the region of Attiki. The agricultural and animal farming activities in the Municipality of Marathon appear as one of the most important “employers” and give away the agricultural character of the local economy. In fact, employment in the primary sector exceeds 25%, while employment in the secondary sector raises up to 16.6% and employment in the tertiary sector up to 57.6%. It is not by chance that the Municipality of Marathon appears to be mostly inhabited by lower to middle socio-professional categories. The largest socio-professional category consists of “agricultural, forestry and fishery laborers” (almost 15% of the employees), followed by “sales workers” (about 9%) and “market-oriented skilled agricultural workers” (8%). It is indicative that, between 2001 and 2011, employment in the primary sector (mostly agriculture and animal farming) increased from 16% to 25.8%, while employment in the secondary sector decreased from 23% to 16.6% and employment in the tertiary sector remained quite stable. It is also noteworthy that, although the local population that received higher education increased from 13.9% to 18.8%, the unemployment rate increased from 10.1% to 16.7%, as a result of the unfolding severe economic crisis.

In terms of socio-spatial disparities, as already mentioned, the Municipality of Marathon appears to be mostly inhabited by lower to middle socio-professional categories, presenting a moderate level of social mix. However, certain disparities can be observed among the different Municipal and Local Communities. The highest concentration of low educated population and middle to lower socio-professional categories is observed in the Municipal Community of Marathon (which is by far the most active area in agriculture), while the highest concentration of highly educated population and upper socio-professional categories is observed in the Municipal Community of Nea Makri. However, the Municipal Community of Marathon presents the highest employment rate, compared to all other Municipal and Local Communities, which is again related to the high level of population’s engagement in agricultural and farming activities.

At the administrative level, the Municipality of Marathon is part of the Region of Attiki and, more precisely, belongs to the Regional Unit of Eastern Attiki. It encompasses the Municipal Communities of Marathon and Nea Makri, as well as the Local Communities of Varnavas and Grammatiko (map 5). Similarly to all municipalities in Greece, the Municipality of Marathon is governed by an elected Mayor and an elected Municipal Council, as well as by several Deputy Mayors appointed by the Mayor and responsible for various policy areas: Economic Management and Transparency, Development and Public Works, Everyday Life and Networks, Entrepreneurship, and Social Cohesion, Culture and Education. The Municipality of Marathon also comprises one Local Council for each Municipal and Local Community, while it has established two special Committees: the Committee on Economic Affairs and the Committee on the Quality of Life. The current Mayor of Marathon was first elected in the last municipal elections in May 2019, standing as an independent candidate (see Ministry of Interior 2019). With the participation rate rising up to 67.66% and 52.54% in the first and the second round respectively, his electoral list obtained 39.39% of the vote in the first round and 55.63% of the vote in the second one, followed by his fellow (also independent) candidate, who obtained 28.37% and 44.37% of the vote respectively. Within the Municipal Council, the Mayor’s electoral list holds 13 seats (out of the 33) and the rest are shared by 4 opposition parties.

In the case of the Municipality of Marathon (rural study area), and contrary to the cases of the Municipality of Athens and Pallini (urban and suburban study areas respectively), one of the major and long-lasting local problems that local authorities have to deal with is the significantly low access

of citizens to public services, especially to schools, healthcare, cultural and sports activities. On top of that, public services that used once to be provided, are no longer available. Today, there is no municipal health clinic, no police station, nor public sports facilities. To access health services or practice sports, citizens forcedly turn to the private sector or commute to (less or more) distant areas. Apparently, this is not affordable for the large number of deprived households settled in the area. As if all these were not enough, socio-economic problems were exacerbated by the crisis and austerity measures implemented in Greece, and spread in the Municipality of Marathon both geographically and socially, affecting a wide spectrum of socio-professional categories. The on-going crisis in Greece and, previously, the long-lasting problem of low access of citizens to public services do not constitute favorable conditions for local actors to address local problems and make use of local advantages. The mobilization of local society is noticeable but efforts are mostly focused on and limited to the provision of the very fundamental services. Collective efficacy and territorial governance as response to the challenges of the local territorial problems are discussed in detail in the following sections (sections 3, 4, 5).

Map 5: Municipal and Local Communities, Municipality of Marathon

(1: Municipal Community of Nea Makri: 16,670 inhabitants, 2: Municipal Community of Marathon: 12,849 inhabitants, 3: Local Community of Varnavas: 2,081 inhabitants, 4: Local Community of Grammatiko: 1,823 inhabitants)



source: Wikimedia Commons and authors' elaboration
(https://commons.wikimedia.org/wiki/File:2011_Dimos_Marathonos.png)

3 Territorial capital

In this part of the report, we present the main findings that derived from the field research (interviews with key informants) and the discourse analysis on policy documents in relation to territorial capital. It brings together material from all previous deliverables. As it has been argued, the discourse analysis was based on the investigation of an archive of relevant policies whilst the fieldwork included a number of interviews with different local actors (public authority, community and business actors) in the three areas under study (namely the Municipality of Athens, Pallini and Marathon). In this section of the report, we focus on the theme of territorial capital by interrogating the ways that territorial capital is constructed and 'talked' about across cases. However, before we move any further with our

analysis, it would be beneficial to explain a little bit more about the ways that territorial capital is used within the COHSMO project; it would be helpful to try to define what we mean by territorial capital and the ways that it can be deployed, and hopefully, used.

In line with the other COHSMO teams, we proceed into a conceptualisation of territorial capital following Sevillo, Atkinson, and Russo (2012) work. It has to be noted that this particular analytical scheme was designed by the aforementioned writers in order to study territorial attractiveness rather than territorial capital. More to the point, Sevillo, Atkinson and Russo (2012) argued that territorial capital relates to the assets available in a given territory/area while the main question is how to mobilize such assets. Following such logic, considerations about territorial capital transform into preoccupations about ways of mobilizing territorial assets. Furthermore, the aforementioned writers go on to divide territorial capital into five different categories. Building on that, the COHSMO tailor-made categorization, defines six groups of territorial capital, which are linked but separate. Firstly, there is the environmental capital of a given area, which includes natural resources, landscapes and the local climate. Secondly, there is the anthropic capital that stands for manmade buildings and urban infrastructure. Thirdly, there is the economic capital that relates to given levels of economic activity, the existence of economic sectors and firms, local levels of employment and clusters. Fourthly, there is the human or social capital that has to do with the local levels of education, ethnic diversity, ethnicity, gender, levels of tolerance etc. Fifthly, there is the institutional capital that relates to existing democratic structures, participative structures, autonomy etc. Last but not least, there is the cultural capital that becomes conceptualized as the history of the place, cultural heritage, local identity formations etc.

According to Camagni (2017), territorial development requires a focus not only on the static stock of territorial capital, but most importantly, on how these given assets become utilized (or not) and the political strategies that are involved in their utilization (or not). Something similar, but in a different context, has also been proposed by Bourdieu (1990) when he argued that what it matters is the ‘materialisation, institutionalisation and incorporation’ of different stocks of capital in relation to specific places. However, this report focuses not on actual stocks of territorial capital, but more, on policy and individual narratives in relation to alleged local assets as forms of territorial capital. As it has been argued many times, within the COHSMO-project, territorial cohesion is conceptualized as the interplay between territorial capital, collective efficacy and territorial governance. Following such a conceptualization, territorial cohesion is a dynamic concept that includes different sets of different and dynamic forms of territorial capital. But let us examine in more detail this interplay between these dimensions of territorial cohesion.

3.1 Territorial problems and advantages in each case

3.1.1 The Municipality of Athens and forms of territorial capital

The Municipality of Athens, under the administration of the center-left Mayor G. Kaminis (2010-2019), turned decisively to the use of EU funds. The Municipal Authority strived to become part of international city networks and sought to enhance its cooperation with civil society organizations. In this way, the City attempted to face its longstanding deficiencies, such as inflexible bureaucracy, low political capacity and limited financial resources, as well as restrictions posed by recent austerity policies. The main policy documents produced during this period were those of the Athens Project 2012-2015 (*Ergo Athina 2012-2015*) and its successor Athens Project 2020, the Athens Resilience Strategy for 2030, the Plan of Integrated Urban Intervention for the centre of Athens (SOAP) and the Plan for the Integrated Spatial Investment of Athens (OCHE). Overall, the urban strategies adopted

by the City of Athens during this period are conformable to the mainstream international trends in urban policies and incorporate typical elements of the “entrepreneurial city” model (Hall & Hubbard 1996). Economic growth is expected to result from the promotion of entrepreneurship, innovation, new technologies and creative economy. Social policies do not claim any universality and focus on extreme poverty. Governance practices focus on networking and participation, in particular on the cooperation of the municipal authorities with businesses and civil society and on the restoration of the trust between government and citizens through new technologies.

More to the point, the municipal authorities refer to territorial assets/ resources in many different ways. Their narratives appear to include many different dimensions of territorial capital. In terms of spatial scale, the Municipality of Athens mainly refers to two scales: the scale of the city as a whole and that of the neighbourhoods. When municipal policies refer to the “metropolitan” character of the city, they refer to the connections of the City of Athens with the Region of Attiki as a whole. The European space appears as the broader economic competitive environment within which the Athenian economy operates. This emphasis on the integration of Athens to the European/global economy downplays the national space, which is implicitly seen as Athens’ neutral hinterland. A major resource at the city level is the Athenian “identity”, which allegedly has significant impact on the economic and social life of the city. The neighbourhoods are seen as both holders of particular spatial resources to be mobilized by policies and as the field for the reconstruction of relations between the municipal authorities and the citizens. The policy discourses of the City of Athens also refer to other territorial resources and problems. These include unique assets of the city such as its cultural and natural sites; features such as the diversity of the population and the mix of land uses; problems of the building environment that can be turned into opportunities (see the numerous vacant buildings); other spatial elements like the public and green spaces of the city.

Some important strategic policy documents, especially the OCHE and the Project Athens, adopt a competitive city model of urban growth, which emphasizes supply-side policies. Public investments are meant to be a major tool for urban regeneration and “improvement of quality of life”, not a means for fostering economic development. The OCHE identifies the enhancement of Athens’ “metropolitan character” (in Greek: mitropolitikotita) with the promotion of entrepreneurial competitiveness in tourism and culture. This promotion is explicitly “horizontal” (thus not spatially specific) and touches specialized spatial units, such as cultural clusters, only indirectly. One of the five priorities of the Project Athens was the promotion of economic development through “targeted interventions and smart specialization that builds on the competitive advantages of the city” (City of Athens 2016). The emphasis was put on supporting innovation, new technologies and social entrepreneurship (ADDMA 2012). The Resilience Strategy frames the competitive city approach in broader terms of well-being and identity. In the Resilience Strategy, economic concerns appear under the goal of rendering Athens a ‘vibrant’ city:

Vibrant city: Athens will nurture and develop its assets in order to promote well-being, creativity, entrepreneurship and a new, inclusive, and exciting identity. The city aims at enhancing the city’s identity and promoting new types of belonging as well as maximizing existing city assets and supporting employment. (City of Athens 2017, p. 5)

For this purpose, the City’s policies focus on a number of institutional and planning tools. These include the establishment of specialized agencies, such as the InnovAthens (a municipal hub of innovation and entrepreneurship); partnerships with businesses, such as the Athens Tourism Partnership (a non-profit joint venture bringing together the City with the airport of Athens and the two largest Greek airlines); and a strategic plan for the creative economy (City of Athens 2017, p. 165). Such strategies for economic growth lie upon the “competitive advantages” or “strengths” of

the City of Athens (City of Athens 2017, p. 26). Among these advantages, we find economic sectors, which are dynamic and may constitute the core of the economic recovery of the city, mainly tourism and the creative economy. We find also the city's human resources, that is, the highly educated population that may contribute to the development of new technology sectors. Human resources include also a pool of volunteers that may support economic activities such as tourism through specific municipal programs like the "This is my Athens" program (<http://myathens.thisisathens.org/>). Other competitive advantages comprise major cultural/territorial resources, primarily Athens' archeological and natural sites. Territorial resources include also more "modest" elements like the vacant buildings which, although currently constitute a problem for the city, may turn into an opportunity if they are converted into hubs and other infrastructures for dynamic economic activities (City of Athens 2017, p. 191). Last, the city's strengths comprise powerful symbolic resources, among which the more important is the city's brand name. The City's branding strategy is supposed to be "holistic", including campaigns, partnerships, the creation of an Athens ID and a negotiation with the tourism sector for the establishment of a quota for hiring Athenian residents in job openings. This is how the City of Athens summarizes its strategy on Athenian branding:

Athens will further develop and promote a city brand aiming at a more thriving, inclusive and supportive environment both for entrepreneurs as well as for citizens and visitors. This lighthouse action refers to a long-term, holistic approach both on policy-making decisions as well as marketing interventions that will elevate Athens' position globally and attract investments, visitors and citizens while creating new job opportunities. (City of Athens 2017, p. 169)

From the above, it becomes apparent that the policy strategies and narratives of the City of Athens present an image of Athens that has many territorial strengths. These strengths appear to include different forms of territorial capital intertwining cultural, environmental, anthropic and human dimensions of territorial capital. The important thing is how the Municipal authorities can mobilize these forms of capital and realize the potential of this wannabe city. As argued above, the mobilization of territorial capital is what counts; territorial capital and its different dimensions are important only if their mobilized and do not stay dormant. Although, there are several references to the alleged different "strengths" of the city or the various dimensions of territorial capital that it spatially holds (cultural, economic, human, anthropic etc.), these references are not very strongly integrated into a solid economic and governance strategy. Thus, cultural resources such as the branding of the city on its history, economic resources, such as the development of tourism and creative businesses, and human resources, such as the deployment of human capital for economic growth, are more often mentioned than actually mobilized. Somebody might say, that more could be done on actually utilizing the different dimensions of territorial capital in the city of Athens. There are many actions and initiatives that try to mobilize forms of territorial capital but there is stillroom for improvement.

3.1.2 The Municipality of Pallini and forms of territorial capital

Pallini, is a suburban area, recently inhabited by middle-income households that abandoned central neighbourhoods of Athens seeking better living conditions during the decades 1980s and 1990s. The study area is allegedly characterized by significant advantages that constitute different forms of local territorial capital. First, as a suburban area that spread and developed during the last few decades, especially the Municipal Community of Gerakas, is equipped with new public infrastructures and facilities, which are, in better condition than those of other neighboring municipalities. For instance, the local public nursery schools – although insufficient – meet all specifications for adequate public buildings and, thus, manage not only to continue to operate, but also, to be eligible for structural and

other funds. In terms of human resources, the majority of the local population belongs to the working age group below 65 years and consists of qualified and – to a very small extent – unskilled workforce, both useful to different job sectors. At the same time, a significant number of businesses, ranging from small to very large firms, are active in the area and able to absorb part of the local unemployed (both qualified and unskilled) workforce. These are some of the different forms of territorial capital that can be found locally.

However, in the study area (Municipality of Pallini) one can notice a wide spectrum of social and economic problems faced by various population groups: homeless and people living below the poverty line; unskilled, long-term unemployed and uninsured persons; single parents and elderly with no help at home; orphaned children; disturbed, disabled, chronically ill and addicted individuals; Roma population etc. Most importantly, local problems became exacerbated after the outburst of the economic crisis in Greece back in 2008, which affected not only the “vulnerable population groups” but also the enlarged middle class. The effects of the economic crisis at local level varied from economic difficulties to psychological troubles and family problems. For instance, one of our local respondents stated the following:

Have you seen what a beautiful place Gerakas is? All houses there are newly constructed, people bought them by getting mortgages, since they used to have a job, but now they cannot afford to pay them back. There are huge problems in that area; financial, psychological, health problems etc. (Public Authority Actor P7)

The austerity measures, such as cuts in wages and pensions, as well as the dramatic increase in unemployment made it difficult for households to afford paying monthly operating expenses, tax and social security charges, and mortgage payments. The crisis hit primarily the construction sector, which created jobs in the local area and the whole country, but also the local small and medium craft industries, self-employed professionals etc. Furthermore, the crisis led to staff reduction and expenditure cuts in the public sector, which significantly deteriorated the access of local residents to public services. Previously, during the last few decades of suburbanization trends, the study area had experience an explosive increase in population, which had already resulted in serious deficiencies in public service provision.

The complex socio-economic problems presented above, exacerbated by the crisis, are perceived in the same way by all different interviewed actors. This is related to the fact that local problems are geographically dispersed and not concentrated in specific districts of the study area. Only exceptions are, however, few small enclaves of comparatively higher poverty and delinquency: two social housing districts located in the Municipal Community of Pallini, the Roma settlement located in the Municipal Community of Gerakas, and certain areas in the Municipal Community of Anthoussa. But let us hear another local respondent arguing his case:

Beneficiaries of our social solidarity actions are coming from all the different neighborhoods of Pallini, Gerakas and Anthoussa. This means that the problems that households are currently dealing with are not concentrated only in certain districts but they are dispersed everywhere, especially after the crisis. I would say that only Panorama and Kantza, two particular sub-districts with high-income residents, constitute an exception. (Community Actor P16)

Unfortunately, the deep, multi-faceted, and in relation to its social effects on going, crisis in Greece clearly constitutes a detrimental condition for the mobilization of the territorial advantages of the area under study. Instead of making the most out of the existing local dimensions of territorial capital in order to promote territorial cohesion, all efforts are directed at the most fundamental needs; primarily

the provision of basic social services. For this purpose, municipal authorities are focused on that (elected officials, permanent and temporary staff, interns), in close collaboration with volunteers and the local businesses. The last ones contribute to the provision of social services through personal work and sponsorships respectively. Significantly, the civil society is mobilized through solidarity actions undertaken by certain local citizens' associations and groups. Overall, the mobilization of the local society constitutes, especially under conditions of crisis, an important additional advantage of the study area; another form of local territorial capital that importantly it is mobilized.

To sum up, the study area appears to have many local territorial strengths. However, it is also characterized by complex socio-economic problems – which are geographically and socially dispersed – due to the unprecedented economic crisis. This crisis has produced a number of significant social 'ills and evils' that the local municipal authorities have not managed to adequately deal with, among others, as a result of the newly found extreme austerity in relation to public spending. For these reasons, and although the area appears to possess significant amounts of territorial capital, these cannot be easily mobilized and taken advantage of. Unfortunately, the deep, multi-faceted and (socially on-going) crisis has exacerbated the local problems and, on top of this, created unfavorable conditions for the use of local forms of territorial capital; as they result they have remained dormant. From such a perspective, anthropic forms of territorial capital like good infrastructure, increased levels of local human capital or others dimensions of territorial strength have not been put to good use during these difficult years. However, the local civil has been significantly mobilized in order to ameliorate the social effects of the crisis and to cater to the needs of the public. Following from that, it can be argued that the only form of territorial capital that has been actually mobilized and used in the Municipality of Palini during the years of the crisis has been the social capital of the area. This particular dimension of local territorial capital has led to the creation of a local culture of solidarity against the effects of the crisis.

3.1.3 The Municipality of Marathon and forms of territorial capital

The rural study area (Municipality of Marathon) is one of the most important agricultural areas of the country and the place where most of the agricultural products consumed in the city of Athens are produced. This becomes apparent from the fact that the dominant branch of professional activity in the area is "crop and animal production, hunting and related service activities" since more than 20% of employees are engaged in this economic activity. Following such lines, many of our informants put a lot of emphasis on the agricultural character of the area. However, the area of Marathon includes a number of areas with different characteristics between them. Accordingly, through the interviewing process, it became apparent that this varied character of Marathon became widely acknowledged by our interviewing subjects (either public authority, community or business actors). Most of our informants agreed that Marathon is a mixed municipality comprised of different smaller spatialities/areas.

During the interview process, many informants spoke about the territorial capital of the area. There was an almost consensual opinion that the area was exceptional in terms of environmental capital [natural environment]. Accordingly, the strengths of the area were mostly related to the beauty of the natural environment and the proximity to the sea. Marathon became presented as a 'blessed' and 'magical' area with amazingly beautiful and tranquil landscapes that extended from the mountains to the sea. In this sense, the natural environment became depicted as a form of 'wealth' that local people had the good fortune to experience in their everyday lives; able to produce serene lifestyles away from the hustle and bustle of the nearby city of Athens. At the same time, the good connections between Athens and Marathon became presented as an advantage of the area; good for business and

for accessing urban amenities. Last but not least, in relation to its historical legacy and the famous marathon run, Marathon became presented as an area with a significant ‘brand name’; it became depicted as possibly one of ‘the most famous villages in the world’. Nevertheless, many of the informants expressed their dissatisfaction as this cultural capital was not capitalized upon and as a result, the area lagged behind in terms of touristic and economic development.

To continue, it was interesting that during the interview process most of our key informants instead of focusing on the territorial strengths of the area they emphasized on the area’s challenges. This was evident from the public authority, community and business actors as well. One of the most dominant views on the area’s challenges and difficulties was related to the lack of social services and amenities. Many people argued that there is a need for more social services to cater to the needs of local people. These services mostly referred to schooling, health provision and cultural/sports amenities. A business actor, who owns a local patisserie, stated that:

I think since I was a child, there are the same problems. Problems of not adequate schooling and clear lack of cultural amenities in the area; although so many new people came to the area, nothing has changed since my childhood. (Business Actor M14)

Actually, many informants stated that the situation was getting worse and that more and more social services and amenities were gradually disappearing. Following such lines, another local business actor, argued that:

The biggest problem of Marathon (the town of Marathon) is that it does not have a police station now. It does not have a municipal doctor as many municipal facilities are closing down. There are not any sports facilities for the kids for free; everything is private so you have to pay for everything. (Business Actor M5)

Another way of perceiving the lack of social services became linked to the opinion that many social services that could not be found locally, they could be found in other municipalities. This distance, between people in need and social service providers, was mostly a problem for vulnerable people, who did not have the money, or the much-needed information, to reach these services. In this sense, the lack of social service provision at local level was linked to issues of vulnerability. But let us hear a public authority actor, who works at the Municipality’s social services department, speaking her mind up:

I think that the biggest problem is access to social services, especially for vulnerable people. For instance, if you have to take your medical exams and you have a little bit of money you can go and do it, but vulnerable people have problems with that. Many social services are far away, so distance becomes a factor, especially for vulnerable people, distance is a problem, we have to think of the problem of distance in relation to vulnerable people. (Public Authority Actor M9)

Leaving behind the problem of inadequate social services/amenities in the area, another theme that came strongly to the fore had to do with local levels of economic and social inequality. According to such views, the broader area of Marathon was characterized by high levels of economic disparities. In a sense, some of these disparities had to do with historical reasons as different groups of people (refugees from Minor Asia at the beginning of the 20th century, migrants and wealthy commuters) came and settled in the area at different times and for different reasons. Nevertheless, it became broadly acknowledged that the area had poor (working class) and well-off people. Because of such

economic disparities, the area was characterized by significant social and economic problems that could not be easily spotted at first-hand. As one officer in the Municipality of Marathon said:

There are many social problems that they are not evident, people are keeping them to themselves, because Marathon is a small town, there are many people that they do not ask for help because of the embarrassment of asking for food support or financial assistance. There are areas, like Kato Souli, with many social problems, a lot of poverty. There are many people that they are not able to go by. But they are not asking for help from the Municipality. We try to integrate these people in the support structures but they are ashamed, hesitant to use them [for what other people will say]. (Public Authority Actor M10)

It was also argued that these problems of economic inequality have been further exacerbated by the long-lasting economic crisis. Because of the crisis, many more people became vulnerable by losing their previous economic status and associated levels of material wellbeing. This was an opinion voiced by a public authority actor, who works for more than a decade as a social worker in the area. According to her views:

The biggest problem in the area, of course in different extents, has to do with economic issues. Before the crisis, I would say that the problem was a social/sociological one of vulnerable people but now, after the crisis, these economic worries have reached almost everybody. Of course, vulnerable people have become more vulnerable and normal/average people have become vulnerable to some extent. Of course, there is still this segment of the population that is out of all this; these are the rich people. (Public Authority Actor M8)

Another significant theme that came out as a problem of the area was the alleged low educational levels of people and the “bad” academic performance that characterized a big segment of the student population in Marathon. According to such views, the human capital in the area was low and this was one of the reasons that the area (apart from agricultural production) had not been economically developed in other ways. According to statistics, the part of the local adult population with higher education credentials is about 18%, whilst 30% of the population has completed upper secondary education. On the other hand, a significant part of the adult population is illiterate (46%). Following the above logic, a number of informants argued about the low levels of human/educational capital in the area. For instance, a community actor stated that:

In all the statistical information that you can find, the educational levels of local people are really low, like if you see the academic performance in the whole of the Attiki region, Marathon is near the end. (Community Actor M1)

In a similar vein, a business actor, who is the owner of one of the few private school in the area, agreed that the academic performance of students from Marathon is one of the worst in the country. Furthermore, he went on to make a possible link between local levels of education/academic performance and the agricultural character [land ownership] of the area:

There is a kind of a mentality that the only thing that is important is the land, and because of that, it is difficult to promote a view that human beings have to evolve through education. As a result, schools are not doing very well here. It is like land's cultivation against people's cultivation [education]. (Business Actor M2)

At the same time, there were some other informants, who were more cautious and made a spatial distinction in relation to the alleged low levels of human capital in the area. According to their views,

the agricultural area of Marathon (town of Marathon and adjacent areas) became presented as having low human capital in terms of education while other areas (Nea Makri) with more suburban character became presented as not necessarily fitting this description. But let us hear a community actor arguing his point:

The people in the area of Marathon are mostly uneducated, they have low levels, not in economic terms but on educational terms, the educational differences are pretty big between these people that work in agriculture and they can make a living from land ownership and those areas with a suburban character that are more lower-middle class [Nea Makri]. (Community Actor M16)

Nevertheless, it should be noted that different types of actors came up with different conceptualizations of problems. For instance, community and business actors put emphasis on the lack of social services and amenities in the area and the alleged low levels human capital and educational performance. On the other hand, many policy actors emphasized the existence of social and economic inequalities in the area and the role that the recent economic crisis has played in exaggerated such problems. In a sense, it seems like different types of actors came up with different perceptions about the area's problems. That might be indicative of a different kind of understanding between the various actors in the Marathon area.

To sum up, in the Municipality of Marathon, the narrative emphasis was on the challenges that the area faced instead of its territorial advantages; there was more talk about problems than strengths. However, in relation to territorial strengths a number of different dimensions of territorial capital became mentioned. Following such lines, the area became depicted as possessing exceptional levels of environmental and cultural capital; outstanding physical environment and local history. Nevertheless, these local forms of territorial capital were not been mobilized so much and as a result the area could not take advantage of them and subsequently develop. As these forms of territorial capital laid dormant, local development did not flourish as much as it could have done.

3.2 Mobilization of territorial capital across cases

By trying to synthesize the above, one could argue that different forms of territorial capital were mobilized differently within the cases under examination. In some cases, some forms of territorial capital were mobilized more than others. For instance, the Municipality of Athens appeared to be more capable of mobilizing its territorial 'assets'. That probably had to do with its size and political and economic importance comparing it to the rest of the country. The other two municipalities, also appeared interested in mobilizing local forms of territorial capital, however, because of their scarce resources, they were not always able to do so successfully. But let us see in more detail, these efforts of mobilization of territorial capital across cases.

To start with, in the case of the Municipality of Athens, territorial resources and forms of territorial capital are mobilized through strategies in a mostly empirical and *ad hoc* way. Our interviewees, who were policy-makers from the City of Athens, stressed the fact that municipal authorities do not create developmental and social policies at a scale lower than the city in its whole; municipal policies are not designed by taking into account the characteristics and the conditions of different parts of the city and they do not serve neighborhood – or area-specific – goals. As noted by the vice-mayor responsible for social affairs:

The City of Athens does not have a culture of apportionment of municipal programs at the level of Municipal Departments but the city is treated as a unity. (Public Authority Actor A2)

Our interviewees mentioned two main reasons that can explain this absence of spatial specialization of municipal policies. First, the limited financial resources that are available do not allow for an integrated policy approach, which would aim at both city and neighborhood scales. The municipal authorities cannot do better than covering a minimum of needs for the city as a whole. Second, the municipal authorities promote policies and actions primarily according to their feasibility. The limited financial resources as well as the weak implementation capacity of City's administrative mechanism made policy-makers reserved in launching ambitious or very specialized policy programs. They rather opt for policies and actions, which were 'mature' enough and practically feasible. Although there was no explicit spatial specialization of municipal policies at the area/neighborhood level, in practice the authorities of the City of Athens organize their strategies by reference to two spatial 'units': the 'city centre', largely coinciding with the commercial and the historical centre, and the 'downgraded' (*ipovathmismenes*) areas in the northern and western part of the city of Athens (Metaxourgio, Agios Pavlos, Agios Panteleimonas, Patisision street). Municipal actions and programs concerning the center aim at revitalizing the economic and cultural heart of the city, especially by supporting tourism, commerce and innovation-oriented businesses. Actions concerning the downgraded areas aim at ameliorating local social infrastructure.

The municipal authorities' strategies mainly attempt to mobilize the territorial capital of the city of Athens as a whole. This is particularly evident in the discourse of managers working for the Athens Development and Destination Management Agency (EATA) (Public Authority Actor A6). Those managers refer explicitly to the 'brand' of Athens and the metropolitan character of the city, which create a particular potential in economic sectors such as the visitor economy (Public Authority Actor A6). Such approaches to the territorial resources of the city of Athens characterize also policy documents, which are designed jointly by the municipality and the central government. The Plan of Integrated Urban Intervention (SOAP), which is designed and approved by the City of Athens and the Ministry of Environment, contain a quite large number of actions (70) that may be distinguished, in terms of mobilized territorial capital, in five categories: a. actions which have no spatial reference (youth entrepreneurship, social economy, third age, digitization of public services, recycling etc.), b. actions that refer to Athens as a whole and are not specialized in some part of it (rebranding Athens, rehabilitation of open spaces, revitalization of real estate market, reuse of downgraded buildings etc.), c. actions that focus on the city centre (promotion of historical and other landmarks, support of hotel services of high quality, measures for the concentration of 'irregular' immigrants in the city centre etc.), d. actions aiming at addressing the problems of the 'downgraded' areas (delinquency, abandoned buildings, hyper-concentration of prostitution etc.), e. actions that aim at *detecting* areas in the city that may host activities with high growth potential (clusters of innovative businesses, youth entrepreneurship) or have specific needs due to processes of urban change (gentrification areas in which old inhabitants undergo the pressures of real estate values increase).

However, while municipal authorities tend to focus on territorial resources at the scale of the city as a whole, NGOs and micro-businesses, especially of the social economy, tend to mobilize territorial capital at the micro-level of neighborhood. NGOs focus often on different ethnic communities, while both NGOs and micro-businesses mobilize local social networks. For instance, one indicative case refers to the neighborhood of Koukaki. One of our interviewees (Community Actor A17), who is a member of a group of researchers and citizens supporting the urban commons and the local social and solidarity based economy (LOCALidY), noted that cooperative business schemes flourish in this area due to the local social capital. As argued by a local business actor:

Koukaki is a dynamic area with mixed activities, a vivid local population often mobilized regarding public space issues and local micro-entrepreneurs that are well interconnected. (Business Actor A16)

Our interviewees were also aware of threats against the territorial capital of neighborhood because of recent processes of urban transformation. Thus, Business Actor A16 stressed that the recent touristic development of Koukaki deeply changes the local society/economy. The massive development of Airbnb brings tourists in the area and fuels tourist-oriented activities. This trend increases the real estate values and pushes parts of the local population out of the area, altering its social profile (it is interesting that the team of a local bookstore-café recently organized a public debate on Airbnb and its effects on Athens). Community Actor A17 argued that cooperative micro-businesses also help to the ‘touristification’ of Koukaki by fostering a more allegedly ‘moderate’ type of development, which is however compatible with the new local social life.

In short, the Municipality of Athens, compared to the other two cases, has probably built a more cohesive policy that attempts to mobilize (and taken advantage) of local forms of territorial capital. This policy attempts to mobilize its existing forms, mostly cultural, but also, other ones, too. At the same time, the city’s “identity” (cultural capital) becomes linked to local levels of social or human capital, such as the diverse population or, especially, the highly educated residents and professionals. All in all, it is expected that these different dimensions of territorial capital may have a significant impact on the future social and economic life of the city, if they were used – for instance – to create a vibrant and sustainable social and economic environment, to foster a sense of local belonging or/and to build a strong brand name for Athens.

The Municipality of Pallini does not face any unprecedented or unique territorial problems compared to other (urban, suburban or rural) areas in the region of Attiki. However, quite common territorial problems (such as poverty, unemployment etc.) may be less acute here (in comparison with those occurring in the urban study area), due to the size and the composition of the local population, which is not only smaller but also, and more importantly, less differentiated. Being a suburban area, recently inhabited by middle-income households that abandoned central neighbourhoods of Athens seeking better living conditions in the suburbs during the decades 1980s and 1990s, the Municipality of Pallini (especially the Municipal Community of Gerakas) is not characterized by significantly high levels of socio-spatial inequalities and socio-economic problems (although the enlarged middle class has been hit hard by the crisis). Moreover, being a relatively recently inhabited and developed suburb, the Municipality of Pallini (especially the Municipal Communities of Gerakas and Anthoussa) is not characterized by complex problems of area deprivation, such degraded urban space.

By all accounts, the discourse of building a local “identity” by making use of the local territorial capital, is also present (not so “loudly” though) in the case of the suburban study area. In the Municipality of Pallini, local public authorities seek to promote and establish a local “identity” based on the active local community (social capital), that is, through the engagement and participation of citizens and the civil society in actions such as volunteering, provision of social services, recycling, organization of cultural activities etc. This local “civic engagement and participation” strategy is expected to strengthen local social bonds, further increase social capital and create a sense of common belonging. However, all these together, should not lead to the building of a local brand name (which is a major objective of the Municipality of Athens) but to the achievement of the much-desired “social integration” and “inclusion”. By all accounts, this is another way of taking advantage of local strengths. This is another way of further mobilizing social capital and ameliorating the negative effects of the crisis at local level.

In the case of Marathonas, a narrative that became verbalized by a number of policy actors and public authorities figures was that the Municipality of Marathon (like any other municipality) designs and implements its own policy always in relation to the situation and conditions that characterize the locality. In this sense, the main aim of local policy was to address problems, facilitate growth and reduce disparities. More to the point, it was argued that the strategic objectives of the municipality were first and foremost to “increase local economic competitiveness” and to “promote and strengthen (local levels of) social cohesion”. It was interesting that although “territorial cohesion” was not mentioned even once within these interviews, the fact that economic competitiveness and social cohesion were named as the main objectives of the Municipality, in a way manifests the narrative similarity the crosses over supra national, national and local policy levels. It was also interesting that while “economic competitiveness” and “social cohesion” had entered the policy vocabulary of the Municipality of Marathonas (and other municipalities in Greece) “territorial cohesion” was emphatically absent.

To continue, one of the Deputy Mayors of Marathon, responsible for infrastructural and technical works, argued that in the designing and implementation of policy the Municipality of Marathon adapts a “place-based approach” sensitive to the specificities of the place and people’s needs. In short, he argued that local policies become developed in relation to specific local needs. However, from a reflective point of view, it felt that his place-based approach was slightly restrictive as it was mentioned in relation to infrastructural needs and not necessarily from the standpoint of territorial capital/ resources. He talked more about needs than opportunities; more about things that have to be done than territorial assets that have to be taken into account. In this way, his place-based approach might be slightly different from the one that the COHSMO project adopts.

3.3 Conclusion

From all the above cases, the Municipality of Athens appears as the most successful in mobilizing and utilizing the different forms of territorial capital that could be found locally. In the case of the Municipality of Athens, these forms of territorial capital are mostly related to the “identity” of the city (cultural capital), but also, other dimensions, too (human, anthropic, economic etc.). The city of Athens aims to take account of these unique territorial local “strengths” and even turn particular problems into opportunities of growth and economic development (forms of anthropic capital). Such strategies communicated by the City of Athens, which directly or indirectly build on the notion of cultural capital, are conformable to the mainstream international trends in urban policies and incorporate typical elements of the “entrepreneurial city” model (Hall & Hubbard 1996). According to such views, the mobilization of territorial capital can ignite economic growth and result in the promotion of entrepreneurship, innovation, new technologies and creative economy. However, the territorial capital of the city of Athens is not only cultural, but also, human and social capital that emanates from the city’s highly diverse population, highly educated residents etc. More or less, it is expected that such elements of territorial capital may have a significant impact on the social and economic life of the city, if they are used – for instance – to create a vibrant and sustainable social and economic environment, to foster a sense of local belonging or/and to build a strong brand name for Athens. In short, one aim of the city of Athens is the further mobilization of local forms of territorial capital.

More to the point, it becomes apparent that the policy strategies and narratives of the City of Athens present an image of Athens as having many territorial strengths. These strengths appear to include different forms of territorial capital intertwining cultural, environmental, anthropic and human dimensions of it. However, the important thing is how the Municipal authorities can mobilize these forms of capital and realize the potential of this wannabe city. As argued above, the mobilization of territorial capital is what counts; territorial capital and its different dimensions are important only if they are mobilized and do not stay dormant. Thus, cultural resources, such as the branding of the city on its history, economic resources, such as the development of tourism and creative businesses, and human resources, such as the deployment of human capital for economic growth, are means for future growth that if mobilized can alter the economic and social landscape of the city. Thus, the further mobilization of these assets is an ongoing bet for the Municipality of Athens.

In the case of Palini, the building a local “identity” by making use of local forms of territorial capital is also present. In this case, local public authorities seek to promote and establish a local “identity” based on a mobilized and active local community through the engagement and participation of citizens and civil society in actions such as volunteering, provision of social services, recycling, cultural activities etc. This local civic engagement and participation is expected to strengthen local social bonds and a sense of common belonging and, thus, contribute (not to the building of a local brand name) but to the achievement of the much-desired “social integration” and “inclusion”. By all accounts, this is another way of taking advantage of local strengths; this is the way that the Municipality of Pallini aims to mobilize local assets.

Last but not least, in the case of Marathonas, territorial capital becomes mentioned mostly in terms of the physical/ natural local environment and the history of the place. Accordingly, the advantages of the area are mostly talked about in relation to the natural beauty of the natural environment. Marathon becomes presented as a ‘blessed’ and ‘magical’ area with amazingly beautiful and tranquil landscapes that extend from the mountains to the sea. The natural environment is depicted as a form of environmental capital that local people can experience in their everyday lives. In relation to its historical legacy (the battle of Marathon and the famous marathon run), Marathon becomes presented as an area with a significant ‘brand name’; it becomes depicted as possibly one of ‘the most famous villages in the world’. Nevertheless, many of the informants expressed their dissatisfaction as this ‘brand name’ was allegedly not capitalized upon as much as it should be. As a result, the area appeared to lag behind in terms of touristic and economic development. According to many different actors, more has to be done in order for the ‘cultural capital’ of the area to become mobilized.

4 Collective efficacy

Through collective efficacy, local societies have the chance to mobilize local territorial capital (in fact, local territorial advantages) and, thus, deal with various and complex territorial problems that they are faced with. In the three different areas that are being studied here, the local territorial capital as discussed in the previous chapter is not mobilized in a systematic and explicit way. At the same time, the notion of territorial capital is not broadly used in official policy documents or in the rhetoric and narratives of the different (interviewed) actors. However, local territorial resources are mobilized in various political, social and economic practices in a rather empirical and ad hoc way. This could be attributed, at least in part, to the fact that the limited financial resources do not allow for a systematic development of territorial policies or for their specialization at various spatial scales, nor for the (further) promotion of collective engagement in addressing territorial problems. In the

following sections, we are discussing the level and character of collective efficacy in each different study area and highlight certain innovative community practices enforcing involvement of and collaboration between different actors.

4.1 Level of collective efficacy in each case

Comparing the three different study areas, the level of collective efficacy appears to be higher in the case of the Municipality of Athens (urban study area) whilst it concerns more aspects of the everyday life and experience. However, this does not exclude that also in the Municipalities of Pallini and Marathon (suburban and rural study areas respectively) different local actors are mobilized and try to collaborate in order to deal with local territorial problems.

4.1.1 Level of collective efficacy in the Municipality of Athens

To start with, the Municipality of Athens is characterized by a quite vivid and developed civil society. In fact, the city of Athens concentrates the main bulk of civil society organizations and groups operating in the whole country (Afouxenidis and Gardiki 2014). About one out of five of the total Greek civil society organizations and groups, and almost all international NGOs operating in Greece are based in the city of Athens (database on civil society, National Centre for Social Research-EKKE, responsible: Afouxenidis A.). We can distinguish four main categories of civil society organizations and groups in the city of Athens, each of which has different characteristics and functions: a. Large philanthropic foundations. They are created by eminent businessmen of the past (mainly ship owners like Stavros Niarchos and Alexandros Onassis) and are particularly wealthy. Their impact on political, social and cultural life of the city is significant, b. Large international and domestic NGOs. These organizations are specialized in specific fields (health, refugees etc.), dispose professional staff and are recognized as legitimate interlocutors by the Greek authorities and international organizations, c. Smaller non-profits and citizen groups, which focus on dynamic issues, like education, gentrification etc. They mushroomed in Athens around 2004, when – with the occasion of the Olympic Games (Kavoulakos 2013) – Athenians in various areas were mobilized around issues of urban public space. They flourished again during the crisis, focusing this time on solidarity issues and on supporting vulnerable social groups. Nowadays, small non-profits and citizen groups are quite important in improving local life chances; they emerge in residential, lower and middle social strata areas and they provide services and goods (i.e. language lessons to immigrants, collection and distribution of food and clothes etc.) at the micro-level of the neighbourhood. They also contribute to the visibility of social demands, in particular regarding urban public spaces. There are numerous such small non-profits and citizen groups; however, we have to keep in mind that their time span is often short and, eventually, they manage to involve relatively small numbers of citizens who form however “dynamic minorities”, d. Citizens’ associations of a rather “routine” character that involve typically a large part of the population (for instance, parents’ associations in schools).

Overall, the above-mentioned civil society organizations and groups specialize in a large variety of issues. The majority of them focus on health, solidarity and education. Other issues comprise public space, refugees and immigrants, children, environment, culture, technology and tourism (Afouxenidis and Gardiki 2014). The increasing mobilization of civil society organizations and groups around more and more different aspects of everyday life seems to be something new but, at the same time, echoes a revitalization of social interest on “commons”. This was emphatically stressed by the Deputy Mayor of Athens for Civil Society and Innovation:

I think that in Athens there is something else that is recently emerging. I am saying that out of my mind, we would need a scientific research on this... I think that it is something older that is emerging again. That the public space is something [that we share in] common. What we call “commons” [in English]. For example, I have seen that in Scotland. In Scotland, in the old times, historically, the land was owned by everybody. There was no landownership, until they got conquered by the English. That existed in Greece too. In the province. You can learn it from the experience of older people. (Public Authority Actor A1)

4.1.2 Level of collective efficacy in the Municipality of Pallini

The mobilization of civil society, promoted by the public authorities, occurs also in the case of the Municipality of Pallini (suburban study area), although it has not reached as high levels as in the case of the Municipality of Athens nor the richness of issues being addressed. Especially in the case of smaller and not so central municipalities, the deep, multi-faceted and – in relation to its social effects – on-going crisis in Greece, does not constitute a favourable condition for high levels of collective efficacy and, through this, for the full use of local territorial advantages. Instead of making the most of the local territorial advantages to guarantee territorial cohesion, all efforts are directed at the very fundamental achievements, primarily at the provision of public social services. Concerning especially the provision of public social services, municipal authorities are significantly mobilized (the elected officials, the permanent and the contract staff, and the interns), in collaboration with volunteers and local businesses that contribute to this effort through personal work and sponsorships respectively. At the same time, the civil society is mobilized through solidarity actions undertaken by certain local citizens’ associations (and one particularly active citizens’ initiative). Overall, in the case of the Municipality of Pallini, the mobilization of the local society constitutes, especially under conditions of crisis, an additional local advantage, not sufficient but significantly important and valuable. One could argue that in the case of Pallini there is a significant mobilization of social capital.

More precisely, in the Municipality of Pallini, a large “Volunteers’ Network” is created and used by the municipal authorities in order to support the provision of public social services. Until recently, an NGO also contributed to this effort but no longer exists. Furthermore, a large number of citizens’ associations (almost 30) are active primarily in cultural, sports and other recreational activities (such as dramatic performances, concerts, readings, excursions etc.) but also in actions of social solidarity (such as financial support for war or natural disaster victims). Last, one particularly active citizens’ initiative deals with current socio-economic problems, providing households severely affected by the crisis with all kinds of support, while it engages also in cultural and recreational activities. The action taken by the local citizens’ associations and the local citizens’ initiative significantly increases local life chances and widens the (uninterrupted) access of citizens to public services and activities. First, the social solidarity actions undertaken by the active citizens’ initiative, provide citizens in need with food and other items, legal advice, health care and psychological support; put pressure on local authorities, tax authorities or credit institutions to further support the most deprived households; and, therefore, reinforce the feelings of security of the most vulnerable population groups. At the same time, the cultural, sports and other recreational activities organized by the large number of local citizens’ associations complement those organized by public authorities and, more importantly, are offered for free. Significant lack of initiatives taken by civil society is observed in the field of childcare, since this is a quite sensible field, which needs to be staffed by highly specialized, authorized and trusted professionals.

It is noteworthy that, in the case of local associations that are active primarily in cultural, sports or other recreational activities and less in actions of social solidarity, what brings citizens together and

activates them is their common origin from various areas of Greece. It is not by chance that many local citizens' associations are named after various locations countrywide. But, in the case of the aforementioned particularly active – mostly in actions of social solidarity – local citizens' initiative, it is not the participants' common origin that brought them together and activated them on the basis of common interests. It is the current condition of crisis and austerity in the country and, therefore, the common need to deal with serious socio-economic problems faced by the local population.

People who initially engaged in this local initiative did not know each other before. We are all residents in the area but we met because of the need to deal with the effects of the crisis. We came out of our “closed” environments and got mobilized. Moreover, we come from all different neighbourhoods of the area. (Community Actor P5)

Indeed, the existing citizens' associations and citizens' initiative in the Municipality of Pallini are geographically dispersed. This is probably related to the fact that, as already explained in Chapter 2, the area is socially mixed and commonly perceived as such. Only exceptions are, on the one hand, two districts with higher concentration of upper-income households (located in the Municipal Community of Pallini) and, on the other, few districts with higher concentration of low-income and less educated households (located in the Municipal Communities of Pallini and Anthoussa). However, each Municipal Community has a different history of urbanization, which resulted in different degrees of local citizens' social bonding. More precisely, in the Municipal Community of Pallini, which is an old settlement, long inhabited by Greeks who in-migrated to Pallini from Athens or other areas of Greece, community ties are long established and significantly strong. On the other hand, in the Municipal Communities of Gerakas and Anthoussa, which are typical suburban areas, inhabited by Greeks who abandoned central neighbourhoods of Athens during the decades 1980s and 1990s seeking better living conditions in the suburbs, community ties are weaker but citizens' associations are also numerous. Apparently, the mobilization of civil society around complex social and economic issues is proved to be more difficult than the engagement in cultural, sports and recreational activities.

In general, mobilized citizens belong to all different age groups, educational levels and socio-professional categories, share mostly progressive ideological positions and participate regularly in public affairs. However, it seems that men are less mobilized than women are, young working parents lack time to participate in public affairs, while immigrants participate the least. It is noteworthy that, after the outburst of the crisis, the active participation of certain members of local citizens' associations has been reduced, which relates not only to economic difficulties but also to psychological pressure. Of course, especially people in serious need are barely mobilized or mobilized only for a while.

4.1.3 Level of collective efficacy in the Municipality of Marathon

The level and the character of collective efficacy in the case of the Municipality of Marathon (rural study area) is similar to that of Pallini (the suburban case). Accordingly, the mobilization of civil society, promoted by the public authorities of the Municipality of Marathon, has not reached as high levels as in the case of the Municipality of Athens (urban study area) nor the richness of issues being addressed there. However, despite the unfavourable conditions created by the on-going crisis in Greece, different local actors are mobilized in order to provide at least fundamental support, which again is not sufficient but significantly important and valuable.

First, during the last few years, a significant number of initiatives were undertaken by the local public authorities in order to guarantee the minimum social cohesion in the area. Public authorities initiated

new social structures and services, that is, a Social Supermarket, a Social Pharmacy, a Social Kitchen, a Community Centre and a Daycare Centre. All these social structures are led by the Municipality of Marathon but their operation is significantly based on the volunteer work of numerous volunteers, community and business actors willing to address social inequalities, combat poverty, and social exclusion.

Especially the Social Supermarket, which actually is a “food bank” and the Social Pharmacy play an important role in helping people out. Citizens offer volunteer work and pharmaceutical companies help out by giving away drugs. We are expanding our networks of cooperating donors in order to cover the needs of the most vulnerable. (Public Authority Actor M10)

Local initiatives have taken many other forms, including from the creation of agricultural cooperatives to efforts that promote education, alternative ways of learning and ecological consciousness. A lot of interviewed actors referred to the volunteers’ organization for combating wild and forest fires, the interviewed agricultural producers put a lot of emphasis on the creation of the Agricultural Association of Marathon (which is viewed as a significant collective effort towards the satisfaction of the specific needs of agriculturists), while others stressed the efforts of the Church to run a canteen in order to offer meals to people in need. It is noteworthy that most of the interviewed actors evaluated all efforts mentioned above as not adequate and even minimal, and tended to believe that levels of collective efficacy in the Municipality of Marathon are not satisfactory while more initiatives need to be planned and carried out. However, when it came on judging the existence (or not) of a collective spirit in the area there was a split on views. On the one hand, there were interviewed actors (mostly public authority actors) who believed that the area is characterized by a strong community spirit and feeling of togetherness while, at the same time, there were interviewed actors (mostly business actors) who talked about a total lack of trust, inability to form consensus and a kind of mentality where everybody is for himself or herself. The divergence of perceptions over the level of collective efficacy, community spirit, feeling of togetherness etc. becomes apparent through the following statements:

This area is like a village with all the good and bad things about it. This means that people can get more easily mobilized, become aware of various issues... for instance, volunteerism comes naturally, because it just comes naturally. It is not a state of anonymity here and this is really good, there is a community here and I think this is an advantage. (Public Authority Actor M8)

It is difficult to create something collective here. People do not trust each other. Everybody looks for himself or herself. People only care about themselves. Nothing gets done. (Business Actor M11)

There is nothing here for collective actions, everybody is for themselves. Nothing like that exists here [community spirit]. At least, this is what I believe. (Business Actor M12)

In the same vain, during the interviews, it was argued that volunteerism and the spirit of togetherness are notions that can be found rather in urban environments and related to urban culture. Furthermore, it was stated that many grassroots initiatives developed in the Municipality of Marathon were led by people who had previously left an urban neighborhood and moved to this rural area to get involved with their newly found “communal dreams”. Such initiatives, visions and “dreams” of “community life” have to do with environmental awareness and the ecological movement.

The Municipality of Marathon is an agricultural area very near Athens but, at the same time, far away. That is why there is mobility from Athens. There are many people who leave the city

and come here to get engaged in volunteerism, community spirit building and eco-communities. So, although Marathon and Nea Makri are not so “open” communities, you have all these people coming from Athens and trying to create something collective here. (Community Actor M1)

Concerning collective actions, interviewees often recalled the mobilizations that took place against the creation of a waste-management plant in the broader area of Marathon. This was one of the few instances that the whole local community came together and reacted to the central and regional government’s plans to “dump” the city’s rubbish in their backyard. It was clearly the case of a NIMBY (Not In My BackYard) phenomenon that brought the whole local community together and resulted in long-lasting mobilizations. Additionally, a lot of interviewees recalled the recent big fires in the district of Mati (in the Municipal Community of Nea Makri) that resulted in the biggest human tragedy that Greece has experienced in its recent history, with more than 100 people dead. This was one of the turning points for the local community. It was argued that since the fires, a lot of volunteering took place in order to help the victims of the fires who had lost homes or even loved ones. By all accounts, the spirit of volunteerism did not only involve the local community, but also, the whole of the country. Because of the fires, a few solidarity centres were created in the area. During a visit there, interviewed volunteers made clear that the centre existed not only to help the victims of the fires but generally people in need. Interestingly, volunteers working in the centre made a clear distinction between philanthropy and solidarity. In fact, they argued that the centre was built on a solidarity principle and it was meant to give help between equals. It is not a “structure” above the people helping the people, but instead, it is about people helping each other. This perception is clearly reflected in the following statements:

Because of the fires, there is a really extended network of volunteers that reached far beyond the area. There are many people coming from here, but also Athens, and other areas. There are also many international organizations and NGOs that have come here. And basically through the volunteers’ network is how we supported the victims of the fires all through this time. I would even dare to say that if we did not have the volunteers, then we wouldn’t have even managed to distribute food. (Community Actor M7)

We are not philanthropists, we show our solidarity to people in need, we are equals, and we are everyday people. It is not only for the victims of the fire, but it is also for everybody, local people who live in poverty and immigrants of course. There is a lot of immigrants coming and living here. (Community Actor M4)

The case of the Municipality of Marathon shows that the level and the character of collective efficacy in each study area is not only a matter of objective reality but also a matter of subjective perception. In other words, the sense of togetherness, community spirit, awareness, involvement, engagement etc. depend not only on the number of existing local initiatives but also on the feeling of different local actors. It has been shown that the Municipality of Athens is characterized by a large number of initiatives around a large variety of issues, which however does not exclude significant levels of collective efficacy also in the case of the Municipalities of Pallini and Marathon, that is, the suburban and the rural study areas that have not reached the same levels of collective efficacy and the same richness of issues being addressed but have achieved a significant level of civic engagement and participation.

4.2 Innovative community practices and collaborations in territorial development across cases

Innovative (?) collaborations between public authorities and civil society actors

Comparing the three different study areas, it seems that in the case of the Municipality of Athens (urban study area) different local actors (including public authority, community and business actors) develop more innovative practices, as well as more complex collaborations than in the case of the Municipalities of Pallini and Marathon (suburban and rural study areas respectively). In the case of the Municipalities of Pallini and Marathon, different local actors are also mobilized to deal with local territorial problems but rather in more conventional ways. In any case, during the last few years, one of the reasons why local societies invented more or less innovative community practices and sought (new) ways of collaboration was the on-going crisis in Greece and the consequent weakness of public authorities to implement effective territorial policies and, thus, guarantee territorial cohesion. In the following paragraphs, we highlight the most interesting practices and collaborations developed by various local actors in each study area, while a special emphasis is given on their similarities and differences.

To start with the Municipality of Athens, during the years of the crisis, public authorities sought to deepen collaboration with different actors of the civil society, such as philanthropic foundations, NGOs and citizen groups. This policy orientation is compatible with the recent major administrative reform “Kallikratis Plan 2010” which institutionalized forms of cooperation between municipal authorities and civil society (the most characteristic institution in this respect is the recently established “Immigrants Integration Council” which brings together municipal councillors and representatives of ethnic communities). However, as the Deputy Mayor of Athens for Civil Society and Innovation explained (Public Authority Actor A1), the collaboration of municipal authorities with foundations, NGOs and citizen groups was above all a choice of necessity. The crisis brought severe budget cuts and reduction of employees and weakened the capacity of the municipality to implement policies. The municipal authorities responded by turning to the “dynamism of the city itself” and attempted to integrate civil society actors in common actions against social problems (Public Authority Actor A1). This policy took the form of a number of innovative initiatives and programs, the most emblematic of which we present in the following paragraphs.

First, the project “SynAthina” is an initiative of the Municipality of Athens aiming at the coordination and networking of local civil society actors (information is drawn by the interview with Public Authority Actor A1). SynAthina is run by the Deputy Mayor of Athens for Civil Society and Innovation and a small technical team of five persons. The initiative operates through an internet platform (www.synathina.gr), which civil society organizations and groups are voluntarily recorded in, and a physical space (a kiosk) is given to them located at the very heart of Athens, near the very central Omonia square. Two basic tools of the SynAthina project are the “Open Mondays” and the “Issue-based meetings” which bring together civil society actors with other organizations, sponsors etc. SynAthina was realized thanks to the financial support of a major philanthropic foundation. In 2014, the SynAthina project was rewarded with the amount of one million euros for its participation in the Mayor’s Challenge contest of the Bloomberg’s Philanthropy Foundation. Actually, SynAthina records about 400 citizen groups and 3,000 civil society actions. The internet platform presents these groups in eight categories among which education and solidarity are the largest (other categories are: public space, refugees and immigrants, economy, children, environment, culture, technology, tourism, health). It is interesting that apart from its main objectives, SynAthina aims at changing the

overall relation of civil society actors with the municipality, by facilitating the transfer of demands from the former to the latter and by familiarizing municipal employees with the world of civil society.

Another program, with a larger impact on the actual city space (SynAthina is on the web space), is “POLIS squared”, a project funded by the Municipality of Athens and run by “Athens Development and Destination Management Agency-EATA” (information on “POLIS squared” come from the interviews with Public Authority Actors A6, managers of EATA, and A15, an engineer who is working as evaluator of the program). The program provides small financial grants to local businesses, residents and formal or informal civil society groups to realize their own small-scale interventions in city’s public space. Overall, 14 businesses and collaborative schemes have been funded (phase 1) in order to reuse abandoned stores and to form two small clusters. These businesses and collaborative schemes provide tourist and cultural services, which, interestingly, have a strong spatial reference to urban space, incorporating symbolic and other facets of Athens (for instance, one business creates role playing games which incorporate urban settings in their “scenarios”). Regarding residents, most proposals come from local collective initiatives, which had already some activity in the past. Thus, they already dispose the experience and the human capital to conceive some project adapted to the needs of the neighbourhood (for instance, this is the case of a project aiming at enriching urban equipment in Merkouri Square, a well-known square located in the central neighbourhood Petralona, near the touristic zone of the historical centre). Lastly, the Municipality of Athens has also initiated the program “This is my Athens”, that is, a program which invites citizens to voluntarily guide tourists in various neighbourhoods of Athens, through the lens of a local resident. Currently, the program operates through an internet platform, which coordinates local volunteer guides and tourists, according to the requests of the latter.

In the case of the Municipality of Pallini (suburban study area), local authorities have not developed such innovative practices to bring various local actors together but their initiatives are limited to more conventional practices which primarily involve volunteer citizens to the provision of the very fundamental social services. Furthermore, the involvement of civil society in local public policies occurs mostly at the implementation stage and much less during the design process. So, in the case of the Municipality of Pallini, with permanent public servants being insufficient, to adequately provide the designed social services, the municipal authorities had to create a supportive “Volunteers’ Network”. Today, this network includes volunteers active in the “Municipal Social Grocery Store”, volunteer tutors in the “Social Tutors School”, volunteer teachers in the “Lifelong Learning Programs” and volunteer doctors, psychologists, physiotherapists and nurses in the “Municipal Social Health Clinics”. This large network of volunteers exclusively supports the provision of social services, while volunteering would be helpful also to the provision of many other kinds of public services. Only in certain policy areas, such as childcare, voluntary civic participation is not a preferred option, since there is need of highly specialized, authorized and trusted professionals. Beyond the “Volunteers’ Network”, until recently, an NGO also contributed to the provision of public social services but no longer exists. Last, the operation of many departments in the Municipality of Pallini are supported by interns, who are offered work experience and, at the same time, are offering important services to the (understaffed) public sector.

To further promote stakeholders’ involvement in the implementation of public policies, the local municipal authorities usually follow already tried and tested practices, such as public awareness campaigns and award ceremonies for volunteering. However, rarely, the local municipal authorities undertake more innovative initiatives, such as the invitation of citizens to participate in the “Follow Green” project or in the European program “Urban Health Centers Europe 2.0”. The digital platform “Follow Green” was recently created by municipal authorities in order to promote civic engagement

in volunteering, recycling, supporting the local economy and other “good practices”. In fact, citizens sign in and are rewarded for engaging in various “good practices” with discounts in local businesses, as well as in services and activities offered by the local municipal authorities against payment. As for the European program “Urban Health Centers Europe 2.0”, which the Municipality of Pallini took part in, citizens had the chance to collaborate with public authorities and collectively design a place-based policy for elderly care. In fact, municipal authorities organized “focus groups”, where citizens aged over 75, in collaboration with healthcare professionals, were invited to identify the very specific needs of the local elderly population. This program was a rare occasion for citizens to get involved in the design process of a public policy (not only in the implementation, as usually) and, more precisely, in an active process of “local needs discovery”.

Similarly to the case of the Municipality of Pallini, in the case of the Municipality of Marathon (rural study area), initiatives taken by the local authorities are limited to quite conventional practices. These initiatives primarily involve volunteer citizens to the provision of the very fundamental social services and, more generally, invite civil society to participate in the implementation of (the already designed) public policies rather than in decision-making. So, in the case of the Municipality of Marathon, during the years of crisis, local public authorities initiated new social structures and services in order to guarantee the minimum social cohesion in the area. The new social structures and services (Social Supermarket, Social Pharmacy, Social Kitchen, Community Centre and Daycare Centre) are led by the Municipality of Marathon but their operation is significantly based on numerous volunteers, community and business actors who voluntarily offer their time and work to provide the very basic support to people in need. Besides, there are no other opportunities given to civil society to get involved in the implementation and, more importantly, to the design process of public policies. Only exception is the opportunity to participate in the workings of the municipal government, which is officially provided to citizens in all studied municipalities. In fact, citizens have the right to take part in the workings of three different committees. First, in the workings of the Citizens’ Consultation Committee that regularly convenes and has, as its main aim to facilitate the political participation of citizens in all facets of decision-making; the goal, here, is the strengthening of democratic deliberation. And second, in the workings of two other Municipal Committees, also open to citizens, the Committee on Economic Affairs and the Committee on the Quality of Life. It is noteworthy that, during the interviews conducted in the area, it has been often argued that the opportunity given to citizens to take part in the above-mentioned officially established committees is actually a “smoke screen”, since citizens and representatives of civil society are rarely getting heard, especially the voice of the most vulnerable population groups. The argument that citizens may participate in decision-making processes but their voices are not really heard was raised not only by community but also by business, even by certain public authority actors. Municipal authorities are viewed as “absent” from the everyday-life concerns of citizens and unwilling to take into consideration their actual needs. But let us hear some local key actors arguing their cases:

There are some channels of communication [between the local government and the citizens] but, in reality, it is difficult for the people to communicate their needs. Everything seems to happen for the votes. These politicians do not really care for the people; they care about their political careers and futures. (Community Actor M18)

People are not really heard. People’s wants are not taken into consideration; they are not taken into account. (Community Actor M4)

The Municipality does not really exist, neither for businesses nor for the citizens, it is simply absent in every respect. (Business Actor M5)

Politics is a totally different world with what is happening on the ground [...] During elections all candidates will come around and ask about the problems, after two months nothing, they are not going to pass again, and as years go by, politicians become even more faceless. (Public Authority Actor M8)

Because they are so many different populations in the area, I do not think that all voices are represented within the Municipality. I tend to believe that the more vulnerable people are not represented. (Public Authority Actor M9)

In short, in the Municipality of Marathon, a very “bleak” image of the role of the local government came out, from both community and business actors (however not exclusively, as even public authority actors expressed similar views). Although some official channels of communication and deliberation appeared to exist, the dominant view is that the Municipality is “absent” and “detached” from the people’s everyday life and totally “unaware” of their needs. However, some voices from the public authority sector attempted to justify such phenomena on the lack of adequate resources and the ongoing austerity regime. By all accounts, these views were politically “depressive” and “discouraging”. Since the municipal authorities are viewed as absent and detached from people’s lives and since there is no coordination between different levels of governance with a view to ameliorate people’s life quality, it is not surprising that people start feeling detached from politics and consciously become a-political. This is clearly reflected in the statement of a local business actor arguing his case:

Soon we are going to have [local] elections, but I am not going to vote because I do not believe in anybody. Although I am deeply concerned, at the same time I am not concerned, because I do not believe in anything [in politics] anymore. It is sad, but it is not from indifference, it is my conclusion, my attitude now. (Business Actor M14)

Innovative (?) collaborations between public authorities and business actors

Beyond (more or less innovative) collaborations with civil society actors, public authorities seek collaborations also with local business actors, with a view to achieve further economic growth and development. Again, in the case of the Municipality of Athens (urban study area), public authorities have developed more complex and innovative collaborations with business actors, while in the case of the Municipalities of Pallini and Marathon there are no remarkable relative initiatives. Meanwhile, collaborations between business actors themselves are quite rare, although some take interesting and innovative initiatives but for their own business.

To start with the case of the Municipality of Athens, public authorities have not planned an integrated strategy in involving business actors in policy-making. However, during the last years, the Municipality of Athens implemented a number of interesting programs and actions, which, probably for the first time, attempted to create some kind of cooperation, even at a minimum level, between businesses and the municipal authorities of the city. We can distinguish business-related programs and actions developed by the Municipality of Athens in two broad categories, which manifest the main municipal policy orientations in this respect. First, the City of Athens develops programs and actions concerning dynamic sectors, which are supposed to play a crucial role in the recovery of the local economy, such as new technologies, innovation-oriented businesses and tourism. In these cases, the City of Athens turns mainly to elite businesses. Second, the City of Athens implements programs and actions aiming at supporting social entrepreneurship which is supposed to combine the virtues of market economy with social sensitivity. In the programs and actions of the second category, the City of Athens approaches micro-entrepreneurs.

Three emblematic programs and actions of the first category are:

- a. The Digital Council, which is a body established to advise the Mayor of Athens regarding city's digital strategy. The Digital Council is composed by representatives of Athenian Universities (Athens University of Economics and Business, National and Kapodistrian University of Athens, and National Technical University of Athens), as well as by representatives of the largest telecommunication and software companies in Greece, most of which are local branches of multinationals (Accenture, IBM, Microsoft, Nokia, Oracle, OTE, SAP, Vodafone, WIND).
- b. The Athens Tourism Partnership, which is an alliance between the City of Athens, Aegean Airlines and Athens International Airport. The task of the alliance is to elaborate a communication strategy for the promotion of Athens as touristic destination.
- c. InnovAthens, which is an innovation and entrepreneurship hub that supports youth entrepreneurship. It brings together the Technopolis SA, a municipally-owned cultural private agency, with six associations of innovative and export-oriented businesses in new technologies (mobile applications, semi-conducts, biotechnology, space technology, open source software), which represent a total of about 300 businesses. InnovAthens aims at transferring know-how from established new technologies businesses to young entrepreneurs through various tools (conferences info point, contest for innovative young entrepreneurs, business accelerator, exhibitions and festivals). InnovAthens is funded by EU Structural Funds (budget of 2 million euros) as part of the "Project Athens" and by private sponsors.

Regarding the programs and actions that concern social entrepreneurship, the most significant case is that of the rehabilitation of the public marketplace in the central neighbourhood of Kypseli, a neighbourhood at the northern part of the city of Athens. This project is a case of municipality-led mobilization of private actors, both for-profit businesses and non-profit organizations (information presented in this paragraph comes from the interview with Community Actor A8). The marketplace, located at the centre of this once upper class and currently rather "downgraded" neighbourhood, was for years abandoned and then informally managed by citizen groups close to left political organizations. Following a deliberation with the residents of the area (where the participation was low according to Community Actor A8), the City of Athens launched in 2015 a call for proposals on the rehabilitation and management of the marketplace. The municipality, which owns the place, secured funding for the rehabilitation from EU structural funds. The submitted proposals were evaluated by a mixed committee composed by a Deputy Mayor and eminent persons from the worlds of business, politics and culture. The business plan that was selected was that of "Impact Hub". The latter is a non-profit that supports social entrepreneurship providing to new entrepreneurs working spaces, educational programs, consulting and networking. Within the framework of the new management scheme, the municipality retained the ownership of the place and supervised the rehabilitation process through a monitoring committee. "Impact Hub" became solely responsible for the management of the marketplace, including the selection of the micro-businesses that would be hosted in marketplace's spaces. "Impact Hub" leveraged additional funds in benefit of the hosted micro-businesses by the EU (Social Challenges Innovation Platform) and a non-profit organization, which provides micro funding and consulting to micro-businesses (People's Trust). The businesses lodged in the rehabilitated marketplace share a social entrepreneurship orientation; they provide affordable and environment-friendly goods and services (various education services and social and legal services to vulnerable social groups) and employ people coming from vulnerable social groups, such as disabled persons. The marketplace and its micro-businesses are supposed to function as an organized cluster: except from being concentrated in a relatively small place, businesses will have the possibility to organize an assembly, to share maintenance expenses and make common promotion

actions. In this framework, “Impact Hub” will play a central coordinating role, mediating at the relation of marketplace’s businesses with the City of Athens.

To continue, during the last few years, there has been an increasing interest in developing new entrepreneurial schemes, such as social cooperative enterprises (KOINSEP), which offered many businesses a way out of the crisis. Examples of newly established social cooperative enterprises are found countrywide, most of them concentrate in the city of Athens, while they seek networking and coordination in order to defend and promote their common interests. One interesting example of a social cooperative enterprise is found in the Municipality of Athens and shows how the local social capital may be a basic resource for a micro-business (all information is drawn from the interview with Business Actor A16). This is about a local bookstore-café, which operates as a Social Cooperative Enterprise (KOINSEP) and is located in the neighbourhood of Koukaki, a city centre area that hosts the Museum of Acropolis and presents the last years a very dynamic touristic development. The bookstore-café is created and run by a team of eight persons with very different professional backgrounds (architect, interior architect, archeologist, marketer, English teacher, philologist, chef). Created during the crisis, the bookstore-café represented for most of the partners a response to the difficulties they faced in their main activities (some of them have even lost their jobs). This professional reconversion would not be possible if it was not highly embedded in the local system of social relations: all of the partners are inhabitants of Koukaki, they know each other through local activities (their kids go to the same school) and a large part of their clientele comes from local acquaintances (although progressively the bookstore-café attracted a lot of tourists and Athenians coming from other areas as well). The case of the above-mentioned bookstore-café seems to be indicative of a more general trend in the neighborhood of Koukaki. One of our interviewees (Community Actor A17), who is a member of a group of researchers and citizens supporting commons and social and solidarity economy (LOCALidY), notes that cooperative business schemes flourish in this area due to the local social capital. As argued by a local business actor:

Koukaki is a dynamic area with mixed activities, a vivid local population often mobilized regarding public space issues and local micro-entrepreneurs that are well interconnected.
(Business Actor A16)

Compared to the case of the Municipality of Athens, in the case of the Municipality of Pallini (suburban study area), the involvement of local business actors in the design and implementation of public policies proves to be significantly weaker and limited to quite conventional practices. To give one characteristic example, local business associations are invited to provide the “Manpower Employment Organization” with information and statistics about the (quantitative and qualitative) needs of the local labour market, such as needs in specific skills of human resources. In the same vain, the local “Employment Promotion Center” organizes information meetings, where local professional associations are called to present information and statistics about the local labour market and human capital that place-based active labour market policies should take into account. Such information and statistics significantly contribute to the design of place-based labour market policies implemented by the central administration, employment programs provided by the local “Employment Promotion Centres”, as well as educational, training and lifelong learning programs provided by the municipal authorities and the local “Vocational Schools”. However, the provision of such information and statistics constitutes a very basic involvement of business actors to processes of policy-making and presents nothing impressively innovative.

Beyond their rather weak involvement in processes of policy-making, local business actors are involved in more decisive way in the implementation of public policies, contributing especially to the provision of public social services. First, small businesses to large firms offer donations in kind, for

instance to the “Municipal Social Grocery Store”. They also participate in the (already mentioned) innovative initiative “Follow Green”, a digital platform created by the local municipal authorities to promote environmental awareness and volunteering, offering discounts to citizens who activate in recycling and volunteer actions. At the same time, private tutoring schools provide their services for free to children of poor families or grant scholarships and money prizes to top performing trainees in the local “Lifelong Learning Programs”. And last, local businesses are often convinced by the local public authorities to employ local citizens who are long unemployed and upgraded their skills through public programs of vocational education and training. However, there is a greater need for interconnection between public authorities and local business actors, beyond the usual information meetings on employment and subsidy programs or business consultancy. There is also need for interconnection and collaboration between business actors themselves. Although certain business actors take interesting and quite innovative initiatives (for their own business), they rarely collaborate to develop common (entrepreneurial) actions.

Innovative initiatives taken by NGOs

Concerning especially the initiatives taken by NGOS (with or without collaboration with local public authorities), the comparison between the three different study areas is completely clear. In the case of the suburban and rural study areas, there is no NGO activity operating at any issue of everyday life, while in the case of the Municipality of Athens, there is a bulk of NGOs operating there. In fact, as already mentioned, almost all international NGOs operating in Greece are based in the city of Athens, some of them collaborating with local authorities and several other actors and some of them operating quite autonomously. Among the numerous NGOs operating in the Municipality of Athens, we give here only one characteristic example of a quite innovative initiative taken by the NGO “Action Aid” (all information is drawn by Community Actor A13).

This is about “Epikentro” which is a social infrastructure run by Action Aid and aims at supporting families, which are hit by the crisis through a “holistic” approach that focuses on the empowerment of beneficiaries. It provides services and consulting on job seeking and on accounting and welfare state issues. It also provides education programs for adults, mainly on computers use and foreign languages. Action Aid decided to locate the new infrastructure in the central neighborhood of Kolonos following a number of criteria. The first step was to detect, by examining official statistics, the areas in the region of Attiki that concentrate social problems, in terms of unemployment, income, education etc. Through this process, the organization focused on five different areas, out of which four were located in working class suburban areas (not the suburban study area of the Municipality of Pallini) and one in the city centre of Athens. Eventually, they opted for the area in Athens taking mainly into account the willingness of the City of Athens to cooperate and the concentration of other NGOs in the broader area. This was a strategy of increasing efficiency through clustering, as Epikentro could operate complementarily in relation with neighbouring municipal and private social services. Furthermore, the local community is characterized by relatively coherent social relations; Epikentro could thus take advantage from local networks to spread information on its services in order to attract more beneficiaries. Last, the area is overall a challenging case for a NGO due to the blend of a vivid local social life, multiculturalism and traditional social attitudes. This is how Community Actor 13 described the sociocultural profile of the area:

The [...] characteristic of the area is of course multiculturalism. And Kolonos is a diverse area, maintaining also the character of the neighborhood of ‘50s and ‘60s. That means that it is not very much urbanized [...] but many new people are integrated now [in local social life]. This new people brought also old ideas with them, like the role of women in household. These things multiply the problems of the crisis. There is [thus] enough material to work with. The word of

mouth [transmission of information] has helped us to develop more [our activities]. Because it is a small and easy neighborhood. (Community Actor 13)

Discussing collaborations between various local actors, across different study areas

To discuss collaborations in a more general and comparative way, one first major remark would be that, in the case of civil society actors and primarily in urban space (Municipality of Athens), they use to develop collaborations either among them or, primarily, with the public sector and international organizations. The form of collaboration differs according to the characteristics of the organization or the group. Thus, large philanthropic foundations, like Stavros Niarchos Foundation or Onassis Foundation, often provide funding to municipal and central government's actions. They also construct hard infrastructures on their own expenses (characteristically, Stavros Niarchos Foundation constructed and granted to the Greek state a cultural complex comprising a new facilities for the National Opera and National Library). Funding public actions makes large foundations a major player in the city's public life; however, the dependence of public agencies and especially of municipal authorities on such funding, as well as by EU money, may also have negative impacts on the orientation and the content of public policies, which may be significantly based on the interests of a sponsor than on common interest.

Concerning the large international and domestic NGOs, again operating primarily in urban space (Municipality of Athens), they usually are able to get significant funding from the public sector and international organizations and the EU. These organizations are seen as reliable agents that may provide services complementarily to the public sector and in critical conjunctures. Since the outburst of the "refugee crisis", large NGOs get a mixture of funding from international organizations (mainly the United Nations Refugee Agency), the EU and private donators (including philanthropic foundations mentioned above). NGOs use this funding in order to provide services to refugees arriving in the country, from search and rescue to housing, education and health (Afouxenidis et al. 2017). Within this framework, large NGOs increase their staff and assign part of their tasks through subcontracting to smaller organizations (Afouxenidis et al. 2017).

Contrary to the large foundations and the large international or domestic NGOs, small citizens' associations, groups and initiatives represent forms of citizen self-organization and hardly develop any cooperation with public authorities. This occurs in all different study areas, with only few exceptions, such as the "POLIS squared" project (funded by the Municipality of Athens), which provides micro-funding to formal and informal citizens' groups to implement their own interventions in urban space. Beyond such rare exceptions, the large number of small citizens' associations, groups and initiatives are rarely invited by the local municipal authorities to take part in the processes of design or/and implementation of public policies. Municipal authorities just use to invite them to participate in open – mostly cultural – events and, sometimes, provide them with facilities to host their own major activities. This is one of the reasons why most of the local citizens' associations, groups and initiatives do not seek cooperation with public authorities or, even worse, are extremely distrustful of them.

Municipal authorities are negative – if not hostile – against us. We have to admit, though, that we are strongly opposed to the Mayor and we protest often for various issues. So, elected officials consider us to be annoying [...] they hardly provide us with a (public) place to organize an event. (Community Actor P5)

Although institutions allegedly promote civic participation in the design of public policies (through consultation, hearing procedures, local boards etc.), this very rarely happens. Citizens are invited to

participate almost exclusively to the implementation of the already designed (top-down) public policies, mostly due to the lack of a sufficient workforce in the public sector and, therefore, due to the need for additional (volunteer) staff.

Last but not least, it is quite common that citizens' associations, groups and initiatives (especially in the suburban and the rural study area) are not connected to each other, still less to business or other local actors. Therefore, they do not use to collaborate and undertake common actions (this happens only in the case of just a few citizens' groups in the urban study area), which would definitely increase the levels of collective efficacy.

It is noteworthy that the significant lack of collaboration between small citizens' associations, groups and initiatives on the one hand and public authorities on the other allegedly creates feelings of political "frustration" and cultivates a clearly "anti-politics" sentiment to many people in all study areas. The "detachment" or "absence" of local governments from citizens' lives is usually viewed as the result of minimum available resources (money and people) stemming from the ongoing crisis and austerity regime on public sector finances.

There are many problems in our municipality; there are not many people here to work. We do not have many resources. In social services, there are just a few employees. How can you really help then? (Public Authority Actor M10)

The lack of human and financial resources is one of the main reasons why public authorities invite citizens to get voluntarily involved in the implementation of social policies. But, volunteerism is proved to be not enough to solve the very complex economic and social problems but provides just the very basic relief. Instead, there is need for strong and effective public policies, based on adequate resources, bringing together all levels of governance and building powerful collaborations between public authorities and civil society (beyond the already tried and tested and, more importantly, insufficient "solution" of volunteerism).

We create a kind of a volunteerism, we create a culture of solidarity, and I believe that people have responded as much as possible... in reality, if you ask me, there should not be any kind of volunteerism, instead you should have these services being financed by a sufficient budget... social services that provide first aid are not social services, social policy has to do with people's well-being, we do not talk any more about people's well-being but for people's survival... social policy means that you have adequate resources, there is information, there are equal opportunities, equal access... this is not social policy, these are small cover-up acts to keep people alive at a survival level. (Public Authority Actor M8)

4.3 Conclusion

To draw some general conclusions about the level and character of collective efficacy in the three different study areas can be a very difficult business. However, one major remark would be that in the case of the Municipality of Athens (urban study area) local actors develop numerous and more innovative collaborations in comparison with the case of the Municipalities of Pallini and Marathon (suburban and rural study areas respectively), where local initiatives are limited to more "conventional" practices and involve various local actors to a much lesser extent.

In the case of the Municipality of Athens, after the outburst of the crisis, the local municipal authorities sought to deepen collaboration with different actors of the civil society. In fact, the recent major administrative reform "Kallikratis Plan 2010", institutionalized several forms of collaboration

between municipal authorities and civil society. The crisis brought severe budget cuts, the reduction of employees and weakened the capacity of the municipality to implement the designed public policies. So, the involvement of civil society in territorial governance emerged as an urgent need, primarily in the stage of implementation and less in the stage of design, monitoring and evaluation of public policies. On top of that, the involvement of civil society in the implementation of public policies followed, in the case of the Municipality of Athens, quite innovative ways of collaboration, which significantly increased the level of collective efficacy. Initiatives taken by the local public authorities moved beyond “conventional” public policies that focus on the provision of the very fundamental public services. Innovative initiatives concern a wide range of fields, such as citizens’ well-being, youth entrepreneurship and social economy, elderly and childcare, digitization of public services, recycling, rehabilitation of public space, reuse of the abandoned building stock, revitalization of the real estate market, rebranding Athens etc. As it has been argued before, for the design and implementation of public policies, local territorial capital is taken into account in an empirical and ad hoc way rather than in a systematic and organized way. Moreover, public policies are not always part of an integrated urban planning but, often, appear to be fragmentary. This is partly because they are usually funded by different sources of financing (EU structural funds, national funds, large domestic philanthropic private foundations etc.) and, thus, are integrated into different strategies with different objectives.

In addition to and in support of innovative initiatives taken by the local public authorities, civil society in the case of the Municipality of Athens is assessed to be highly mobilized, undertaking and participating in initiatives that concern various different topical issues (welfare, employment, education, elderly and childcare, healthcare, integration of immigrants and refugees, protection and regeneration of public space, environmental awareness, cultural life, alternative tourism, technological development etc.). Civil society in the Municipality of Athens comprises various different actors, varying from a) large domestic philanthropic (private) foundations with a large impact on political, social and cultural life of the city, and b) large international and domestic NGOs to c) small non-profits and dynamic citizens’ groups, d) citizens’ associations of a rather “routine” character, such as parents’ associations at schools, and e) businesses’ associations and networks, including from traditional businesses to cooperative schemes, innovative partnerships and businesses active in social and solidarity economy.

In the case of the suburban and the rural study areas (Municipality of Pallini and Marathon respectively), local civil society actors are not so numerous, nor active in such a large variety of topical issues, while their collaboration with local public authorities is much weaker. In the case of the Municipalities of Pallini and Marathon, the outburst of the crisis has not been the occasion for innovative practices and collaborations to be developed but, instead, efforts have been limited to the very fundamental achievements, primarily to the provision of public social services. For this purpose, however, municipal authorities have been significantly mobilized, in collaboration with a large network of volunteers, as well as with local businesses. At the same time, civil society has been mobilized through solidarity actions undertaken by certain local citizens’ associations, groups and initiatives. So, initiatives taken by public authority, community and business actors and collaboration between them in the suburban and rural study areas are not nonexistent. However, they are insufficient to effectively address the very complex territorial local problems and, at the same time, to make use of the different dimensions of territorial capital. Moreover, the degree of collaboration between local actors differs depending on the stage of public policies, that is, the stage of design, implementation, monitoring and evaluation. Overall, with the exception of public policies’ implementation processes, the degree of civil society’s involvement in territorial governance is significantly low. To promote civic involvement, the local public authorities follow already tried and tested practices, and barely

undertake more innovative initiatives. Thus, examples of strong and innovative civic involvement are very rare, they do exist though and should definitely increase, towards a more structured and effective territorial governance.

Last but not least, a major general remark would be that, to the extent that collaboration between public authorities and civil society and other actors remains weak, it seems that local societies lose their feeling of belonging, togetherness, collective spirit etc. This gradually leads to a lack of trust and cultivates individualism and a-political or, even worse, anti-political attitudes. This is a great threat to collective efficacy which requires, first and foremost, civic engagement and participation, based on a common trust to the ability of different actors to collaborate and collectively address the so complex territorial problems that they are face with.

5 Territorial governance

In this section of the report, in line with the thinking of the other COHSMO partners, we try to shed some light on the issue of territorial governance. We do so by linking the issue of territorial governance to that of collective efficacy (previous chapter) and the mobilization of territorial capital (chapter 3). On a normative level, the COHSMO project believes that in order to have ‘good territorial governance’ across cases there must be a productive relationship between the mobilization of territorial capital, collective efficacy and forms of territorial governance. When these things are in place then we have the maximum results of a successful territorially cohesive policy. However, another precondition has also to be in place. This is that local communities have to be on the policy board, they have to play an important role; their role should not be decorative, but instead, fundamental. To put it differently, for such efforts to be successful, local communities have to be included in processes of local development or policies of territorial cohesion. One of the most important ways for such policy objectives to become fruitful is for the authorities to nurture all bottom up activities that come from the grassroots level. For policy actors, to take seriously the voices and visions of all other actors found in the community. This is not about obliterating the government level, but more, about the government level taking seriously all other levels/ actors/ forces found in the territory.

More to the point, this part of the report is again influenced by the work of Sevillo, Atkinson and Russo (2012) and their idea of the ‘capacity to act’. According to these writers, the ‘capacity to act’ appears to be dependent on the success (or not) of strategic forms of policy coordination. Furthermore, the idea of policy coordination, at least for the aims and objectives of this chapter, refers to the creation of ‘policy bundles’ able to create synergetic forms across policy areas. These policy bundles can involve different policy fields; like regeneration policies and employment objectives or childcare policies and labour market outcomes. Furthermore, policy coordination can also refer to other things like collaborative governance (Healey 1997), policy newness, policy innovation etc. As research has shown, policy innovation in the areas that the COHSMO project is focusing on can take many forms and result in different policy modalities.

As it has been argued before, policies on territorial cohesion, more often than not, are characterized by a duality. Either they seem to focus on the generation of economic growth or in the provision of social services; they seem to have an economic or a social logic. In relation to this tendency of territorial cohesion, it is paramount to take this policy at a lower level and investigate the ways that it plays out at different scales of government; not only in the national, but also, at the regional and the local. Following such lines, it is paramount to see into the ways that ‘good territorial governance’ becomes constructed through the cases and between the actors involved in or around it (business, civic community actors, policy actors). Accordingly, in what follows, we attempt to examine these issues across cases and bring to the fore the similarities and differences that characterize them.

5.1 Characteristics of territorial governance in each case

5.1.1 Territorial governance in the Municipality of Athens

The Municipality of Athens consists of seven “municipal departments” and several neighborhoods. Within the Municipality of Athens, urban complexity and diversity are high, both in terms of the built environment and in terms of the population. It belongs to the Region of Attiki and, more precisely, to the Regional Unit of Central Athens. The important reforms of local administration system of the last decades did not entail any changes to the administrative status or boundaries of the Municipality of Athens, which encompasses seven (7) distinct Municipal Communities.

By all accounts, the Municipality of Athens lies at the heart of a quite complex governance system. Similarly to all municipalities in Greece, it is governed by an elected Mayor and Municipal Council, as well as by several Deputy Mayors appointed by the Mayor and responsible for various policy areas. As a result of the last significant reform of the local administration system (Kallikratis Plan 2010), within the Municipality of Athens operates an “Ombudsperson for citizens and enterprises” and two consultative bodies: the “Immigrants’ Integration Council”, composed by members of the Municipal Council and representatives of the immigrant communities, and the “Consultation Committee”, composed by local stakeholders. The Municipality of Athens also runs a number of specific purpose organizations and enterprises like the “City of Athens Homeless Shelter”, the “Athina Health Addiction Prevention”, the “Cultural Center Technopolis”, the “Double Rehabilitation SA” (agency responsible for the rehabilitation of a part of the city), the innovation hub “InnovAthens” and the “Athens Development and Destination Management Agency”.

Above the Municipality of Athens, we find the Region of Attiki, governed also by elected officials, while both authorities are supervised by the Ministry of the Interior. The tradition of centralism in Greece has created a strong intervention of the central government in issues of urban rehabilitation and development of Athens. For instance, the most significant project of urban rehabilitation of the city centre of the last fifteen years, the so-called “unification of the archaeological sites of Athens”, was run by a specific purpose agency, which was controlled by the Ministries of Environment and Culture without any implication of the municipal authorities. Recently, the Municipality of Athens acquired the means to promote more autonomous development policies when parts of the EU funds allocated to the Region of Attiki were transferred to the municipality. The redirected funds constituted the financial basis for two relatively extensive development programmes, the “Project Athens” (2012-2015, budget approx. 130 million euros) and the “Project Athens 2020” (2016-2020).

As it has been argued, during the years of the crisis, the City of Athens has sought to deepen its collaboration with different actors of the civil society, such as philanthropic foundations, NGOs and citizen groups. This policy orientation is compatible with the relatively recent (2010) reform of local

administration, which institutionalized forms of cooperation between municipal authorities with civil society. However, as the former vice-mayor responsible for civil society issues explained (Public Authority Actor A1), the collaboration of municipal authorities with foundations, NGOs and citizens groups was above all a choice of necessity. The crisis brought severe budget cuts and reduction of employees and weakened the capacity of the municipality to implement policies. The municipal authorities responded by turning to the ‘dynamism of the city itself’ and attempted to integrate civil society actors in common actions against social problems (Public Authority Actor A1).

The relation of the municipal authorities with other levels of political power is mainly shaped by two factors: First, the centralism that still characterizes the political culture of the Greek state, despite recent reforms of the local administration. In particular, in the case of Athens, the central government tends to intervene directly in the significant issues of the city. Second, the reduction of the resources that are available to the municipal authorities as a consequence of the crisis. Due to these factors, the relations between the municipality and other levels of political power are organized around two stakes: jurisdiction limits and access to resources (funding opportunities and human resources). Jurisdiction issues arise in the relation of the City of Athens with the central government. The recently founded state-owned ‘Urban Regeneration Company’ created new tensions over the control of rehabilitation processes in the capital. ‘Urban Regeneration Company’ is supposed to be the specific purpose agency to carry out the main rehabilitation projects in Athens, continuing the work of an older agency (Unification of Archaeological Sites SA) which was abolished in the framework of crisis-led austerity measures. The ‘Urban Regeneration Company’ is under the complete control of the central government, provoking the intense opposition of municipal authorities.

The City of Athens itself lacks a culture of systematic monitoring and evaluation of its policies. For instance, in the case of SynAthina, a program run under the sole responsibility of the City of Athens, no data are collected on the participants or on the networking between them, although the latter is one of the major goals of SynAthina. The revision of municipal policies occurs rather as an expression of the personal experience accumulated by the political and managerial staff of the City, as well as through the informal communication of municipal authorities with citizens (Public Authority Actors A1, A2 and A6). More systematic monitoring and adaptation characterize in fact programs and actions funded by the EU or private sponsors. In these cases, monitoring follows again the prescriptions of the funder. This entails a fragmentation of monitoring processes as well. The multiplicity of monitoring methods renders difficult their integration in the administrative culture of City of Athens. Last, the particular technical ‘languages’ used by different funders provoke a communication gap with citizens which is evident in the participatory evaluation procedures (Public Authority Actor A6).

In the actual policy field, during the last years, the main tool of the Municipality of Athens for the promotion of development and social cohesion is the “Project Athens” (2012-2015) (ADDMA, 2012) which is extended into the “Project Athens 2020” (2016-2020). As already mentioned, the funds allocated to “Project Athens” came from the EU and were originally directed to the Region of Attiki (Regional Operational Programme 2007-2013). The “Project Athens” is run by the “Athens Development and Destination Management Agency” (ADDMA). The programme’s first priority is to contribute to the improvement of the competitiveness of the city’s businesses, with an emphasis on innovation, employment and social entrepreneurship. A second important goal is the promotion of the regeneration of the urban environment (redevelopment of deteriorated areas and reconquering of public spaces). These two priorities (competitiveness and urban regeneration) accounted for about two thirds of the first stage of the “Project Athens”. Other priorities of this project include the

improvement of citizens' quality of life (mainly through 'green solutions'), the handling of the social crisis and the improvement of the city of Athens' capacity for development planning.

The "Plan for Integrated Urban Intervention" (PIUI) for the centre of Athens is another important tool for implementing policies aiming at growth and social cohesion in Athens for the period 2014-2020. The PIUI is run jointly by the Municipality of Athens and the central government. The Municipality of Athens undertakes in particular the supervision and evaluation of the project and, via the "Athens Development and Destination Management Agency" (ADDMA), it provides technical support to the other implicated agencies. The PIUI is funded mainly by the EU Cohesion Funds, while complementary funding comes from other sources (municipal budget, central government's Public Investments Programme, Green Fund etc.). The PIUI aims at approaching the city centre in a rather 'holistic' way; therefore, it covers a wide range of issues: competitiveness and entrepreneurship; 'reconquering' and improvement of public space; security; environment and urban planning; city branding; digital city and revitalisation of real estate market.

Since 2014, the Municipality of Athens became part of the network "100 Resilient Cities" (100RC) which is pioneered by the Rockefeller Foundation. In the next two years the municipality elaborated – along with a wide range of stakeholders (research centres, NGOs etc.) – an "Athens Resilience Strategy for 2030" (City of Athens 2017) which is based on the methodology and the general goals of the 100RC. The "Athens Resilience Strategy" aims at presenting a comprehensive plan to address challenges stemming from both natural and socio-economic crises. It comprises 65 actions, which are categorised under four rubrics: open city; vibrant city; green city; proactive city. Funding for these actions come from a mix of sources which include international private nonprofits (Bertelsmann Foundation and Bloomberg Philanthropies), EU structural funds, private donors and municipality's own resources. Overall, the "Athens Resilience Strategy" adds new elements in Athens' development and social policies only in part, as it overlaps with municipality's existing policies and other major policy texts (National Strategic Reference Framework, PIUI etc.).

Policies formulated and implemented by municipal authorities at the local level, usually aim at an "integrated" planning, that is, a planning that takes into account a wide range of socio-spatial issues in all scales of space. At the same time, it is often that local policies have a spatial focus, giving emphasis on the very city centre (which is highly frequented and presents a large variety of socio-spatial problems) as well as on certain neighbourhoods to the western and northern part of the Municipality of Athens (which face more serious problems of socio-spatial deprivation).

5.1.2 Territorial governance in the Municipality of Pallini

Our selected suburban area is located in the northeastern suburban zone very close to the central Municipality of Athens. The selected municipality clearly reflects the suburbanisation trends that occurred back in the 1980s and 1990s and transformed many areas surrounding central Athens into densely built and densely populated suburbs. Its medium level of resources (such as various services, commercial markets or recreational spaces) implies a significant dependence on (and commuting to) the core city. Employment of the population depends on non-agriculture functions (predominantly on the tertiary sector) and unemployment rates are (slightly) below the regional average. Last, the selected suburban area is internally diversified, mostly in terms of the socio-economic characteristics of the population rather than in terms of the urban environment and land uses. In comparison with the central Municipality of Athens, the Municipality of Pallini is less diversified and, thus, presents lower complexity. However, it also faces significant socio-economic challenges, such as a relatively high unemployment rate, a certain lack of resources and, thus, lower access to certain services.

According to the administrative divisions in Greece, the Municipality of Pallini belongs to the Region of Attiki and, more precisely, to the Regional Unit of Eastern Attiki. After the “Kallikratis Plan 2010”, that is, the reform that sharply reduced the number of the country’s municipalities and increased their territory and responsibilities, the Municipality of Pallini encompasses the former Municipalities of Pallini and Gerakas, as well as the former Community of Anthoussa, all renamed into Municipal Communities. Similarly to all Municipalities in Greece, the Municipality of Pallini is governed by an elected Mayor and an elected Municipal Council, as well as by several Deputy Mayors appointed by the Mayor and responsible for various policy areas, such as social policy, education and lifelong learning, quality of life, cleansing, environment etc. Beyond the Municipal Council, the selected Municipality also comprises one Local Council for each of their Municipal Communities.

In the case of the Municipality of Pallini, there are several entrepreneurial projects (mostly in the manufacturing sector) financed by the former Development Law 2011, while some more are budgeted by the new Development Law 2016. This is the main national policy aiming at balanced development and regional convergence, formulated and implemented by the Ministry of Economy and Development and, more precisely, by the General Secretariat of Strategic and Private Investments. Citizens participated directly in the formulation of the new Development Law 2016, since the General Secretariat of Strategic and Private Investments conducted a long, large and open dialogue with possible stakeholders and launched a public consultation on the draft law. As for the policy implementation, monitoring and evaluation, citizens are involved indirectly, through the participation of “Social Partners” in the “Development Council”.

In the Municipality of Pallini, several projects are also planned and budgeted by the Sectoral Operational Programmes 2014-2020 and, most importantly, by the OP “Competitiveness, Entrepreneurship and Innovation” and the OP “Human Resources Development, Education and Lifelong Learning”. These planned and budgeted projects concern the “upgrade of small and medium-sized enterprises (SMEs)”, the “support of self-employment of higher education graduates”, the “granting of entrepreneurs aged between 30 and 49”. Again, responsible for the formulation and implementation of the above (regional) policies is the central administration and, more precisely, the Ministry of Economy and Development and the Ministry of Labour, Social Insurance and Social Solidarity, while citizens are not deeply involved on processes of policy formulation, implementation, monitoring and evaluation.

Beyond national and regional policies, there are also policies formulated and implemented at the municipal level aiming at territorial cohesion not through the support of economic growth but through the support of the everyday quality of life and the provision of relief. Along with the typical Municipal Organisations that offer to citizens everyday (cultural and sports) activities, the selected Municipality has also established Municipal Agencies that provide a wide range of basic social services especially to those who lack social insurance. These municipal agencies include Social Medical Centres, Groceries, Drugstores and Tutors Schools. They operate not only thanks to municipal funding but also thanks to citizens (doctors, social scientists and other professionals) who offer and exchange their voluntary work through the so-called “Time Bank”.

Concerning the above-mentioned national, regional and municipal policies, there is nothing remarkably innovative but something remarkably challenging: the extent to which it will manage to fulfill the general goal of territorial cohesion against the background of a long and continuing economic crisis in Greece. The support of SMEs, young entrepreneurship and start-ups, the relief of vulnerable citizens, balanced development and regional convergence must be extremely difficult to achieve under conditions of austerity, limited resources, mistrust towards institutions, reduced civic participation etc. Under such conditions, the efficiency of national, regional and municipal policies

aiming at territorial cohesion is worth in-depth investigation. Especially in the case of the Municipalities of Pallini, the formulated and implemented policies do not seem to have a spatial focus on certain neighbourhoods.

In the policy area of vocational education and training, the selected Municipality of Pallini has to manage the operation of the local “Lifelong Learning Centres” aiming to provide training for adults. In the policy area of childcare, although policy formulation and implementation falls within the responsibility of national government, municipal authorities are again responsible for the establishment and management of nurseries (in the case of the Municipality of Pallini, for instance, through the “Preschool Education and Social Care Agency” and, more precisely, through the “Directorate for Nursery Units”). It is very well known that in many municipalities countrywide, the number of children hosted by public nurseries is much below the actual needs, which are further covered by private nurseries. Over the last few years, a significant number of households are fully subsidized for children’s registration in private nurseries via the Sectoral Operational Programme “Human Resources Development, Education and Lifelong Learning” and the relevant action “Reconciliation of Family and Working Life”. Last, in the policy area of access to the labour market, although policy formulation and implementation falls within the responsibility of the “Manpower Employment Organisation” (OAED), related services (promotion of employment, social insurance of unemployed, family and motherhood support, vocational and technical training etc.) are provided at the local level by the “Employment Promotion Centres” (KPA2) and the “Vocational Schools” (EPAS). In all policy areas mentioned here (vocational education and training, childcare and labour market), the Development Law and the Sectoral Operational Programmes (especially, the OP “Competitiveness, Entrepreneurship and Innovation” and the OP “Human Resources Development, Education and Lifelong Learning”) also play an important role towards the achievement of territorial cohesion. They may be policies formulated at the national level (as described above in the section 5.2.8) but beneficiaries (both households and businesses) act locally. As previously mentioned, the challenge for all formulated and implemented policies (national, regional and local) concern the extent to which they will manage to achieve their stated goals under conditions of limited resources (especially for local authorities).

5.1.3 Territorial governance in the Municipality of Marathon

The Municipality of Marathon (including the Municipal Communities Marathon and Nea Makri, and the Local Communities of Varnavas and Grammatiko) forms part of the region of Attiki and is located in its northeastern part. The area is surrounded by the mountains of Penteli and Parnitha while from the east it opens to the sea. The Municipality of Marathon can be characterised as an agricultural area in very close proximity to the metropolitan area of Athens. Some parts of the municipality (Nea Makri) can also be viewed as outer outskirts of Athens by the sea. According to the administrative divisions in Greece, the Municipality of Marathon belongs to the Region of Attiki and, more precisely, to the Regional Unit of Eastern Attiki. After the “Kallikratis Plan 2010”, which reduced the number of the country’s municipalities and increased their territory and responsibilities, the new Municipality of Marathon was created encompassing the former Municipalities of Marathon and Nea Makri, as well as the former Communities of Grammatiko and Varnavas. The centre of the municipality is the town (Municipal Community) of Marathon.

Similarly to all municipalities in Greece, the Municipality of Marathon is governed by an elected Mayor and a Municipal Council. Furthermore, the Mayor appoints several Deputy Mayors from the members of the elected Municipal Council. Regarding policies of economic growth and territorial cohesion, there are not any entrepreneurial projects funded by the previous Development Law (2011).

However, some projects may be funded in the future by the new Development Law. On the other hand, several projects have been funded by the National Strategic Reference Framework 2014-2020. The largest part of the funding budget goes on Environmental Protection, Education and Lifelong Learning and Social Inclusion and Competitiveness. The most important projects are related with the “upgrade of small and medium-sized enterprises (SMEs)”, the “support of self-employment of higher education graduates” as well as the “granting for entrepreneurs aged between 30 and 49”. Responsible for the formulation and implementation of these policies is the Ministry of Economy and Development as well as the Ministry of Labour, Social Insurance and Social Solidarity. Nevertheless, it has to be noted that citizens are not deeply involved in such processes of consultation and funding.

There are not many policy areas that the local government appears to play a major role in. For instance, regarding vocational education and training (for the labour market), there are no “Lifelong Learning Centers” or other similar establishments. Moreover, there are no “Employment Promotion Centres” (KPA2) or “Vocational Schools” (EPAS) established in the area. Maybe a way to understand this lack of vocational training and the promotion of active labour market policies in the case of the Municipality of Marathon, is to consider that the unfolding unprecedented economic crisis through the passage of time evolved into a humanitarian crisis for certain segments (economically disadvantaged) of the population. As the social policies and welfare mechanisms of the already ‘weak’ Greek Welfare State further eroded through extreme austerity, local governments became the recipients of extreme social problems that they had to urgently face. In such a depressing socio-economic environment, many municipalities, and the Municipality of Marathon too, most probably chose to focus their resources on combating the extreme effects of the economic crisis instead of promoting active labour market policies to an already crumbling labour market. This explanation about the lacking of vocational training can be part of the specificity of the Greek case and the effects of the severe economic crisis on municipalities and their residents. Nevertheless, in relation to childcare, there is a local public foundation of great importance, called “The Pammakaristos”, providing social care and education to children and adolescents since 1953. Currently, one hundred and fifteen (115) children, adolescents and young adults are educated and trained in Pammakaristos. However, its operation falls within the responsibility of the Ministry of Health and Social Solidarity as well as of the regional, rather than the local, government.

5.2 Coordination of territorial governance across cases

The aim of this sub-section is to discuss and analyse coordination issues across the cases examined in the project. In general terms, there is a lack of meaningful communication and coordination between the central and the regional public administration on the one hand and the local administration on the other hand, in Greece. Relations between the national and the regional public administration on the one hand and the local administration on the other are limited to the very necessary contacts to exchange information, usually about processes of (national or/and EU structural) funding that the local public authorities receive. It is also usual that the local public authorities ask from the central administration for additional staff, which is insufficient for the proper operation of public services, or they ask for clarifications on the implementation of new central public policies, which are not always clear, especially during periods of serious administrative reforms. Another reason why coordination across different governance levels suffers is the fact that responsibilities of local governments are transferred (again) back to the central administration (after a recent significant effort for the decentralization of powers). Apparently, the (re)centralization of powers makes local governments less effective and further weakens the much-needed coordination across different governance levels.

Generally speaking, coordination proves to be weak between different municipalities across the region of Attiki, but also, the whole of the country. Again, relations between municipal authorities in different locations are limited to the exchange of knowledge and experience, while this is not going further to inter-municipal cooperation and common actions. However, coordination seems to be stronger between the local municipal authorities and independent public organizations or public institutes (through information meetings or mutual support to the provision of public services).

The lack of familiarization with the notion of “territorial cohesion” on behalf of the local policy actors, which is examined above, could be related to the lack of meaningful communication and coordination between the central and the regional public administration on the one hand and the local administration on the other. Given this lack of communication and coordination across different administration levels, the discourse around and the knowledge about the notion of “territorial cohesion” is not being transmitted from the central and the regional to the local levels of public administration and public policies.

For instance, the lack of coordination became more apparent in the interviews with public authority actors from the Municipality of Pallini. Although these actors avoided commenting on their relations with the central administration, it became obvious that coordination across different governance levels was problematic. On the contrary, coordination was significantly stronger between different departments of the Municipality of Pallini, which is absolutely necessary for the implementation of various public policies at the local level. Especially for an effective provision of and equal access to social services, though, there is need for further interconnection between all kinds of local public (and private) services, organizations, institutions etc. (such as shelters for the homeless, soup kitchens, retirement homes, second-chance schools, health clinics and cultural centres).

The only municipality that appeared to be more in line with the aim of policy coordination was the Municipality of Athens. In terms of coordination, the City of Athens (urban area) has adopted a series of new practices. Especially during the years of the crisis, it has attempted to coordinate civil society organizations in crucial fields of action such as dealing with immigration; while it has built networks with private profit and non-profit agents (Athens Partnership, SynAthina). SynAthina is an initiative of the City of Athens aiming at the coordination and networking of civil society actors in Athens. Actually, SynAthina records about 400 citizen groups and 3,000 civil society actions. The internet platform presents these groups in eight categories among which education and solidarity are the largest (other categories are: public space, refugees and immigrants, economy, children, environment, culture, technology, tourism, health). Moreover, ‘This is my Athens’ is a program which mobilizes local volunteers who are willing to show Athens to tourists through the lens of Athenians. Currently the program operates through an internet platform, which coordinates locals and tourists, according to the requests of the latter. Regarding the programs and actions concerning social entrepreneurship, an innovative business plan evaluated and selected by a mixed committee composed by a vice-mayor and eminent persons from the worlds of business, politics and culture; the ‘Impact Hub’. ‘Impact Hub’ is a non-profit that supports social entrepreneurship providing to new entrepreneurs working spaces, educational programs, consulting and networking. Within the framework of the new management scheme, the municipality retained the ownership of the place and supervised the rehabilitation process through a monitoring committee. ‘Impact Hub’ became sole responsible for the management of the marketplace, including the selection of the micro-businesses that would be hosted in marketplace’s spaces. ‘Impact Hub’ leveraged additional funds in benefit of the hosted micro-businesses by the EU (Social Challenges Innovation Platform) and a non-profit organization, which provides micro funding and consulting to micro-businesses (People’s Trust). The businesses lodged in the rehabilitated marketplace share a social entrepreneurship orientation; they provide affordable

and environment-friendly goods and services (various education services and social and legal services to vulnerable social groups) and occupy employees coming from vulnerable social groups, such as disabled persons. The marketplace and its micro-businesses are supposed to function as an organized cluster: except from being concentrated in a relatively small place, businesses will have the possibility to organize an assembly, to share maintenance expenses and make common promotion actions. In this framework, ‘Impact Hub’ will play a central coordinating role, mediating at the relation of marketplace’s businesses with the City of Athens.

On the other hand, the lack of coordination across governance levels was also highlighted by public authority actors for the case of Marathon. More specifically, many public authority actors expressed the view that there was not much coordination between different levels of governance. As a result, the municipality was left on its own devices to deal with problems that did not have the resources to deal with. This was a mainstream narrative among many significant public authority figures. Interestingly, some other public authority figures expressed the view that what was lacking was a strategic plan for the area that could bring together all levels of governance, create a better coordination between them, and subsequently provide answers to the hard-pressing problems of the area. In this sense, the lack of a common strategic plan became presented as the main cause for the poor levels of coordination among the various levels of governance and the reason that the area could not go forward but instead was ‘stuck’ in this problematic situation.

5.3 Relation to other scales of government

The relations among regional, national and EU-governance bodies are vital for the implementation of territorial cohesion and balanced development policies. Relations between the national and the regional public administration on the one hand and the local administration on the other are limited to the very necessary contacts to exchange information, usually about processes of (national or/and EU structural) funding that the local public authorities receive. It is also usual that the local public authorities ask from the central administration for additional staff, which is insufficient for the proper operation of public services, or they ask for clarifications on the implementation of new central public policies, which are not always clear, especially during periods of serious administrative reforms. Another reason why coordination across different governance levels suffers is the fact that responsibilities of local governments are transferred (again) back to the central administration (after a recent significant effort for the decentralization of powers). Apparently, the (re)centralization of powers makes local governments less effective and further weakens the much-needed coordination across different governance levels.

In Greece, the term “territorial cohesion” appears almost exclusively (still not very often) in policy documents that concern national and regional public policies but not local policies. For instance, such policy documents include the national Development Law as well as the Sectoral and Regional Operational Programmes. These public policies are usually associated with the European policies and, as a result, they adopt, to a great degree, the relevant rhetoric. Therefore, it is not by chance that policy actors who are more familiar with the notion of “territorial cohesion” usually work at the “high levels” of public administration, that is, at the central or the regional one. The lack of familiarization with the notion of “territorial cohesion” on behalf of the local policy actors could be related to the lack of meaningful communication and coordination between the central and the regional public administration and the local administration. Given this lack of communication and coordination across different administration levels, the knowledge about the notion of “territorial cohesion” is not being transmitted from the central and the regional to the local levels of public administration and public policies.

In Greece, regional governance and EU funding, directly or indirectly, support balanced development and social cohesion. For instance, Greek growth policies comprise three main goals related to balanced development and social cohesion (and territorial cohesion in general): The first goal is associated with the promotion of geographically balanced development, especially through the support of lagging areas of the country. This goal is found in different policies and policy frameworks like the 2016 Development Law and the EU-funded Operational and Regional Programmes. The promotion of balanced development reflects older social-democrat redistribution concerns, which continue to be a part of growth policies despite the rise of competitiveness policies (see next point). The second goal is strongly related to the enhancement of the competitiveness of regions on the basis of their competitive advantages (place-based knowledge, human capital, natural resources etc.). This goal is launched currently under the label of “Smart Specialization” and cuts across explicitly all EU-originated policies, while its logic also influences national policies like the Development Law. Last but not least, the third goal is related to the promotion of “integrated” territorial development through the enhanced coordination of different economic sectors within a given area (the more characteristic tool is that of the Integrated Territorial Investment).

Alongside these three explicit territorial goals we should also stress the increased importance of *ad hoc* spatial arrangements, which are promoted through tools like the Specific Spatial Plans and the Special Plans of Spatial Development of Public Real Estate Property. The *ad hoc* spatial arrangements are crucial in the implementation of policies (such as privatizations) which require an “exceptional” regulatory framework and treat, consequently, the national territory in a rather fragmented way (Souliotis 2013, Chatzimichalis 2014).

The governance system that designs and implements these policies is currently characterized by an increase of the importance of the supranational level of political power. The crisis-induced austerity policies restrict national public investment and reduce the importance of national government’s initiatives like the Green Fund and the Development Law (as a result, the latter is primarily based on the provision of motives and secondarily on subventions). The EU-funded policies acquire thus an increased economic importance. At the same time, the implementation of the bailout programme since 2010 transferred economic governance authorities from the Greek national government to an *ad hoc* supranational power configuration which includes, except the Greek government, the European Commission, the European Central Bank and the International Monetary Fund (Souliotis and Alexandri 2016). The policies promoted by this supranational power configuration are those that mostly require an “exceptional” regulatory framework. One more transformation of the governance system during the last decade was the transfer of authorities regarding developmental policies to the regional authorities within the framework of a broader reform of local administration (Chorianopoulos 2011). However, due to limited economic resources, the Regional authorities are not able to exert these powers in an effective way, and they are mainly limited to the management of EU-originated funds.

As a result of the influence of EU policies, the participation of stakeholders in policy-making and policy-implementation was reinforced during the last two decades. The EU projects promote directly such participation. National policies also adopt participatory logics under the influence of the EU: for instance, this is the case of the 2010 local administration reform which implemented participatory institutions such as the Immigrants’ Integration Council at the Municipal level and the Business and Citizens Ombudsman at the Regional level. However, participation remains a formal rather than a substantial process (cf. Chorianopoulos 2008, Alexandri et al. 2017, pp. 37-59). Furthermore, decision-making on crucial growth policies such as the privatization programme is transferred to a supranational level of political power, which is insulated, from domestic stakeholders.

Moreover, several other Greek growth policies are associated with balanced development and social cohesion. For example, active labour market policies, either in the form of public employment services or training schemes or subsidies, are a useful tool for Greece to boost employment of the most vulnerable groups of people/places, such as long-term unemployed, women and young unemployed. In the programming period before the economic crisis (2000-2007), active labour policies were based, to a great extent, on European structural funds (especially the European Social Fund) focusing on the unemployed and long-term unemployed, women and people threatened with social exclusion. In this programming period, more than a half million people benefited regarding employment (and vocational education and training). The "Human Resources Development, Education and Lifelong Learning", focuses on increasing employment opportunities for all citizens in all regions; however, there is a different funding of the planned actions in each region favouring less developed regions, promoting sustainable employment, developing social economy and improving social cohesion. Moreover, the Regional Operational Programmes (ROP), implemented by the Special Secretariat for the Management of Sectoral OPs of ERDF and CF (Ministry of Economy and Development) and the 13 Regional authorities of the country focus, among others, on the promotion of skills development and human resources adaptability in the sectors of the regional smart specialization strategy as well as on balanced development. Indirectly, active labour market policies have also influenced balanced development and social cohesion via the Development Law or other major labour programmes (i.e. "Rural Development Programme" focusing on rural areas, the "Competitiveness, Entrepreneurship and Innovation" programme focusing on new entrepreneurial initiatives, products and jobs).

Similarly, direct or indirect impact on balanced development and social cohesion can be found in other policy areas such as: 1) vocational education aiming at the upgrading of human resources and increasing "employability" of the labour force as well as tackling inequalities and promoting inclusion (see for example the "Human Resources Development, Education and Lifelong Learning", "Rural Development Programme" and "Competitiveness, Entrepreneurship and Innovation"). Similar to active labour policies, the funding of vocational policies has been based, to a great extent, on European structural funds and especially the European Social Fund. 2) childcare policy that has focused on inequalities across social and geographic Greek divisions and it is implemented via two basic categories of tools, (a) the provision of pre-school and primary school programs and (b) the provision of various forms of monetary or other support to families with children and 3) area regeneration policies (urban and rural). Today, strategic priorities of area regeneration policies are defined in the context of the 13 Regional Operation Plans (ROPs) elaborated by the respective Regions and co-funded by the European Regional Development Fund (ERDF) and the European Social Fund (ESF). ROPs include activities and measures that are of direct interest to area regeneration policies, such as the promotion of sustainable urban mobility, waste and water management, improvement in energy efficiency, upgrading of tourist infrastructure etc.

Currently, in Greece there are serious efforts of alignment among entrepreneurial development and infrastructure of EU-funding and regional development strategies with the needs of local communities. However, the tension of this effort does not seem the same across places. The urban case, that is Athens, seems to be aligned in a higher level than the rest cases. For instance, during the years of the crisis, the City of Athens sought to deepen its collaboration with different actors of the civil society, such as philanthropic foundations, NGOs and citizen groups. This policy orientation is compatible with the relatively recent (2010) reform of local administration, which institutionalized forms of cooperation between municipal authorities with civil society (the most characteristic institution in this respect is the Immigrant Integration Council, which brings together representatives of ethnic communities and municipal councillors).

In the case of the city of Athens, we have seen above how it seeks for resources through cooperation with civil society actors. A similar ‘hunting’ of opportunities characterizes the relation of the City of Athens with the EU, as well as with the Region of Attiki as an intermediate structure managing EU funds. One of the main tasks of EATA is the preparation of the participation of the City of Athens in EU-funded programs (Cohesion funds, Structural funds, European Investment Bank). ‘Project Athens’ (in Greek: ‘Ergo Athina’), the main developmental program of the City of Athens was implemented with funds coming from the NSRF 2007-2013. These funds were not channelled directly from the EU to the City of Athens; it was the Region of Attiki that downscaled, with the approval of DG Region, to the City of Athens a part of its own NSDF funds.

The search of opportunities for access to resources, through either EU programs or cooperation with civil society actors, creates a particular ‘methodology’ of designing and implementing policies. The City of Athens, largely through its agencies like the EATA records the needs of the city and then tries to match the relevant policies to different calls, programs etc. launched by the EU and private sponsors and foundations. This ‘matching’ presupposes the ‘translation’ of municipal goals according to the logic of the potential sources of funding. The main consequence of this kind of policy-making is the fragmentation of municipal policies. The municipal authorities are thus obliged to adapt the content of their policies to the prescriptions of funders. Furthermore, funders have their own time schedules. Due to both funders’ particular prescriptions and time schedules, municipal authorities have difficulty in designing and implementing complementary programs and actions. Overall, the search of funding opportunities affects negatively the cohesion of municipal policies.

5.4 Conclusion

In this section of the report, we tried to shed some light on issues related to territorial governance. As we said, the COHSMO project believes that for ‘good territorial governance’ to happen there must be a close relationship between the mobilization of territorial capital, collective efficacy and forms of territorial governance. Nevertheless, another thing has also to be in place; local communities have to be taken on the policy board, they have to play an important role; their role should be fundamental in the shaping of policies. Accordingly, the authorities should nurture all bottom up activities that come from the grassroots level.

Furthermore, in this part of the report we indirectly referred to the ‘capacity to act’. Nevertheless, the ‘capacity to act’ depends on the creation of strategic forms of policy coordination. A big part of policy coordination has to do with the creation of policy bundles that is the intertwining of policies in order for the expected results to be achieved. In the above pages, we tried to reflect on these issues by trying to situate the Greek policy experiences along these axes. As we saw, some of the policies included elements of policy innovation; some others did not. Some aspects of the aforementioned policies resulted in the creation of policy coordination; some others did not. Definitely, more have to be done in order to move towards a ‘good governance’ of territorial cohesion in the Greek case.

6 Discussion and conclusion

In this report, we tried to synthesize all the work done in Work Package 4. As this particular work package is extensive to try to do such a task is not necessarily an easy job. The main theoretical glue that holds the whole package together is that territorial capital in all areas under study is dependent on its mobilization. Otherwise, it remains dormant. However, for the mobilization of territorial capital

what is important are the levels of collective efficacy and the territorial governance structures in place. Moreover, although the mobilization of territorial capital and the levels of collective efficacy are very close to each other, territorial coordination and governance is another thing. According to such a line of thinking, the question then changes to: How can territorial governance utilize collective efficacy for/and the mobilization of capital? This has been the main analytical inquiry that has shaped this report. Furthermore, territorial governance is related to the ‘capacity to act’. Effective policy coordination has to include ways that take into account ‘bottom up’ initiatives and ‘grassroots actions’ in any local development plan; different voices have to be included within such endeavours. All these together in a way constitute effective and successful processes of taking advantage of territorial capital within local development processes that aim to strengthen territorial cohesion. To put it differently, territorial cohesion is clearly dependent on the ways that the mobilization of territorial capital, collective efficacy and territorial governance/ coordination work together (or not). Of course, all these assumptions are on a normative theoretical level. But what is happening on the actual (or narrative/discursive) level of our selected case studies? Does the mobilization of territorial capital, collective efficacy and territorial governance function synergistically and thus produce enhanced levels of territorial cohesion? Or is it the opposite way, where these dimensions of territorial cohesion do not add up, some of them are not mobilized, or even not thought of yet? Is territorial cohesion a policy reality within and across our cases? Do forms of territorial capital get mobilized across cases? Are levels of collective efficacy adequate and enough to mobilize such forms of territorial capital? And finally, are regimes of territorial government in place to facilitate such processes? But let us go on and examine these hypotheses in relation to the concreteness of our cases.

The Municipality of Athens: The Urban Case

To start with, in the urban study area (Municipality of Athens), unsurprisingly, the interviewed actors stressed the existence of a large series of complex socio-economic problems, such as unemployment, deprivation, delinquency, drug use and prostitution, degradation of public space and abandoned buildings etc. Apparently, these are long-standing problems, yet further exacerbated after the outburst of the deep and multi-faceted crisis in Greece back in 2009, which additionally led to (more) limited financial resources that could be used to address them. Moreover, although these problems concern primarily households of low social status and neighbourhoods located in the northern and northwestern part of the city, they are – to a significant extent – geographically and socially dispersed. Meanwhile, several local socio-spatial characteristics may be viewed as problems but also as advantages at the same time. For instance, the high presence of migrant population and refugees often leads to serious interethnic conflicts but, at the same time, offers a diverse local human capital and valuable workforce. Or, to give another example, the increasing development of tourism and real estate activities in Athens puts upward pressure on property prices and rents and leads to phenomena of gentrification but, at the same time, significantly contributes to the revitalization of the local economy.

In relation to territorial capital, the most obvious of them are centrality and accessibility to central administrative structures and services, universities and research institutes, big companies and large markets etc., as well as the existence of a unique historical and archaeological heritage that brands the city of Athens at the global level. Additionally, the Municipality of Athens hosts a socially and ethnically diverse population, including from low-income and low educated to very high-income and highly educated individuals and households, while levels of segregation are relatively low, with the exception of higher concentration of urban and social deprivation in certain neighbourhoods in the northern and northwestern part of the city. This mix of population and, at the same time, the mix of land uses make Athens a vivid city, with no extreme phenomena of urban conflicts and violence. Last,

being the capital city of a centralized state and densely-populated, the city of Athens attracts and concentrates the largest number of innovative initiatives in various fields, such as social solidarity and welfare, social and solidarity economy, youth, social and innovative entrepreneurship etc.

Although the on-going crisis in Greece does not constitute a favorable condition for the mobilization of the local territorial capital, significant efforts have been made by the local public authorities and, at the same time, significant initiatives have been undertaken by the local civil society, sometimes with interesting results. To start with efforts made by the local public authorities, due to limited economic resources, they are primarily – yet not exclusively – focused on the provision of the very fundamental public services. However, the designed and implemented public policies concern a wide range of fields, such as citizens' well-being, youth entrepreneurship and social economy, elderly and childcare, digitization of public services, recycling, rehabilitation of public space, reuse of the abandoned building stock, revitalization of the real estate market, rebranding Athens etc. For the design of public policies, local territorial resources have been taken into account rather in an empirical and ad hoc way than through systematic processes. Moreover, public policies are not always part of an integrated urban planning but, often, appear to be fragmentary. This is partly because they are usually funded by different sources of financing (EU structural funds, national funds, large domestic philanthropic private foundations etc.) and, thus, are integrated into different strategies with different objectives. Last, it is usual that public policies address the city as a unity instead of being focused on and specialized in specific neighbourhoods, with the exception of one rough distinction: between public policies designed for the (historical, commercial, touristic, innovative and much branded) city centre, on the one hand, and public policies designed for the 'downgraded' neighbourhoods (in need of social services and infrastructures) in the northern and north-western part of the city, on the other hand.

In addition to the efforts made by the local public authorities to mobilized forms of territorial capital, civil society is also highly mobilized, undertaking significant initiatives that concern various topical issues (welfare, employment, education, elderly and childcare, healthcare, integration of immigrants and refugees, protection and regeneration of public space, environmental awareness, cultural life, alternative tourism, technological development etc.). Civil society actors could be distinguished into five main categories: 1) large domestic philanthropic (private) foundations with a large impact on political, social and cultural life of the city, 2) large international and domestic NGOs, 3) small non-profits and dynamic citizens' groups, 4) citizens' associations of a rather 'routine' character, such as parents' associations at schools, and 5) businesses' associations and networks, including from traditional businesses to cooperative schemes, innovative partnerships and businesses active in social and solidarity economy.

Although the NGOs, the citizens' groups, the citizens' associations and businesses are internally interconnected, they are not so much interconnected between them and with the public authorities. However, after the outburst of the crisis, the local municipal authorities sought to deepen collaboration with different actors of the civil society. In fact, a recent reform of local administration, back in 2010, institutionalized several forms of collaboration between municipal authorities and civil society. The crisis brought severe budget cuts and the reduction of employees and weakened the capacity of the municipality to implement the designed public policies. So, the involvement of civil society in territorial governance emerged as an urgent need, primarily in the stage of implementation and less in the stage of design, monitoring and evaluation of public policies. Actually, the involvement of civil society in the implementation of public policies follows not only conventional but also innovative ways of cooperation (between civil society and public authorities): local businesses and residents are provided with small financial grants to realize their own small-scale

interventions in public space (see the ‘POLIS squared’ project); businesses active in social entrepreneurship are offered low-rent public-owned spaces (see the renovated municipal marketplace in the neighbourhood of Kypseli); citizens’ associations and groups can record their actions on a digital platform created by the municipal authorities, which facilitates the transfer of demands from citizens to public authorities and familiarize public servants with the actions of civil society (see the ‘SynAthina’ project); local volunteers get in contact with tourists to guide them in the city, again through a digital platform created by the municipal authorities (see ‘This is my Athens’ project); representatives of universities and large firms participate in the Digital Council that advises the municipal authorities regarding the city’s digital strategy; airline companies and the airport collaborate with the municipal authorities to elaborate a communication strategy for the promotion of Athens as touristic destination (see the ‘Athens Tourism Partnership’); and last, local businesses are provided with know-how by the municipal innovation and entrepreneurship hub ‘InnovAthens’.

However, as already mentioned, collaboration between public authorities and civil society (collective efficacy) actors is actually limited to the stage of implementation of public policies. Besides, the municipal authorities lack a culture of systematic monitoring and evaluation of designed and implemented public policies. For instance, it is rare that data on beneficiaries of and participants in public policies are collected and carefully analysed. Thus, the adaptation (redesign) of public policies occurs rather empirically than systematically, that is, through the experience of the elected and permanent staff working in the public sector, as well as through the (informal) everyday communication between public authority actors and citizens.

To continue, the way the City of Athens approaches the policy areas under examination (namely of economic growth, welfare, childcare, labour market, vocational education and training, and urban regeneration) echoes the main concerns of entrepreneurial city strategies. Emphasis is put on competitiveness, innovation and workforce activation. These concerns are combined with the agendas of sustainability, resilience and social cohesion. This combination is promoted by supranational organizations, like the EU, and international urban networks, like the Rockefeller 100 resilient cities, with which the City of Athens cooperates. Insofar the City of Athens adopts the international mainstream ideas about urban development and social policies, it also adopts some relevant “best practices”. However, partly, the City of Athens utilizes these ideas in order to reframe rhetorically some of its traditional ways of doing things, such as emphasis on physical planning in urban regeneration projects.

The strategic documents that we have examined manifest the City of Athens’ effort to renew its government structures and governance practices according to current globalized models. The promotion of PPPs and the cooperation with civil society organizations, as well as the integration in international urban networks are new elements for the Athenian urban policies that have been adopted especially by the Kaminis administration (2010-9).

In terms of territorial governance, the City of Athens adds new units to its government structures (Resilience and Sustainability Office, Vice Mayor of immigration) and attempts to improve the monitoring of the implementation of its policies in cooperation with the central state (City of Athens 2017, p. 203). The City also attempts to enhance its municipal skills through a capacity-building program that provides seminars and workshops to municipal employees. In the same purpose, the City uses new digital means (platforms bringing together the municipal authorities with civil society organizations, case management system in social policies). These reforms are legitimated with reference to the principles of transparency, accountability, trust and participatory governance (City of Athens 2017, p. 5). Also in terms of governance, the City of Athens adopts a series of new practices. It attempts to coordinate civil society organizations in crucial fields of action such as dealing with

immigration; it builds networks with private profit and non-profit agents (Athens Partnership, SynAthina); it receives consultancy from the private sector (Digital Council); it uses funding from large domestic and international philanthropic foundations (the more characteristic case being the elaboration of the Resilience Strategy for 2030); it involves numerous stakeholders in the drafting of its strategic documents; and, last but not least, it attempts to mobilize citizens in joint actions with the municipal authorities (Schools open to the Neighbourhood, Designed for Better Learning project, Public space rejuvenation initiative)

The combination of entrepreneurial city strategies – emphasizing innovation, competitiveness, new technologies, creativity etc. – with policy goals such as social cohesion, sustainability and resilience is part of the international mainstream as expressed by international and supranational organizations (EU, UN) and international urban networks. The City of Athens, which was closer to traditional “government” than “governance” logics until the early 2000s, turned to the international mainstream urban models under the pressure of economic crisis and austerity policies. The cooperation with international organizations, international urban networks and international and domestic non-profits and NGOs was a way to deal with restricted financial resources, that are the outcome of the recent crisis, as well as with the municipality’s limited policy-making and policy-implementation capacity that characterizes the City over a much longer period as a result of the centralized structure of the Greek state.

Nevertheless, the strategies of the City of Athens lack a coherent territorial approach. There are several references to different “strengths” of the city or different forms of territorial capital (cultural, economic, human and anthropic). However, these references are integrated in economic and governance strategies. Thus, cultural resources such as the brand of the city, environmental resources as the city’s natural sites, economic resources such as tourism and creative businesses, and human resources such as the educated population are seen like means to restore economic growth through competitiveness (and not as forms or instruments to strengthen territorial cohesion). Infrastructures and communities at the neighbourhood level are seen as means to restore trust and cooperation between the municipal authorities and citizens. The use of various digital means (digital platforms, databases etc.) are seen as tools for the modernization of governance practices.

The Municipality of Pallini: The suburban case

In the suburban area, one can notice a wide spectrum of socio-economic problems (such as unemployment, deprivation and, therefore, increased need for public social services), which are geographically and socially dispersed. As a suburban area that spread and developed during the last few decades attracting mostly middle-income households, especially the Municipal Community of Gerakas did not use to experience as acute socio-economic problems as other areas within the region of Attiki did. But, local problems were exacerbated after the outburst of the crisis in Greece back in 2007, which affected not only the “vulnerable population groups” but also the enlarged middle class.

Beyond problems, the study area is characterized also by significant advantages, which constitute local forms territorial capital. First, as suburban area that spread and developed during the last few decades, especially the Municipal Community of Gerakas is equipped with new public infrastructures and facilities, that is, in better condition than those in neighbouring municipalities (anthropic capital). In terms of human resources, the majority of the local population belongs to the working age group below 65 years and consists of qualified and – to a very small extent – less qualified workforce (human capital). At the same time, a significant number of businesses, ranging from small to very large firms, are active in the area and able to absorb part of the local unemployed workforce (economic capital). Last, the study area is mostly socially and ethnically mixed, which prevents

extreme phenomena of socio-spatial marginalization and conflicts (social capital). Subsequently, the question is the following: Are these dimensions of local territorial capital being mobilized or not?

Apparently, the deep, multi-faceted crisis in Greece, does not constitute a favorable condition for the mobilization and the full use of local forms of territorial capital. Instead of making the most of the local advantages to strengthen territorial cohesion, all efforts have been directed at very fundamental needs, primarily at the provision of public social services. For this purpose, municipal authorities have been significantly mobilized, in collaboration with a large “Volunteers’ Network” and local businesses. At the same time, civil society has been mobilized through solidarity actions undertaken by certain local citizens’ associations. Overall, collective efficacy is assessed as relatively high. However, the mobilization of the local society is not sufficient, especially under conditions of crisis, while collaboration between different local actors is weak.

More to the point, the collaboration between public authority, community and business actors in the area is not almost nonexistent. It is thus insufficient to effectively address the very complex territorial local problems and, at the same time, to make use of the significant local advantages. Moreover, the degree of collaboration between local actors differs depending on the stage of the public policies, that is, the stage of design, implementation, monitoring and evaluation. In relation to policy design, community and business actors are rarely invited to provide their knowledge and experience on local needs, so that public authorities design successful place-based policies. Thus, the design of public policies, in all policy areas, is made primarily by the local elected officials in collaboration with the working staff in public services (top-down approach) and, apparently, rather in empirical than in a more systematic way. Being quite excluded from the design processes, community and business actors are mostly involved in the implementation of public policies. Their involvement is stronger in the field of welfare, that is, in the provision of public social services, and quite significant in the fields of vocational education and training, and active labour market policies. Involvement of community and business actors occurs mostly through volunteering, internships, private donations, scholarships and money prizes, and some job offers. Last, involvement of community and business actors is actually non-existent in the field of childcare, which is a sensitive field and needs the involvement of highly specialized, authorized and trusted professionals.

Concerning the monitoring and evaluation of public policies, again, collaboration between public authority, community and business actors proves to be weak. In monitoring processes, only financial controls are carried out systematically and strictly, concerning all kinds of incomes and expenses originating from the national or municipal budget, EU structural funds, private donations etc. As for evaluation, similarly to the design of public policies, it is made primarily by public authorities and rather empirically, that is, through the everyday contact of public authority actors with citizens’ complaints and requests, which are raised unofficially and not through questionnaires, consultation meetings etc. Overall, with the exception of public policy implementation, the degree of civil society’s involvement in territorial governance is significantly low. To promote civic involvement, the local public authorities follow already tried and tested practices, and barely undertake more innovative initiatives. Thus, examples of strong and innovative civic involvement are very rare, they do exist though and should definitely increase, towards a more structured and effective territorial governance.

In the Municipality of Pallini, a common thread running through the policies under examination (namely economic growth, welfare, childcare, labour market, vocational education and training, and area regeneration) is the aiming at the “equal access of citizens to services, activities, infrastructure and resources” and, through this, at the “improvement of citizens’ quality of life”, the “decrease of socio-spatial inequalities” and the social “integration/inclusion”. Although such objectives constitute

substantial dimensions of the so-called territorial cohesion, the term and the notion of territorial cohesion is not discursively present, neither in the official (mostly local) policy documents nor in the discourse of the (mostly local) policy actors. Accordingly, territorial cohesion as an explicitly stated objective appears almost exclusively in policy documents that concern national and regional (not local) public policies. One can find certain policy actors who are familiar with the term and the notion of “territorial cohesion” only at the “high levels” of public administration, that is, at the central and the regional one. Although local public policies are more or less connected to the national and/or the regional public policies, the discourse around “territorial cohesion” is not being transmitted from the national and the regional to the local level. This is partly due to the lack of meaningful communication and coordination between the central and the regional public administration on the one hand and the local administration on the other (as clearly stressed in D4.4). Relations between the national and the regional public administration on the one hand and the local administration on the other are limited to the very necessary contacts to exchange information, usually about processes of (national or/and EU structural) funding that the local public authorities receive. It is also usual that the local public authorities ask from the central administration for additional staff, which is insufficient for the proper operation of public services, or they ask for clarifications on the implementation of new central public policies, which are not always clear, especially during periods of serious administrative reforms. Another reason why coordination across different governance levels suffers is the fact that responsibilities of local governments are transferred (again) back to the central administration (after a recent significant effort for the decentralization of powers). Apparently, the (re)centralization of powers makes local governments less effective and further weakens the much-needed coordination across different governance levels.

In order for local public policies to be effectively implemented and achieve their stated objectives, the local public authorities significantly rely on “civic engagement and participation”. The last is also a means of legitimation of public policies, which are designed primarily by the local elected officials in collaboration with the working staff in public services (top-down approach). The “civic engagement and participation” is sought, promoted and used mostly in the stage of public policies’ implementation and much less in the stage of design or, later, in the stages of monitoring and evaluation. Thus, the “civic engagement and participation” implies primarily the citizens’ voluntary work to support the provision of the very basic social services that the understaffed public sector is unable to guarantee (see, for instance, volunteer citizens in the “Municipal Social Grocery Store” and the “Social Exchange House”, volunteer doctors, psychologists, physiotherapists and nurses in the “Municipal Social Health Clinics”, and volunteer trainers in the municipal sports facilities). It is rare that citizens participate in processes of public policies’ design (through consultation meetings, daily workshops etc.) while processes of monitoring and evaluation of public policies’ performance are usually limited to conventional methods (such as the completion of questionnaires and complaint forms). Another noteworthy exception is the rewarding of citizens’ engagement and participation in “good practices” such as recycling, taking action in culture and volunteering in the provision of social services, which is progressing in a quite successful way in the case of the Municipality of Pallini (see in the previous section, the “Follow Green” project). It would be good if such exceptions could become the rule as far as it concerns “civic engagement and participation” in all stages of public policies (design, implementation, monitoring, evaluation and redesign). This would be about building wide consensus and legitimizing the implementation of public policies, building a sense of belonging and strengthening (local) community bonds, finally building a strong local identity, all substantial dimensions of the so-called and much-desired “territorial cohesion”.

The Municipality of Marathon: The rural case

In the Municipality of Marathon, one of the major local problems is the significantly low access of citizens to public services, especially to schools, healthcare, cultural and sports activities. On top of that, public services that used to be provided, are no longer available. Today, there is no municipal health clinic, no police station, nor public sports facilities. To access health services or practice sports, citizens turn to the private sector or commute to (less or more) distant areas. Apparently, this is not affordable for the large number of deprived households settled in the area. The high presence of low-income households is related to the historic processes of development of the study area, which has hosted – among others – Greek refugees from the Minor Asia at the beginning of the 20th century, Greeks who in-migrated to Marathon from several areas of Greece during the postwar period and international immigrants arriving after the early 1990s. A large part of the local population is low educated, illiteracy rates are high and levels of students' performance at school are worryingly low. As if all these were not enough, socio-economic problems were exacerbated by the crisis and austerity measures that became implemented, affecting a wide spectrum of socio-professional categories.

However, this rural area does not present only complex socio-economic problems but also certain significant advantages; it seems to possess different forms of territorial capital. Marathon is one of the most productive agricultural areas of the country and the main supplier of fruit and vegetable products to the capital city of Athens, thus offering significant employment opportunities in the primary sector (economic capital). Beyond agriculture, tourism is also a vital sector, equally creating jobs. Despite the high presence of low-educated and illiterate population mentioned above, Municipality of Marathon is a socially and ethnically mixed area, hosting a diverse social capital. Concerning the high presence of migrant population, related to international immigration to Greece from the early 1990s onward, it offers a large local workforce, which is vital to the survival and further development of agriculture and tourism (human capital). In terms of physical characteristics, Municipality of Marathon is located near the metropolitan area of Athens and the airport, connected via road axes and bus lines (anthropic capital). It is not the case of a remote and exclusively agricultural area but constitutes a rather multi-functional area, with adequate access to major destinations, services and markets. Last, it is an area of great natural beauty, varying from mountainous and agricultural landscapes to lakes and seascapes, which is an additional advantage, first, for the everyday quality of life of local population and, second, for the development of tourist activities (environmental capital). The worldwide known "Marathon Race" contributes to the branding of the area, again offering a local advantage for the development of tourism (cultural capital). Accordingly, the question that comes out is probably the following: Are these different dimensions of territorial capital manage to get mobilized or not?

The on-going crisis in Greece, does not constitute a favorable conditions for local actors to address local problems and make use of these local strengths. The mobilization of local society is noticeable but efforts are mostly focused on and limited to the provision of the very basic services. The municipal authorities have recently established a series of social services (the Social Supermarket, Social Pharmacy and Social Kitchen, as well as a Community Centre and a Daycare Centre), in collaboration with volunteers and private businesses that offer voluntary work and donations respectively. The soup kitchen established by the Church also contributes to the support of the poor. At the same time, several grass-roots initiatives have been undertaken in the area, including agricultural cooperatives (beyond the Agricultural Association of Marathon), workshops that promote access to education through alternative ways of learning, campaigns about environmental awareness and one organization for combating forest and other wild fires. Especially after the recent wild fires that hit the area (in July 2018), a very large number of volunteers (not only locals but people coming from the whole region

of Attiki or other areas of Greece) were mobilized to address the tragedy following the loss of human lives, properties and natural assets. A local Solidarity Centre, initially established to support the victims of the wild fires, evolved into a solidarity structure for the support of all local residents in need.

Although the aforementioned efforts are valuable, they are insufficient, especially under conditions of a multi-faceted crisis, while collective efficacy is considered very low. Concerning the mobilization of civil society in general, the opinions of interviewees were divided. On the one hand, it was stressed that the study area was characterized by strong community spirit and feelings of togetherness while, on the other hand, it was stressed that there was a total lack of trust, increased individualism and inability to form consensus. Concerning those who were mobilized, it was interestingly argued that these were usually people who moved to Marathon from central areas of Athens. Such a perception basically which mobilization to urban culture.

As far as civic participation in decision-making and governance is concerned, there are few relevant established mechanisms, such as the Citizens' Consultation Committee, as well as the Municipal Committee on Economic Affairs and Municipal Committee on the Quality of Life that are open to citizens. Although official mechanisms for civic participation do exist, it was stated that – in case they participate – citizens participate unevenly, with vulnerable population groups being underrepresented if not absolutely absent and, more importantly, their opinions and ideas were not really taken into account in the final decision-making. Overall, it was argued by interviewees that the established mechanisms for civic participation were actually used for political speculation through the development of clientelistic relationships. True or false, the crucial fact here is the fact that civic participation in territorial governance is viewed as problematic by all interviewed actors (public authority actors included), which leads to a general estrangement from and rejection of the political system and finally creates a vicious circle of non-participation, non-cooperation and non-democratic governance. From the above, it becomes apparent that alleged levels of collective efficacy are almost non-existent while territorial governance is simply inadequate. Accordingly, all forms of local territorial capital are not capable of being mobilized and instead lay dormant.

To continue, the notion of “territorial cohesion” has not been explicitly used in the policy debate of the Municipality of Marathon. Instead, local policy makers have suggested measures aiming at “social” and “economic cohesion”. The main aim of the local policy is to address problems, facilitate growth and reduce disparities. More to the point, it was argued that the strategic objectives of the municipality was first and foremost to “increase local economic competitiveness” and to “promote and strengthen (local levels of) social cohesion”. It was interesting, that while economic competitiveness and social cohesion had entered the policy vocabulary of the Municipality (and other municipalities in Greece), “territorial cohesion” was emphatically absent. Apart from the previous strategic aims, a number of other policy priorities were voiced as well. Among them, the “protection of the local environment” and the “creation of a better quality of life for local people” were often mentioned. More to the point, it was again interesting that although “territorial cohesion” was not explicitly mentioned, implicitly the “creation of better living conditions for local people” could be read as enhancing the life chances of local people. This in a way stands for a concept of territorial cohesion as “spatial justice”. To sum up, it became apparent that “territorial cohesion”, although it was not explicitly mentioned, was implicitly referred to through a similar vocabulary. In this sense, one could argue that although the narrative of “territorial cohesion” did not become verbalized in relation to the local context, the policy meanings of it became expressed through the more established vocabulary of the other two European Cohesion Policies (economic and social).

Talking Across cases: Similarities and differences

General

To draw some general and comparative conclusions, in all study areas within the region of Attiki (the urban, the suburban and the rural one), a wide spectrum of quite similar territorial problems is observed. In the urban study area, problems may appear to be more acute and alarming, solely because of the higher concentration of population; in the suburban study area, some of the problems may relate especially to (recent) processes of suburbanization; while in the rural study area, problems may relate especially to the (longer) distance from points of access to infrastructures and services (although the Municipality of Marathon is not really a remote area). Contrary to the urban and the rural study area, where local problems are long-lasting, in the suburban study area problems emerged more recently, following the suburbanization trends of the 1980s and 1990s. Anyway, in all study areas, local problems further exacerbated after the deep, multi-faceted and on-going crisis in Greece that burst out back in 2009. Last, although local problems concern primarily the most vulnerable social groups in the most deprived neighbourhoods of the study areas, they generally are – especially after the outburst of the crisis – geographically and socially dispersed.

Beyond local problems, all study areas appear to possess different forms of territorial capital. Obviously, the urban study area presents comparative advantages, such as centrality and high accessibility to services and infrastructure (anthropic capital) or the existence of unique historical and cultural heritage (cultural capital). However, this does not automatically imply that the suburban and the rural study area do not possess their own (other) comparative strengths, such as more recently constructed and adequate infrastructure (anthropic capital) or a unique physical capital respectively (environmental capital).

Although the on-going crisis in Greece does not constitute a favourable condition for the local actors in the study areas to mobilize territorial forms of capital, significant efforts have been made by public authorities and, at the same time, significant initiatives have been undertaken by civil society. Due to limited financial resources in all study areas, instead of mobilizing various forms of territorial capital, public policies are primarily – yet not exclusively – focused on the provision of basic public services. Especially in the urban study area, public policies have been sometimes interestingly innovative, while in the suburban and the rural study area they usually follow already tried and tested practices. Civil society is assessed to be significantly mobilized, again in all study areas, undertaking significant initiatives on various different topical issues. Civil society includes large domestic philanthropic private foundations (especially in the urban study area), large international and domestic NGOs, volunteers' networks, citizens' associations and groups, as well as small non-profits' and other local businesses' associations and networks. Especially in the urban study area, the number of civil society actors is larger, the spectrum of issues that they are engaged in is wider and the ways of engagement are more innovative.

Overall, collective efficacy is assessed to be relatively high in most study areas (except the Municipality of Marathon) and, thus, able to support the mobilization of different dimensions of territorial capital. However, mobilization of the local public authorities and the local civil society – although valuable – is not sufficient, especially under conditions of crisis, while collaboration between different local actors is weak. In fact, although NGOs, citizens' associations and groups, and local non-profits and businesses are there, they are not so much interconnected between them and not really interconnected with public authorities. Furthermore, the involvement of civil society in territorial governance and, therefore, collaboration with public authorities emerged as an urgent need after the outburst of the crisis and occurs primarily in the stage of implementation – and less in the stage of design, monitoring and evaluation – of public policies. Civil society actors are rarely invited to provide their knowledge and experience on local needs, so that public authorities manage to design

place-based policies. Thus, in all study areas, the design of public policies is made primarily by the local elected officials in collaboration with the working staff in public services (top-down approach) and, apparently, rather in empirical than in a more systematic way. Especially in the urban study area, civic engagement in the implementation of public policies is relatively higher, thanks to more innovative initiatives taken by the local municipal authorities.

To continue, concerning the monitoring and evaluation of public policies, collaboration between civil society and public authorities again proved to be weak. In monitoring processes, only financial controls are carried out systematically and strictly by public authorities, concerning all kinds of incomes and expenses originating from the national or municipal budget, EU structural funds, private donations etc. Besides, it is rather rare that data on beneficiaries of and participants in public policies are collected and carefully analysed. As for evaluation, similarly to the design of public policies, it is made primarily by public authorities and rather empirically, that is, through the everyday contact of public authority actors with citizens' complaints and requests, which are raised unofficially and not through questionnaires, consultation meetings etc.

After stating some general comments about the workings between territorial capital, collective efficacy and territorial government across cases, it is time to focus more on each substantive element on territorial cohesion by drawing material across cases. Namely, in what follows, we shed more light on the dimensions of territorial cohesion (territorial capital, collective efficacy, territorial governance) by trying to synthesise the findings from each case. We try to talk about the basic elements of territorial cohesion through our cases.

Territorial capital

To start with, from all cases, the Municipality of Athens has tried more concretely to mobilize forms of territorial capital. It has decisively tried to build a cohesive policy narrative around the “identity” of the city, taking into account the unique territorial local “strengths” as well as the particular local problems that could be turned into opportunities. The local territorial capital taken into account when talking about the city’s “identity” is related to valuable human resources, such as the highly diverse population or, especially, the highly educated residents and professionals; cultural and, especially, the archaeological sites; or urban assets, such as the mix of land uses, the vacant public buildings, open and green spaces etc. It is considered that such forms of local territorial capital may have a significant impact on the social and economic life of the city, if they are mobilized – for instance – to create a vibrant and sustainable social and economic environment, to foster a sense of local belonging or/and to build a strong brand name for Athens. The discourse about building a local “identity” making use of the local territorial capital is also present (not so “loudly” though) also in the case of the suburban study area. In the Municipality of Pallini, local public authorities seek to promote and establish a local “identity” based on a motivated and active local community, that is, through the engagement and participation of citizens in “good practices”, such as volunteering in the provision of social services, recycling, organizing cultural activities etc. The local “civic engagement and participation” is expected to strengthen local social bonds and the sense of a common belonging and, thus, contribute not to the building of a local brand name (which is a major objective in the case of the Municipality of Athens) but to the achievement of the much-desired “social integration” and “inclusion”.

However, the mapping-out of local forms of territorial capital does not always derive from official and structured processes of “local needs discovery” so that the local public policies be “place-informed” and “place-based” in a systematic way. Only exception again is the Municipality of Athens, where the local public authorities strived to upgrade informational and data collecting

systems, and followed certain participatory policy design processes with a view to acquiring a systematic local knowledge. In other respects, the so-called “local knowledge” derives rather empirically, through the experience of the elected and the permanent staff of public services, or in a strictly statistical way, through any statistical data that may be available concerning the local population and the local needs. In the case of the suburban study area (Municipality of Pallini), processes of “local needs discovery” are limited to few “information meetings” between the staff of public services with professional associations or groups of citizens and a unique experience of a “focus group” where various stakeholders tried to discuss and register their actual needs. As for the case of the rural study area (Municipality of Marathon), processes of “local needs discovery” seem to be absolutely absent from the local “tradition” of public policy-making. We would dare to say that from all the cases, the Municipality of Marathon is in the weakest position to mobilize local dimensions of territorial capital.

Collective efficacy

In order for local public policies to be effectively implemented and achieve their stated objectives, the local public authorities very much rely on “civic engagement and participation”, as well as on various types of collaboration. Apparently, this occurs in different ways and, more importantly, to varying degrees in each different study area. Of all three studied Municipalities in the Region of Attiki (Greece), the Municipality of Athens (urban study area) sought, promoted and made use of “civic engagement and participation”, as well as of various types of cooperation the most. First, the Municipality of Athens sought to enhance cooperation with the local civil society. To that end, a recently-created digital platform, which all civil society groups have access to log in, constitutes a public “pool” of interconnected active (groups of) citizens, engaged and participating in various bottom-up initiatives related to urban interventions, social and solidarity-based economy, tourism etc. The Municipality of Athens also sought to enhance cooperation with NGOs, non-profits, universities, as well as with private institutions, such as large businesses, philanthropic agencies etc. often interested in granting donations and funding. Overall, seeking various types of cooperation is considered to contribute to the overcoming of longstanding deficiencies that the city is suffering from. To name but a few: the inflexible bureaucracy, the reduced trust between public authorities and citizens, the low policy-making and policy-implementation capacity, and the limited financial resources especially after the outburst of the crisis and the implementation of austerity measures.

The “civic engagement and participation” is an instrument the local public policies significantly rely on also in the case of the suburban study area (Municipality of Pallini). However, in the case of the Municipality of Pallini, “civic engagement and participation” is perceived in a quite narrow way. It is meant rather as the voluntary participation of citizens in the stage of public policies’ implementation (in fact, primarily in the provision of basic public services that the understaffed public sector is not able to fully guarantee) than as the active involvement of citizens in all stages of public policies (such as the processes of “local needs discovery” and policy-making or the processes of monitoring, evaluation and redesigning). The local public authorities have established a network of volunteers who basically complement the reduced permanent staff of public services and contribute to the provision of (social) services (see, for instance, volunteer citizens in the “Municipal Social Grocery Store” and the “Social Exchange House”, volunteer doctors, psychologists, physiotherapists and nurses in the “Municipal Social Health Clinics”, and volunteer trainers in the municipal sports facilities). It is considered that “civic engagement and participation” (even to the limited extent that it is developed here) does not only contribute to the “equal access of citizens to services, activities, infrastructure and resources” but also strengthens local social bonds and the “sense of a common belonging” to an “active and solidary local society”.

The narrowest perception of “civic engagement and participation” again is observed in the case of the rural study area (Municipality of Marathon). The involvement of citizens is not promoted in any stage of public policies (design, implementation, monitoring, evaluation or redesign). Only exception is the voluntary engagement and participation of citizens under conditions of emergency, such as in the case of rescue operations during the lethal fires that occurred in the area last summer 2018. In other respect, the policy-making and policy-implementation processes are considered the local public authorities’ entire responsibility (top-down approach).

Territorial governance

Concerning territorial governance, only the Municipality of Athens (urban study area) sought and actually managed to initiate new forms of local governance. The most emblematic example is the participation of the Municipality of Athens in the global network of the “100 Resilient Cities”, pioneered and supported by the Rockefeller Foundation. With the Municipality of Athens participating in a global network of cities funded by a large private foundation, local public policies incorporated international trends that are currently being adopted in urban strategies, such as the “entrepreneurial city” model focusing on economic growth mostly through the promotion of entrepreneurship, innovation, new technologies and creative economy. To make maximum use of new technologies and of the prospects that they open up, the Municipality of Athens established the specialized agency “InnovAthens” (a municipal hub of innovation and entrepreneurship), received consultancy services from the private sector (through the so-called Digital Council) and attempted to enhance the existing municipal skills (through a capacity building program that provides seminars and workshops to municipal employees). At the same time, the Municipality of Athens inaugurated certain public-private partnerships (which there is no previous significant experience around), such as the “Athens Tourism Partnership”, that is, a non-profit joint venture bringing together the City of Athens with the local international airport and the two largest Greek airlines. To these, one should also add the various types of collaboration mentioned in the previous section: cooperation with the local civil society, including from bottom-up initiatives to the actions of NGOs, as well cooperation with non-profits, universities and private institutions, such as large businesses, philanthropic agencies etc. often interested in granting donations and funding. It is already stressed that the (new) governance practices aim at the overcoming of longstanding deficiencies, such as the inflexible bureaucracy, the reduced trust between public authorities and citizens, the low policy-making and policy-implementation capacity, and the limited financial resources especially after the outburst of the crisis and the implementation of austerity measures. Apparently, dealing with the lack of financial resources is set as top priority of governance practices. At this point, it is noteworthy that fund-seeking strategies do not always lead to effective public policies. In fact, in the case of the Municipality of Athens, they have led to the fragmentation of local welfare policies, which leaves little room for territorial concerns. Insofar the Municipality of Athens has continuously to adapt to funders’ goals and schedules. A major outcome is that the Municipality of Athens faces serious difficulties in organizing an integrated network of social services. Furthermore, the Municipality of Athens does not dispose enough financial resources to invest in hard infrastructures and tends to overemphasize “soft” actions and urban interventions. Last, due to fragmented and relatively limited funding, actions and programs manage to apply to relatively small numbers of citizens (each one addressed to some tens or few hundreds of beneficiaries).

Contrary to the case of the Municipality of Athens, the two other studied Municipalities (the suburban Municipality of Pallini and the rural Municipality of Marathon) have not sought to initiate any original, unprecedented form of local governance. In fact, the forms of local governance that the local public authorities use to follow in the suburban and the rural study area are limited to the already

known, quite conventional governance practices. They include, at best, the cooperation between different municipal departments and services under the direction and the collaboration between the appointed Deputy Mayors, the cooperation between the municipal authorities and active citizens who offer voluntary services (especially in the case of the Municipality of Pallini, through the local network of volunteers), and the cooperation between the municipal authorities and local private businesses that use to grant donations to public services (again especially in the case of the Municipality of Pallini).

Policy bundles for strengthening local territorial cohesion?

As it has been mentioned already, in all study areas, the designed and implemented local public policies do not form (discursively or in practice) a single, cohesive and integrated policy narrative in relation to territorial cohesion and its basic elements (territorial capital, collective efficacy, territorial governance). In other words, they lack a coherent territorial cohesion policy approach, which would cut across and, thus, link all different policy areas, in order to deal with local territorial problems by successful mobilizing local forms of territorial capital. Although the different policy areas (economic growth, labour market, vocational education and training, childcare and welfare, and area regeneration) are not being prioritized as they are understood as equally important and complementary, there are no remarkable synergies developed between them. The only exception would be synergies between the active labour market policies on the one hand and the vocational education and training policies on the other, since they are two closely related policy areas. To give a characteristic example, the “Manpower Employment Organization” (OAED) now gives unemployed persons the possibility to create their personal profile on a digital platform, which will soon be accessible to employers. Through this platform, the later will be able to seek and hire staff according to various characteristics, such as specific skills (see, educational background, vocational education, additional training, lifelong learning experience etc. In this way, this digital platform (which is going to open soon) is expected to contribute to the link between the vocational education and training on the one hand and the local labour market needs and employment opportunities on the other.

It is also noteworthy that although different policy areas are not being prioritized but they are understood as equally important and complementary, and with no synergies being developed between them, within each different policy area priority is given to public policies and measures considered to be of utmost urgency and concerning the access of citizens to the very basic welfare services. The utmost urgency of certain public policies and measures within each different policy area is related to the consequences of the multi-faceted, long and continuous crisis in Greece. The outburst of the crisis back in 2009 has been a breaking point in the development of public policies, drawing the attention to the provision of the very basic welfare services primarily to citizens who are most in need, given the implemented austerity programme and the constrained public budgets. Putting the emphasis (forcibly) on the very basic needs does not allow going beyond the provision of the very basic services, activities, infrastructure and resources to the very highly prioritized beneficiaries; in other words, this does not allow going for deep and complex understandings of and solutions to local territorial problems, which would by definition require also complex synergies between different policy areas.

Communication across government levels?

It is very usual and commonly known that local public policies are closely related to the regional and national ones, which they are funded from. In turn, regional and national policies are usually related to European policies, funded (at least partly) by the European structural and investment funds. Thus, national and regional policies often incorporate the vocabulary and, more generally, the policy narratives built by the EU, including the term and the notion of “territorial cohesion”. Concerning especially the policy area of economic growth and development, the relevant policy narrative derives from the central (national and/or supra-national) and the regional level of policy-making, that is, from European, national and regional economic policies, such as the national Development Law 4399/2016, the Sectoral Operational Programmes 2014-2020 and the Regional Operational Programme of the Region of Attiki 2014-2020. It is not by chance that one can find certain policy actors who are familiar with the term and the notion of “territorial cohesion” primarily at the “high levels” of public administration, that is, at the central and the regional one.

What is remarkable is the fact that although local public policies are more or less connected to the national and/or the regional ones, the discourse around and the knowledge about “territorial cohesion” is not being transmitted from the national and the regional to the local level. This is partly due to the lack of meaningful communication and coordination between the central and the regional public administration on the one hand and the local administration on the other (as clearly stressed in D4.4). Relations between the national and the regional public administration on the one hand and the local administration on the other are limited to the very necessary contacts to exchange information, usually about processes of (national or/and EU structural) funding that the local public authorities receive. It is also usual that the local public authorities ask from the central administration for additional staff, which is insufficient for the proper operation of public services, or they ask for clarifications on the implementation of new central public policies, which are not always clear, especially during periods of serious administrative reforms. Another reason why coordination across different governance levels suffers is the fact that responsibilities of local governments are transferred (again) back to the central administration (after a recent significant effort for the decentralization of powers). Apparently, the (re)centralization of powers makes local governments less effective and further weakens the much-needed coordination across different governance levels.

In a way of conclusion: Instead of an epilogue

We started this last part of the report by asking a number of questions. We said that the main theoretical cohesive that holds this whole package (WP4) together is the notion that territorial cohesion breaks down to its basic elements (territorial capital, collective efficacy, territorial governance). Furthermore, we argued that territorial capital is strictly dependent on its mobilization. Nevertheless, for the mobilization of territorial capital, what is needed is high levels of collective efficacy. This brings us to the last piece of this puzzle that is effective territorial governance/ coordination. According to the COHSMO project, only when these things are in place or most of these things are in place, then policy can strengthen local territorial cohesion. In a sense, all these can be formulated as following: How can territorial governance utilize collective efficacy for/and the mobilization of capital? Or again, territorial cohesion is dependent on the ways that the mobilization of territorial capital, collective efficacy and territorial governance/ coordination work together (or not).

From what we show from the studies under examination, the Municipality of Athens appeared as the most successful case of mobilizing forms of territorial capital. This was expected as we are talking about the central Municipality of Athens with much more policy significance than the other two cases. More to the point, the mobilization of capital took place through higher levels of collective efficacy that become partly possible through more efficient territorial governance and policy coordination. The suburban area came second in terms of mobilization of capital. In this case, the mobilization of

particular forms of territorial capital (mostly social capital) were more related to levels of collective efficacy than territorial governance. Last, the Municipality of Marathon, appeared to lag behind in terms of mobilization of local dimensions of territorial capital. That has probably to do with both low levels of collective efficacy and inefficient territorial governance. However, one has to remember the particularity of Greece. The country since the 2009 has experienced the biggest economic crisis that any developed liberal democracy has faced in the modern times. As a result, collective efficacy, territorial governance and mobilization of territorial capital has been affected by such developments in all cases.

Last but not least, it is important to underline that public policies designed and implemented in Greece (especially at the local level, in all study areas) do not constitute a single and cohesive policy narrative, which would cut across and link all different policy areas, and deal with territorial problems by successfully mobilizing forms of territorial capital. On the contrary, these policies seem rather fragmented, leading to very few synergies between different policy areas. A cohesive strategy for local territorial cohesion would have to include a concrete set of policy goals, which would run all through the policy areas and connect different scales of space. This articulated set of policy goals should also derive from a systematic territorial knowledge and should make the most of mobilizing different forms of territorial capital. It should require a strong cooperation between all different levels of public administration (from the supra-national to the local) and should include “civic engagement and participation” not just in terms of the voluntary work of citizens but in terms of a complex involvement in all stages of public policies (design, implementation, monitoring, evaluation and redesign). Up to now, the above-mentioned elements of a substantive local territorial cohesion policy approach in the biggest part are absent from the concrete policy field. Greek local territorial cohesion policies are not there yet. There are hopeful examples that lead the way towards this direction (Municipality of Athens) but they are not there yet. There are policy examples that there are probably towards the middle of the road (Municipality of Pallini). Yet there are others that they have not gone far (Municipality of Marathon). It is actually a pity that these policy ‘examples’ (in a Kuhnian sense) did not develop further during the years of the unprecedented crisis as they could have functioned as potent remedies for the symptoms of it at local level.

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Appendix

Number of interviews and types of interviewed actors in each study area:

Urban study area (Municipality of Athens)		Suburban study area (Municipality of Pallini)		Rural study area (Municipality of Marathon)	
Code name	Type of actor	Code name	Type of actor	Code name	Type of actor
A1	Public authority	P1	Public Authority	M1	Community
A2	Public authority	P2	Public Authority	M2	Business
A3	Business	P3	Public Authority	M3	Public Authority
A4	Public authority	P4	Public Authority	M4	Community
A5	Community	P5	Community	M5	Business
A6	Public authority	P6	Public Authority	M6	Business
A7	Public authority	P7	Public Authority	M7	Community
A8	Community	P8	Public Authority	M8	Public Authority
A9	Business	P9	Community	M9	Public Authority
A10	Business	P10	Public Authority	M10	Public Authority
A11	Public authority	P11	Business	M11	Business
A12	Community	P12	Business	M12	Business
A13	Community	P13	Community	M13	Business
A14	Community	P14	Community	M14	Business
A15	Public authority	P15	Community	M15	Business
A16	Business	P16	Community	M16	Community
A17	Business	P17	Business	M17	Community
A18	Community	P18	Business	M18	Community
A19	Community	P19	Business	M19	Public Authority
A20	Business	P20	Community	M20	Community

Project no.: 727058

Project full title: Inequality, urbanization and Territorial Cohesion: Developing the European Social Model of economic growth and democratic capacity

Project Acronym: COHSMO (Former Hans Thor Andersen)

Deliverable no.: D4.6

Title of the deliverable: Report on policy analysis - Poland

Contractual Date of Delivery to the CEC:	31.12.2019
Actual Date of Delivery to the CEC:	20.12.2019, 01.07.2020
Organisation name of lead contractor for this deliverable:	Aalborg University (AAU) Uniwersytet Warszawski (UW)
Author(s):	Wirginia Aksztejn, Adam Gendźwill, Joanna Krukowska, Marta Lackowska, Jędrzej Stasiowski, Paweł Swianiewicz, Sylwia Waruszewska, Paweł Winiarski
Participants(s):	P1, P2, P3, P4, P5, P6, P7
Work package contributing to the deliverable:	WP4
Nature:	RE
Dissemination level:	PU
Version:	1.0
Total number of pages:	97
Start date of project:	01.05.2017
Duration of project:	54 months

Abstract:

This deliverable is to summarize WP4 findings on territorial cohesion defined by interactions between territorial capital, collective efficacy and territorial governance. Basing on selected case study localities: Gdańsk (urban), Pruszcz Gdański (suburban) and Debrzno (rural), we investigated the impact of urbanization and demographic changes on the local development and analysed mobilization of territorial capital with emphasis on civic participation and engagement in activating local assets. We also studied key growth policies and their alignment with child care, VET, ALMP and regeneration policies. The employed methods included desk research, in-depth interviews and discourse analysis.

Keyword list: territorial cohesion, territorial capital, collective efficacy, territorial governance, place-based policies.

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Abbreviations

CSR – Corporate Social Responsibility

ITI – Integrated Territorial Investments

LRP – Local Regeneration Programme

NSDC – National Spatial Development Concept

OHP – Voluntary Labour Corps (*Ochotnicze Hufce Pracy*)

PGR – State Farm (*Państwowe gospodarstwo rolne*)

PUP – County Labour Office (*Powiatowy Urząd Pracy*)

P+R – Park + Ride

PKP – Polish National Railways (*Polskie Koleje Państwowe*)

SKM – Fast City Rail (*Szybka Kolej Miejska*)

SWOT – Strength, weakness, opportunities and threats analysis

WUP – Regional Labour Office (*Wojewódzki Urząd Pracy*)

WW2 – World War II

Executive summary

The objective of WP4 was to investigate the relations between three concepts pivotal to territorial cohesion: territorial capital, collective efficacy and territorial governance. In the course of empirical research we studied the interplay between the abovementioned notions in three case localities: urban, suburban and rural (peripheral). The selection of municipalities exemplifying varying legacies, path dependencies, administrative functions and economic potential enabled to analyse patterns of mobilization of local assets in different contexts. On the other hand, due to these differences it is not always possible to draw general conclusions.

Urban case (Gdańsk) exemplifies a vibrant city, abundant in various kinds of territorial capital – environmental, economic, antropic, cultural, social and institutional. In the city where the greatest concern is keeping development going, the problem is not how to mobilize territorial capital but rather how to reconcile contradictions resulting from its exploitation and control tensions between local society and investors; between natives and visitors. The city's potential is coupled with dense social network (from grassroots activism to professionalized non-governmental organizations) and institutional openness for cooperation. In fact Gdańsk is one of the leaders of cooperation with the Third sector in Poland, pioneer and innovator with regard to social policies, public consultation methods, inclusion models and PPP. The city supports horizontal cooperation with community and business actors and inter-municipal cooperation in the metropolitan area. Interestingly on the vertical axis Gdańsk is more inclined to compare oneself against other European cities, rather than to seek national or regional point of reference.

Suburban case (Pruszcz Gdański) is a heterogeneous locality combining satellite town specificity with urban sprawl issues. Its main territorial capital is its location next to Gdańsk and important transport corridors. The location alone provides economic success which makes local authorities and activists concentrated on social well-being and integration (threatened by immense influx of new inhabitants) rather than on search for economic development strategies. Grassroots activism, strong local leaders, well-organized senior community are not coupled with involvement in policy making process. While Gdańsk readily experiments with various methods of public consultations, local authorities in Pruszcz are rather conservative. The voice of the local community is listened to, however, there is a long way to full partnership. Surprisingly, the two components of municipality's bagel (*see map 4*) do not cooperate as frequently as the functional and territorial entanglement could suggest. Gdańsk remains far more important partner of cooperation.

Rural case (Debrzno) is a peripheral municipality with an experience of a serious economic breakdown in the nineties. Its material territorial capital is rather unimpressive: pleasant though not distinctive landscape, some remnants of medieval architecture in the historical centre. The key to Debrzno revival lies in its social and institutional capital. Determined local leaders established a non-governmental organization which specialized in acquisition of external funds. Their vision of development backed with (mostly) EU funds enabled large-scale mobilization of the existing capital: boosted local entrepreneurship, improved tourism infrastructure, ameliorated living conditions. In the

times of the crisis the strength of the Third Sector made it a very important actor in policy making and policy implementation.

More general conclusions regarding territorial governance indicate three issues. Firstly, the municipalities lack a good model of transparent cooperation with business partners – in the triangle of collaboration between public, community and business actors, the latter seems to be the weakest vertex – with vague role and unclear communication standards. Secondly, real involvement of community actors occurs more frequently at the stage of policy implementation than policy making. Although in the last two decades we observe a significant improvement as regards including citizens' opinion, on many occasions the subjectivity of the local community in public consultations is questionable. Thirdly, long-term commitment is a challenge for social activism. Both in terms of community and business actors we observe a propensity to engage in ad hoc interventions or CSR episodes. Although one-time engagement is also valuable, more stable cooperation patterns are required to solve persistent problems or successfully engage in policy making.

1 Introduction

The objective of this report is to summarize the findings of empirical research carried out within the Work Package 4. Basing on the results of desk research, in-depth interviews with key local actors and policy-makers and discourse analysis of strategic documents we reflect on the research questions and central themes of the COHSMO project. For all three (urban, suburban and rural) investigated localities we explore the connections between demographic trends, urbanization, territorial cohesion and democratic capacity. In particular we are interested in the impact of depopulation, suburbanization, aging population and path dependencies on our case localities. Given their current socio-economic standing we analyse their territorial capital and the ways it is mobilized. We search for its catalysts referring to the concepts of collective efficacy and territorial governance. Our investigation is focused on five policy areas: economic growth, child care, area regeneration, labour market and vocational training. Coordination of these policies seems vital to enhance life chances and prevent exclusion. However, in Poland we observe fragmentation of strategies addressing the abovementioned areas which to some extent results from the division of competences between different tiers of local government. To ensure the reader has good understanding of the local context this introductory chapter is to provide institutional setting for the analysis of policy making processes, coordination of policies and its territorial aspect. It provides a brief description of organization of local government in Poland and institutional arrangements related to five key policies in COHSMO project.

1.1 National context, purpose and main findings

1.1.1 General characteristic of local government in Poland

Since 1999, Poland has had a **three-tier structure of local government**:

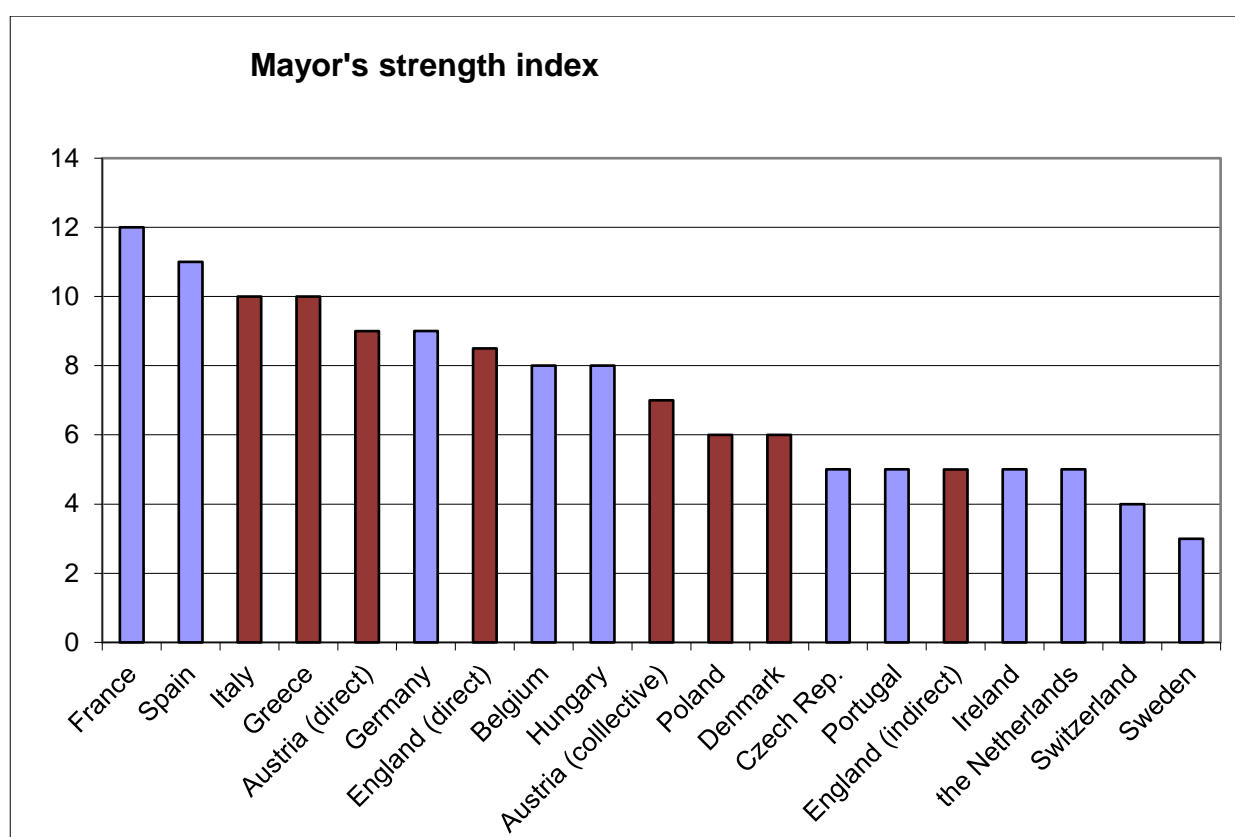
Regions (*województwa*). There are 16 regions corresponding to NUTS 2 level, where the authority is shared between a national government-appointed governor (*wojewoda*)¹ and an elected regional assembly (*sejmik wojewódzki*) which elects the regional marshal (*marszałek województwa*), an executive authority at the regional level. Creating proper conditions for the long-term economic and social development of the region is the main task of the regional self-government in Poland, including the formulation of regional development policy. The regional self-governmental authorities perform this task primarily using EU funds. In addition, it holds the responsibility of regional hospitals, railway infrastructure, rail transport and plays an important role in the field of culture, as it manages cultural institutions, such as operas, theatres etc.

Counties (*powiaty*). There are 380 counties in Poland (LAU 1 level). Among them, there are 66 cities with county status, which combine functions of both municipality (*gmina*) and county. Counties are the middle level of self-government and they are considered to be the weakest link in the territorial government of Poland, both in terms of their scope of competence and awareness in the minds of citizens (Swianiewicz 2014). They run secondary schools, vocational schools and county hospitals. They are basic territorial units for the Labour Offices which are responsible for counteracting unemployment at the level of a county. Besides that, counties are in charge of safety tasks assigned to them by the central administration, such as police and fire services. The members of the county council are directly elected and they decide on the composition of the county board, which is headed by the county head (*starosta*).

Municipalities (*gminy*). There are 2477 municipalities in Poland. They are the lowest level of local government and the most important one. Apart from the development policy in its area, this level of local government also deals with municipal services such as water supply and sewage systems. The organization of local public transport, construction and maintenance of local roads, childcare and spatial planning are also its responsibilities, among other things, that are the closest to the local community. In terms of local autonomy, which covers the scope of tasks, financial or organizational autonomy, Polish local governments can be assessed as quite strong – they belong to the group of municipalities with the highest value of local autonomy index (Ladner, Keuffer & Baldersheim 2016). The authority is exercised by the council and by the mayor (since 2002 directly elected). Polish mayor is politically a strong and autonomous political leader in comparison to mayors from other European countries. According to the data collected for POLLEADER project Polish mayors' strength is assessed as 10 in 14-grade scale of the index (see fig 1). The measure refers to various institutional settings such as the election system, the scope of competences vis-à-vis the legislative body and possibilities of dismissal before the end of the term of office.

¹ Regional governor (“wojewoda”) appointed by the Prime Minister, organ of central administration is responsible for e.g. representation of the national government, coordination of central administration organs in the region, legal supervision of local governments in the region.

Fig. 1. Mayor's strength index



Source: POLLEADER project, after: Heinelt et al. 2019. Lithuania is not included on the figure.

In the Polish local government there are also subsidiary **sub-municipal units**: *dzielnice* or *osiedla* (in urban localities) and *sołectwa* (in rural localities). Their creation, electoral system, scope of tasks and prerogatives depends on the decision of the municipal council (except for Warsaw).

Urban sub-municipal units are in practice districts of the town/ city. The national law defines only very general frame for neighbourhood councils' operation, but the decisions on the boundaries of sub-municipal units as well as details of the election system, allocated financial resources and competences is in hand of the city council. The law allows to use different names for sub-municipal units, usually districts (*dzielnice*) or neighbourhoods (*osiedla*), although sporadically cities use their own original terms, different from the two mentioned above. Sub-municipal councils have been organized in 19 out of 22 largest cities, their average size vary from 6 thousand to 43 thousand inhabitants. In Gdańsk it is 15 thousand inhabitants, with intra-city diversity from 2.5 thousands to 25 thousand.

In rural local governments individual *sołectwo* is in practice a single village, whose executive body is the village head (*sołtys*) elected during the village meeting. The role of the village head changed over the centuries and systems. The division into villages dates back to the Middle Ages, when the village head was the village's administrator on behalf of its owner. When local governments were formed at the municipal level in 1990 the intention was that the submunicipal units were an expression

of civic involvement in decision-making. It did not quite succeed. The villages were losing importance to the inhabitants. Now, villages are becoming more close to the image that guided their creation, because of the introduction of the Act on the Village Fund in 2009 and then in 2014 (*Ustawa o funduszu sołeckim*). Village fund is a type of participatory budget implemented at the local level and consists of funds separated from the municipality's budget for the projects aimed at improving the quality of living in a given village.

1.1.2 Economic growth policies

In Poland the development policy is based on two main documents:

- Long-term National Development Strategy. Poland 2030 The third wave of modernity;
- Mid-term National Development Strategy 2020.

Both documents emphasize the development of Poland in three main areas:

- competitiveness and innovation of the economy,
- effectiveness and efficiency of the country,
- reducing the differences in the level of regional development.

The mid-term strategy is detailed in 9 integrated strategies focusing on different thematic areas. Apart from that, there is also The National Spatial Development Concept 2030, which naturally refers to spatial aspects of development in Poland and together with the above mentioned strategies forms the core of the development policy at the national level. However, it should be stressed that development policy is conducted not only at the national level, but also at the regional, sub-regional and local levels. The policies are created and implemented by local and regional government authorities.

The main responsibility for coordination of regional development policies is attributed to the Ministry of Funds and Regional Policy (previously by Ministry of Infrastructure and Development and before that by Ministry of Regional Development). One of the basic strategic documents of the Poland's regional policy is the National Strategy for Regional Development 2030. It contains the objectives of regional policy as well as activities and tasks that should be undertaken by all levels of administration participating in its implementation. Among other things, it focuses on supporting areas that do not fully utilize their development potential. The 16 regional governments in each Polish region are also responsible for socio-economic development and strategic planning. They create regional development strategies that are mandatory at this level of self-government. In addition, regional governments play significant role in the distribution of EU structural funds (as institutions managing regional operational programmes and implementing selected components of national operational programmes). The regional development policies are heavily dependent on the EU structural funds. Since the accession to the EU this is the main source of funding for development policies. The intervention adopts form of projects (both "hard" – e.g. infrastructural investments and "soft" – e.g. supporting skills and networking). The overall framework for financial support is negotiated by the relevant ministry with the European Commission and signed as the Partnership Agreement which constitutes the basis for the operational programs. Once the operational programs are adopted, project proposals from the eligible organizations (including subnational governments, other public

institutions, private companies and NGOs) compete for funding, yet managing institutions usually have considerable extent of discretion in deciding upon the “indicative list of large projects” which are financed without participation in competitive procedure.

However, municipalities have a lot of discretion in formulation their growth policies. Development Strategies are rudimentary documents that provide diagnosis (enumeration of assets, SWOT analysis) and formulate strategic objectives and actions. Development strategies are not mandatory, however, municipalities are strongly encouraged to have one in order to comply with legal recommendations and gain access to EU funds. Almost all municipalities in Poland have such a document. This does not mean, however, that they are implemented. Sometimes they only serve to meet the requirements in applying for funds, more than as a guidelines for shaping development. The specifics of strategic documents are described in more detail in *Methods* section.

1.1.3 Area regeneration programmes

National Spatial Development Concept 2030 (NSDC) identified 5 functional areas requiring policy intervention.: (a) local and subregional urban centres (small and medium-sized towns), losing their administrative and economic functions, (b) large multi-family residential neighborhoods constructed in 1970s and 1980s with the use of prefabricated technology, (c) historical urban districts with unclarified property status (pre-War buildings administered by the municipalities, yet with claims of former proprietors or their families), (d) former industrial zones, abandoned due to the collapse of certain industries during the market transformation of 1990s, (e) former military zones proximate to the urban areas, abandoned by the Army. Several documents mention also urban sprawl around the main metropolises as an important territorial policy challenge. The Strategy for the Responsible Development estimates that 1/5 of the urban areas in Poland, inhabited by 2,4 million people, is affected by the various forms of degeneration and requires intervention; a half of this area is located in historical centres. These numbers do not include rural areas. Yet it is known that the significant share of areas in rural municipalities was degenerated after the collapse of the state-owned farms (PGR; they employed ca. 400.000 workers in 1991 and were dissolved in 1992-1993). Many local communities in which PGRs were located, still struggle with the problems of unemployment, poverty and poor housing conditions. The Operational Program for Development of Rural Areas recognizes the development of basic infrastructure (water and sewage systems, local roads) and creation of public spaces in rural areas as a set of actions aiming at regeneration of rural areas.

Area regeneration projects are designed and implemented by the local authorities at the municipal level (LAU-2), predominantly by the urban municipalities. It becomes more frequent that the urban revitalization adopts the form of public-private partnerships or is implemented by the private investors (developers) according to the planning guidelines of the local authorities usually with a significant role of societal organizations (NGOs, neighbourhood councils and associations). However, the overall legal framework and guidance in this policy field is provided by the national regulation (2015 Act on Revitalization; Guidelines of the Ministry of Development concerning the revitalization in the operational programs 2014-20). This policy field remains heavily dependent on the external funding, coordinated by the Ministry of Development (at the national level) and regional governments (through regional operational programs).

There is no obligation for local governments to design and implement regeneration policies, yet they are incentivized to do so by the external funding (mainly from the EU). Regional governments are obliged to indicate “problem areas” (requiring intervention) in the regional spatial development plans. Local governments are usually responding to the calls for area regeneration projects announced by the regional authorities.

The beginnings of urban regeneration in Poland were strongly inspired by EU funding through the Regional Operating Programmes. At the beginning we might observe a kind of “fake integration”, where programmes were rather pretending to be complex, covering soft and hard investment, in order to get financial support, but the real emphasis had been put on hard investment and infrastructure. The real integrated approach had started to be implemented not earlier than in 2010 with the new wave of regeneration programmes in all three studied municipalities.

1.1.4 Child care policies

In Poland institutional child care is organized at two levels: (i) nurseries (*żłobki*) for children 0-3 years old, (ii) kindergartens (*przedszkola*) for children 3-6 years old. In both cases the service coverage has been for a long time among the lowest in Europe (except of 6 years old for which participation in institutionalized education is compulsory). The territorial variation in pre-school enrolment is very strong, depending on location (urban-rural, west-east axis) and economic factors (affluent- poor axis). These challenges are addressed by some of national level strategies, although they are not among high priority goals and implementation of those policies has led to very limited successes only. The most important documents are: “Programme Maluch” implemented by Ministry for Labour and Social Affairs, National Strategy for Human Capital and Operating Programmes using EU ESF.

Organization of nurseries and kindergartens is a municipal (LAU2) function (although the growing role is played by private and NGO-led institutions, which provide service for nearly 30% of involved children). For a long time that area of policy making was almost totally left to local governments with a minimal involvement of central government. The situation has changed during last decade due to: (i) new regulations on charging parents for the service (including national limits for maximum fees), (ii) regulations obliging local governments to make kindergarten available for every willing children of certain age, (iii) more strict regulations on national curricula for kindergartens, (iv) growing precision of regulations on obligatory financial support to be provided by municipalities to private providers of the service, (v) regulations of inter-municipal payments for kindergarten services provided by another local government. These new regulations introduced a common framework for childcare policies restricting discretion of municipalities.

In 2016 local governments spent over 10 billion PLN (almost 2.5 billion euro) on kindergartens and almost 1 billion PLN (less than 250 million euro) on nurseries. The level of spending has been growing rapidly, it more than tripled from 2001 and more than doubled from 2005. In 2016 the total local government spending on kindergartens and nurseries was 0.603% of GDP

Until recently the service was totally financed by local governments' own resources and parents' contribution. It has changes within last ca. 5 years. In case of kindergartens the share of central government grants in operation of the service has grown from 0.01% in 2005 to 18.7% in 2016. At the same time, due to national regulations, parents contribution decreased from almost 13% in 2007 to just over 5% of the total operating costs in 2016. In case of nurseries dependency on the own resources of local governments is even larger. The share of central government financing has grown from 0 in 2005 to 4-6% in recent few years. The share of parents contribution in 2016 was 14%.

But when we look at external support for local governments we may distinguish between three clear phases: (i) until ca. 2007 – own resources of local governments as the (almost) only source of funding, (ii) 2007-2015 – focus on support for provision of kindergartens through EU ESF funding (2007-2013 Operating Programme Human Capital) and building system of central government support, (iii) from 2011 – focus on support for child-care for 0-3 years old (Programme MALUCH offering altogether ca. 150 mln Euro in 2011-2017 period, 2014-2020 Operating Programme POWER).

The most important centrally imposed reforms include:

- 2011 – allowing for opening simplified form of kindergartens and nurseries (“children clubs”), especially important for development of childcare institutions in rural areas.
- From 2011 onward – series of reforms gradually reducing parents contribution to costs of operating kindergartens (currently: 5 hours a day free of charge, up to 1 PLN per each additional hour)
- From 2011 – step by step obligatory availability of kindergarten for every willing child (parent). The reform has completed in 2015, from which a place in kindergarten has to be provided for 3-years old
- From 2013 – offering central government grant “per child in kindergarten”
- From 2014 – obligatory inter-municipal transfers for children using kindergarten in another municipality
- Gradual clarifying the rules of obligatory financial support of local government for private and NGO providers of kindergarten services (75% of the per child cost in the kindergarten operated by local government). So far, no similar regulation for non-public nurseries.

1.1.5 Active labour market policies

Labour market policies are centrally coordinated by “Ministry of Family, Labour and Social Policy”, but they are implemented at lower administrative levels. Ministry is responsible for national strategic planning, legislative framework and financial management (through the management of Labour Fund). The main legal act regulating Polish field of labour market policies is “Act on employment promotion and labour market institutions”. 16 Regional Labour Offices (*WUP – Wojewódzki Urząd Pracy*) are subordinated to regional governments (regional level – NUTS 2). They are responsible for numerous tasks regarding labour market policies and assigned to the regional government – e.g. strategic planning and coordination of regional labour market policies, keeping the register of employment agencies or mitigating the problems associated with planned group layoffs. WUPs are also responsible for the management of EU Funds aimed at labour market policies (especially under

Regional Operational Programmes) and provide substantive support for County Labour Offices (*Powiatowe Urzędy Pracy* – PUP). As there are 380 counties in Poland (including 66 cities of a county status), there should be 380 County Labour Office. However, some counties have decided to deliver the labour services through intra-county cooperation; in such a case one County Labour Office serves job-seekers from at least two counties. This is also the case of Gdańsk Labour Office being responsible for the city of Gdańsk and the neighbouring county. Thus, the total number of Labour Offices in Poland is 343. County Labour Offices, working under counties' governments, are central institutions in the area of implementation of labour market policies in Poland – they are responsible for registering unemployed people, provision of unemployment benefits, dissemination of job offers, aiding employers in recruiting candidates for vacancies and implementing all types of active labour market policy instruments described in the “Act of employment...”. These three, quite independent organizational structures are supported by labour market councils – advisory boards which are organized on each governance level. Labour market offices cooperate with other institutions responsible for labour market policies: 1. Employment Agencies and Temporary Work Agencies – private companies which are certified by regional authorities. They recruit, provide career counselling and vocational guidance, provide services for companies hiring temporary employees; 2. Voluntary Labour Corps (*Ochotnicze Hufce Pracy* - OHP) - with central headquarters and 16 regional headquarters, these institutions are responsible for providing help and support to Polish youth (15-24 years old) who are in danger of social exclusion – particularly NEETs.

WUPs are subordinated to regional marshals, while PUPs are working under command of counties' governments, including cities with county status. WUPs and PUPs are independent from each other and from the Ministry. However, the financing mechanism which based on the Labour Fund doesn't leave much discretion for County Labour Offices actions: “Given the fact that obligatory expenses account for a very large proportion of all Labour Fund spending (some 90%), the county self-governing bodies are left with very few possibilities as regards deciding how the money passed on to them is used” (Eurofound, 2017).

Since 1990, labour market policies in Poland have special financing mechanism based on the Labour Fund. It is a state-operated dedicated fund administered by the Ministry of Family, Labour and Social Policy. It is mainly financed by social insurance contributions paid by employers for every employee holding a job contract, but it is also subsidized from the national budget. Assets gathered in the fund are used to finance unemployment benefits, pre-retirement allowances and all forms of active labour market policies implemented by County Labour Offices. However, the operational costs of county labour offices are covered by county governments. In 2015 total labour market policies' expenditures in Poland were equal to EUR 3,14 bn (EUROSTAT). Approximately 23% of this amount was spent on supported employment, 20% on out of work income maintenance and support, 18% for employment incentives, 17% for early retirement, 10% for labour market services, 7% for start-up incentives and 3% for training and direct job creation. The overall expenditure on labour market policies in Poland is relatively low – in 2015 it was 0,73% of GDP.

1.1.6 VET policies

Ministry of Education takes the main responsibility for educational policies (including core curricula, in Poland and provides legislative framework for the whole system (School Education Act of 1991 with relevant amendments and related regulations). Despite the leading role of Ministry of Education, Polish education system is decentralized and education is organized by various tiers of local government. Generally speaking vocational schools are run by counties, however, government, through relevant ministries, runs certain types of vocational and artistic schools. Pedagogical supervision is based on the regional education authorities (*kuratoria oświaty*) nested under central government's representatives at the regional level.

Since 1999 labour market policies and upper secondary schools are managed at the same, subregional level (counties, LAU-1) to strengthen the link between local labour market and VET provision. County authorities are responsible for administering the following main types of vocational schools:

- a. **basic vocational school – ISCED 2011: 353** (*zasadnicza szkoła zawodowa-ZSZ*), for pupils 16-19 (15-18) years old, which, after 3 years of education, allows to take exams confirming vocational qualifications in a given occupation (further education might be continued in general upper secondary school for adults). In 2014/2015 there were 1721 schools (therein 155 non-public) with 190 thousands of pupils. Around 60% of ZSZs pupils participate in special form of practical training as juvenile workers (*pracownicy młodociani*).
- b. **technical upper secondary school ISCED 2011: 354** (*technikum*), for pupils 16-20 (15-19) years old, which, after 4 years of education, leads to a diploma confirming vocational qualifications (upon passing exams confirming vocational qualifications in a given occupation). Pupils might also take the maturity exam. In 2014/2015 there were 3001 schools (therein 130 non-public) with 533 thousands of pupils;
- c. **post-secondary school ISCED 2011: 453** (*szkoła policealna*) for graduates of upper secondary schools (typically 19-21/18-20 years old, but students might be much older; maximum 2.5 years duration), which opens the possibility of taking exams confirming vocational qualifications in certain occupations. In 2014/2015 there were 2941 schools (therein 1821 non-public) with 264,6 thousands of pupils (217 thousands in non-public schools);

All vocational programmes includes general education and vocational education subjects. The latter involves theoretical part and practical training which might be conducted in schools (during workshops), in specialized institutions (also established by county authorities: **Continuing Education Centres** - *Centra Kształcenia Ustawicznego* and **Practical Training Centres** – *Centra Kształcenia Praktycznego*) or in private companies. **Juvenile workers** are participating in dual training which organized on the basis of special agreement between vocational school and employer. They are entitled to 4-6% of the average salary, security benefits and holiday leave (these costs are refunded to employer). Moreover, if the juvenile worker passes journeyman's examination, his employer gets remuneration (around EUR 1900) which is financed from the Labour Fund. **Voluntary Labour Corps** (*Ochotnicze Hufce Pracy - OHP*) are active not only in the field of labour market policies, but they also participate in the provision of VET education for youth at risk of social exclusion. Voluntary Labour Corps should be regarded as the most important institutions implementing the 'Guarantee for Youth' programme in Poland.

A substantial part of public duties concerning vocational education is entrusted to the counties' governments which make decisions about upper-secondary schools' network. Head of the school is appointed by county authorities, but his work is supported by several participation bodies: teaching council (all teachers working in a given school), parents' council, pupils self-government and school council (composed of teachers, parents and pupils).

Vocational school's autonomy is limited by the county authorities – they are obligated to manage their expenditures within the framework of agreed financial plan, they cannot take loans and should obtain the approval for collection of additional funds. Schools are supervised by counties' authorities in terms of administrative and financial matters, but the pedagogical supervision is conducted by the regional authorities (which are acting under Ministry of Education). Schools and their governing bodies - counties - are constrained in terms of their human resources policy by the regulations established on the national level in Teachers' Charter. This legal act precisely determines teachers' remuneration, their duties and privileges, rules of professional development and promotion.

1.2 Methods

A significant part of the Work Package 4 of the COHSMO project was related to the field research and policy analysis, which were conducted for three case localities (urban, suburban and rural) in each of the countries. Prior to that, proper localities had to be selected for the study. The Grant Agreement provided a general outline for case selection criteria, detailed in D4.2. For Poland, Austria, Denmark and Italy it was agreed that all the three cases in one country should be in the same region, as regions there play significant part in policy making. It was important, since cases are embedded in the context of regional policies, which might vary in different regions. Therefore, if we had selected cases in various regions the variation of regional policy context could have disrupted our analysis. Thus, for the countries mentioned above the case selection included two stages:

- a. selection of the region (usually NUTS-2) within the country; and
- b. selection of localities within region.

Also, the selection of the region for Poland was dictated by its features, suggested in D4.2.:

- a. presence of a clear metropolitan centre; and
- b. considerable variation of socio-economic conditions within its territory.

As a result, the Pomerania region was selected, which is described in the second chapter. The second stage involved the selection of case localities – metropolitan, suburban and rural. At first, we had to answer the question of what our locality would be, given the need to ensure international comparability between cases. The diverse context of territorial organization and allocation of tasks among tiers of government in different countries made this task difficult. The ideal assumption was that localities would be 1) local government units that 2) are responsible for key policy areas researched in the project (economic growth, child care, vocational training, labor market policies, area regeneration). The Polish cases meet the first criterion, as our selected localities can be basically identified with the lowest tier of local government – municipality (*gmina*), which is a LAU-2 unit. The second one could not be fully done for our country, because in Poland only child care and

area regeneration are clearly municipal functions, while vocational training and labour policies are (predominantly) upper tier – county (*powiat*, LAU1) – responsibility. The development policy is also conducted at the local level. During the selection process of our localities, we focused on the likelihood of innovative policies aimed at growth and territorial cohesion.

In addition to the general outline of what the locality should be in our research, more detailed guidelines were provided for specific types of localities. It is worth noting that these were the suggested criteria and they were not downright applied in all of the cases. The footnotes will indicate which criteria were not fully taken into account for Poland. The criteria for the **urban case** were as follows:

- a. center of mono-centric agglomeration²;
- b. city which is classified as metropolis in the ESPON 2007 study;
- c. population size between 400,000 and 1,000,000.

The natural consequence of choosing the Pomerania region along with taking into account the criteria was the choice of Gdańsk as urban locality.

The **suburban case** had to be in the metropolitan area of the selected metropolitan city. To define the suburb zone it was suggested to consider the most recent ESPON definition of Functional Urban Areas (FUA) or alternatively an official delimitations developed in countries, or (if there were no such official areas) a recognized, well established academic delimitations. In addition, the suburban case should have followed these criteria as far as possible (as meeting all of them could be very difficult):

- a. population size between 25,000 and 70,000;
- b. recent experience of population growth related to suburbanization and/or urban sprawl;
- c. significant commuting to the core city of the agglomeration;
- d. domination of non-agriculture functions;
- e. occurrence of internal diversity, that allows studying intra-territorial cohesion challenges;
- f. presence of social challenges such as unemployment level above median for the selected metro region.

After taking into account the above criteria, it was decided to choose two functionally related suburban units. The town of Pruszcz Gdański and the surrounding rural municipality of Pruszcz Gdański.

When selecting **rural locality** it was important to consider cases which had features typical for many rural areas in Europe. Two of the characteristics were clearly spelled-out in the COHSMO research proposal:

- a. low population density (below median for the considered region);
- b. tendency for out-migration.

² The urban case selected by the Polish team belongs to the polycentric urban agglomeration, but is its main center (described in adequate section).

Other features that were to characterize this case were indicated by D4.2:

- a. role of agriculture (measured by employment structure and land use) higher than median in the considered region;
- b. population size between 5,000 and 15,000;
- c. consisting of a few or more settlement units (or in which it is possible to distinguish between “center” and “periphery”).

As a result, Debrzno was chosen as rural locality for the study.

1.2.1 The interviews

The basic method of empirical research in the selected case localities was based on semi-structured in-depth interviews following a joint scenario developed within the project consortium. The selection of respondents followed three basic categories: public actors – both politicians and local administration, community actors and representatives of local business community. Sometimes, the activities of some of the respondents covered all the three categories. The selection of informants was a three-step process. First, the selection of informants was guided by the knowledge about administrative processes in Poland and the scope of competences ascribed to particular actors. At this stage mayors, councillors and key municipal-level departments were identified and included in the list of informants. Second, internet research provided a list of local societal and business organizations and their representatives. It also enabled to fine-tune the list of local politicians and officials basing on their engagement in the investigated policies. Third, the list of informants was extended by the suggestions and recommendations of respondents expressed during the interviews or the recruitment process (snow ball sampling).

The interviews were conducted by the University of Warsaw team in three tranches: (1) mid-July 2018, (2) second half of September 2018 and second half of October 2018. The Polish team conducted in total **64 interviews**. Some extra interviews for the urban and suburban locality resulted from increased complexity of these two entities.

Table 1. Number and structure of respondents of in-depth interviews in case localities

	Public actors	Community actors	Business actors	Total
Gdańsk (urban case)	10	7	5	22
Pruszcz Gdański (suburban case)	11	7	5	23
Debrzno (rural case)	9	5	5	19
Total	30	19	15	64

Usually there were two researchers conducting the interview, although in some cases there was only one researcher involved. The interviews lasted 60-90 minutes depending on the competences and availability of interviewees. Before the interview all respondents were provided with information about the research project & data processing procedures and signed an informed consent form. In order to facilitate the narration on spatial inequalities and distribution of territorial capital interviewees were presented with maps of their respective localities. The 1-2 pages long note (following the agreed structure) was prepared after each interview. The records of interviews, full transcriptions as well as

other personal data are stored in a way going along with legal regulations and the procedure agreed with the Committee of Ethics, so to protect anonymity of the respondents.

1.2.2 The documents

Another part of WP4 concerned policy discourse analysis. The key documents, which form the strategic framework for local policies, constituted the methodological basis for such analysis in each of the selected localities. The research revealed that formulation of strategic documents is not a strong suit of the majority of investigated localities – which generally may be called a shortcoming of the Polish local government. Strategic documents are very often treated instrumentally to comply with the requirements of the Polish law or European funding mechanisms. Therefore it seems that local authorities do the minimum that is expected of them and do little use of the documents to engage local community or formulate a vision. The initially selected 5 key documents turned out to exhaust the pool in the two suburban cases and to large extend – the rural location. The case of metropolitan location is of course different – both in terms of the role of strategic documents and their number, however, after having analysed 3 additional sectoral programmes we came to the conclusion that they did not bring any new observations to the themes of territorial cohesion, collective efficacy or territorial governance. For this reason we decided to keep a common framework for the analysis which would provide the benefit of comparability without missing out any meaningful insights. We analysed the following documents:

1. **Development Strategy** is the most general document covering the whole array of issues: infrastructural, economic, social, cultural etc. In the light of the Act on the Rules of Development Policy (*Ustawa o zasadach prowadzenia polityki rozwoju*) from 2006 it is recommendable for local governments to prepare and implement a local strategy, however, municipalities are not legally obligated to have one. Another strong incentive are EU funds: an up-to-date development strategy is a condition to apply for funds for planned investments. In consequence, approximately 80% of municipalities have a development strategy (Barometer of Institutional Development of Local Governments, 2017) – the percentage varies from 100% among cities with county status to 79% among rural communes.
2. **Study of the Conditions and Directions of Spatial Development** is a mandatory document as stated in Act on Spatial Planning and Development, 2003 (*Ustawa o planowaniu i zagospodarowaniu przestrzennym*). It encompasses the whole area of the municipality and defines its spatial policy. However, it does not have the status of the local law and is only an internal obligation of the municipal authorities.
3. **Local Regeneration Programme** is a non-obligatory document. The Act on Local Regeneration (*Ustawa o rewitalizacji*) from 2015 regulates the preparation and execution of regeneration programmes e.g. making civic participation mandatory. Documents prepared by Ministry of Development and regional elected governments provide more detailed guidelines for regeneration programmes applying for external funding. According to the survey, 49% have a Local Regeneration Programme (ibidem).
4. **Strategy for Social Problems Solving** is an obligatory document which all municipalities should prepare and execute in line with the Act on Social Care from 2004 (*Ustawa o pomocy społecznej*). According to the survey 73% of municipalities have complied with this regulation

(ibidem). The reason for including this document is to assess the salience of the five investigated policies in the context of social welfare strategy to probe for connections between economic interventions and social outcomes.

5. **Programme of Cooperation with NGOs** should be prepared on annual basis to specify the local policy of cooperation with NGOs. The preparation of the Programme in cooperation with civic organizations is dictated by the Act on Public Good Activity and Volunteering from 2003 (*Ustawa o działalności pożytku publicznego i o wolontariacie*). According to the survey, 80% of municipalities have complied with this regulation (ibidem). The document is used to verify municipalities' declarations concerning the scope of cooperation with societal organizations.

In order to track the evolution of territorial cohesion and sectoral policies in strategic documents we included the current and previous version of each document whenever available. The exception was made for documents prepared on annual bases in case of which we compared 2012 and 2018/2019 to monitor the changes.

Relevant, more executive documents (e.g. sectoral programmes) were also included, though they were rather scarce. The analysis was supplemented by context-building documents such as: minutes from city council sessions when the document was passed and documents from public consultations. For upper-tier background corresponding regional strategic documents were analysed. The final archive of policy documents consists of 62 files.

The methodological and analytical framework of deliverable 4.5 was to look at the local strategic documents and programmes through the lens of structural-practical approach (Atkinson 1999, Atkinson 2000) and performance-oriented discourse analysis (Kornberger & Clegg 2011). However, the research revealed that formulation of strategic documents is not a strong suit of the majority of investigated localities – which generally may be called a shortcoming of the Polish local government. Strategic documents are very often treated instrumentally to comply with the requirements of the Polish law or European funding mechanisms. Furthermore in many cases preparation of development strategies is commissioned to external companies. Therefore it is difficult to specify if the form of the document and its preparation process (e.g. style of consultations) result from municipality's choice or consultants' standard approach. For example: we discovered that a catalogue of benefits from civic participation included in the LRP in one of the localities was literally repeated in 15 more LRPs for other municipalities (prepared by two separate consultant company). In other words this text cannot be treated as a declaration of this particular local government's convictions. At best we may say it is something they subscribe for, at worst - that civic participation is currently an obligatory element of strategic documents of which consultant companies and local leaders are aware. The increase in the presence of civic participation in the strategizing process we observed throughout the years reflects, however, a change in the perception of how the process should look like. The conclusions concerning discourse analysis were formulated with caution and some reserve.

1.2.3 Additional interviews

Another step closing empirical research in WP4 was to supplement and challenge discourse analysis by interviewing 15 key policy actors. The basic method for this part of the empirical research was based on a semi-structured in-depth interviews developed by the Polish team, on the basis of case specific topics and key empirical findings provided within the project consortium.

The topic list for policy actors' interviews consisted of two sections:

Section A – prepared individually by each partner basing on the combined knowledge from Task 4.6 and Task 4.8. The objective of this section was to investigate the key issues identified in the discourse analysis, fill the gaps in the collected information or clarify contradicting evidence. The Polish team concentrated on strategizing process, implementation of strategy, barriers for cooperation with community and business actors, coordination of policies.

Section B – collective topic list prepared by the AAU team. The objective of this section was to round off the process of collecting information in the investigated areas and ensure that all partners will pay due attention to some common COHSMO themes.

Time spend discussing section A and section B topics was to be flexibly adjusted to each respondent's scope of competence.

The selection of key policy actors was driven by the objectives of Task 4.12 and 4.13. The process of selection consisted of the following steps: i) each researcher involved in preparation of D4.4 and D4.5 drew a list of policy actors necessary to supplement and challenge discourse analysis, ii) regional policy actors and specialist were identified to provide more holistic outlook and upper-tier background. Ultimately, a total of 15 interviews were successfully completed, including 6 with regional actors.

There were mostly two researchers conducting the interview, although sometimes there was only one researcher involved. Every interview was followed by a short note written by the interviewer. Transcriptions and recordings are stored according to a procedure approved by the Committee of Ethics.

2 Presentation of cases

Poland is a European Union country located in Central Europe, covering an area of 312,695 square kilometers. With over a 38,4 million people, Poland is the sixth most populous member state of the European Union. Almost 5% of the entire Polish population lives in Warsaw – the largest Polish city in terms of both area and population (see table 2.). The largest cities in Poland in terms of population, apart from Warsaw, are in turn: Kraków, Łódź, Wrocław, Poznań and Gdańsk.

Table 2. Basic information about Poland

Indicator	Poland
Number of inhabitants (2018)	38 411 148
Size in km2 (2018)	312 695
Name of largest city (2018)	Warsaw
Number of inhabitants in largest city (2018)	1 777 972
Size of largest city in km2 (2018)	517
Proportion of rural population (2018)	39,95%

Source: Statistics Poland

From the perspective of COHSMO project and its key themes three additional characteristics are worth mentioning:

Firstly, **segregation** issues related to ethnicity are practically non-existent in Poland. Due to new state borders which emerged as a consequence of peace treaties after the WW2 and post-war expulsions, relocation and repatriation, the population of Poland became extremely homogenous. In the investigated Pomerania region there is an ethnic group with their own language and distinct culture – Kashubians (*Kaszubi*), yet, the majority of Kashubians consider themselves Poles. Therefore segregation resulting from ethnicity or nationality can be considered a very recent phenomenon related to job migration (mostly from post-soviet countries). The biggest group of migrants comes from Ukraine – their number as for the end of 2017 was estimated at 900 thousand.³

Secondly, **economic crisis** of 2007/2008 did not cause significant damage to the Polish economy as compared to other European countries. Therefore austerity measures did not come up as an important theme during the interviews, though the phenomenon of increasing local government debt along with falling operating surplus can be generally observed in Poland as one of the effects of the financial crisis (Surówka 2014). Interestingly, austerity measures turned out to be a concern for the future due to uncertainty about 2021-2027 EU budgeting, costly reforms of education system and changes in Polish tax legislation.

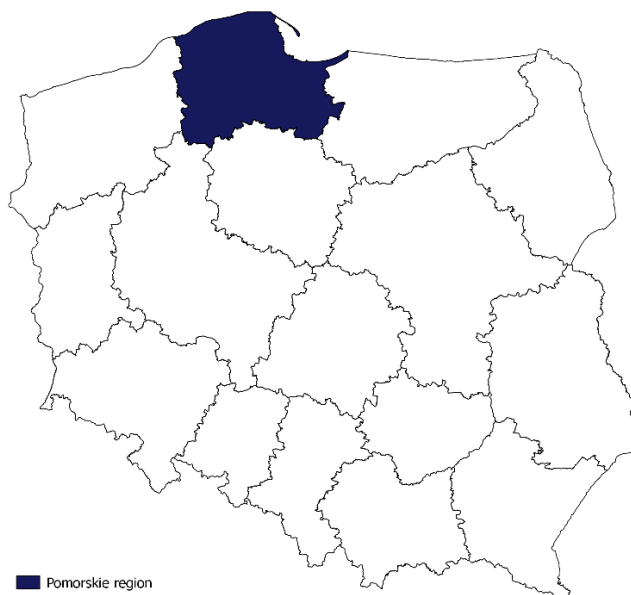
Thirdly, when considering **labour market situation** one needs to bear in mind that in the recent years Poland has enjoyed very low unemployment rates. Since 2012 the registered unemployment rate has fallen by 7,6 percentage points to 5,8% in 2018. Nowadays deficiency of qualified workforce rather than lack of jobs is the problem for Labour Offices. Therefore information about decreasing unemployment in the investigated localities should be considered in a broader, national context.

³ <https://www.osw.waw.pl/pl/publikacje/raport-osw/2018-10-17/migracje-z-ukrainy-do-polski> (access: 21.11.2019)

2.1 The region

The selected region for the study is Pomerania (*województwo pomorskie*). It is one of the 16 regions in Poland, located in the Northern part of the country, on Baltic sea shore (see map 1.).

Map 1. Location of Pomerania region in Poland



Source: Own elaboration

It consists of 123 municipalities and over 2.3 million population, most of whom live in the urban areas. Its entire territory covers 18,310 km², equal to 6% of Poland's whole territory. The biggest city in the region is Gdańsk, which is also the region's capital and core of a so-called "Tri-city" agglomeration, composed of two more central cities – Gdynia and (smaller) Sopot located in between the two larger cities. The presence of a prosperous and developing metropolitan area was one of the main reasons behind the selection of the region for the COHSMO study. The Pomerania region is also characterized by a very affluent coastal zone with highly developed tourist function and on the opposite side – peripheral zone with high unemployment, domination of agricultural functions and stagnating economy. When it comes to spatial disparities it is worth mentioning that in Pomerania standard deviation of the hardship index⁴ measured for each municipality is the third largest in Poland (after Mazovia with capital city in Warsaw and Western Pomerania with capital in Szczecin).

Looking at the traditional industries of the region, the Pomerania region's industries are mostly connected with the sea and cover shipbuilding, petrochemical, food, pharmaceutical, cosmetic, electromechanical, construction, wood and furniture industry, transport, port services and tourism. At

⁴ The index based on following variables: personal income of residents, unemployment, level of education, housing conditions and demographic dependency ratio.

the end of 2018 the registered unemployment rate in the whole region was 4.9% (5th best rate out of 16 regions), but on a county level it varied from 1.8% in Sopot, 2.4% in Gdynia and 2.6% in Gdańsk (all the three cities form the so called Tri-city) to over 12.5% in the two neighboring peripheral counties in the region (*powiat malborski* and *nowodworski*). As regards the most important indicators, the Pomerania region's GDP in 2017 stood for 5.8% of the national GDP and in the same year the GDP per capita was 67% of the EU average in PPS terms (the region was 5th in the rank of 16 Polish regions in this respect)⁵. The region has the fourth largest intra-regional disparity in GDP per capita in Poland (Sagan, Masik 2014). Pomerania is divided into 5 NUTS-3 regions, and their position in the ranking of GDP per capita vary from 7th (the case of Gdańsk metropolitan core) to 60th (Chojnice sub-region) among the total number of 72 Polish NUTS-3 regions (as of 2017). However, taking into account the whole Pomerania region, it belongs to the seven economically strongest regions in the country (Sagan, Masik 2014).

In terms of human and social capital, the Pomerania region is also among the top Polish regions. This resounds both from strategic documents and from various researchers studying the case (see for example: Sagan, Masik 2014). The region has excellent conditions – there is very high number of social organizations in the region and inhabitants are considered to be very active, both socially, politically and entrepreneurially. Which would also be consistent with the cases we have examined (see following sections). However, Sagan and Masik stress that this is not fully used by authorities in development of the region.

⁵ <https://ec.europa.eu/eurostat/documents/2995521/9618249/1-26022019-AP-EN.pdf/f765d183-c3d2-4e2f-9256-cc6665909c80> (access: 21.11.2019)

Table 3. Basic information about Pomerania region

Indicator	Pomerania
Number of inhabitants (2018)	2 333 523
Size in km ² (2018)	18 321
Proportion of 0-17 years (2018)	19,6%
Proportion of 18-64 years (2018)	60,3%
Proportion of 65 years or older (2018)	20,0%
Proportion of women (2018)	51,3%
Old age dependency ratio (2018)	33,2%
Net-migration (2018)	5071
Natural population change (2018)	1,76
Population density (2018)	127
Average available income per capita in households (2018)	407,71 [EUR] ⁶
Proportion of employed individuals working in the primary sector (2018)	7,1%
Proportion of employed individuals working in the secondary sector (2018)	31,5%
Proportion of employed individuals working in the tertiary sector (2018)	61,4%
Registered unemployed persons in per cent of employed persons (2018)	4,6%
Income poverty rate* (2018)	11%
Proportion aged 15-64 with master's degree as highest attained level of education (2011)	19,2%
Proportion of aged 30-64 with primary education as highest level of education (2011)	11,9%
Proportion of aged 25-64 with lower secondary education as highest level of education (2018)	8,2%
Proportion of men aged 13 and higher with primary education as highest level of education (2011)	7,3%
Proportion of women aged 13 and higher with primary education as highest level of education (2011)	10,0%
Pre-school enrollment rate (%) (2018)	83,5%
Name of largest city (2018)	Gdańsk
Number of inhabitants in largest city (2018)	466631
Size of largest city in km ² (2018)	262
Proportion of rural population (2018)	36,3%

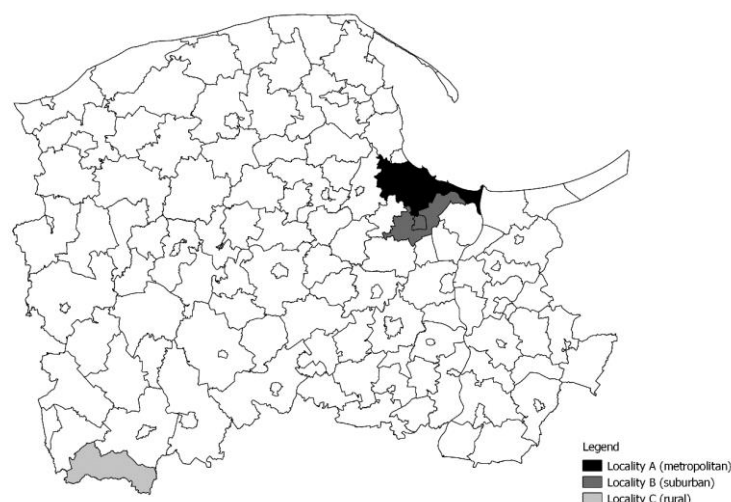
*Income poverty rate - proportion of households in which the monthly income of the household in the 12 months preceding the survey was lower than the value recognized as the poverty line. This limit was set at 60% of the median income of all households in the country. Income poverty rate for whole country in 2018: 13%.

Source: Statistics Poland, Eurostat

The above mentioned Gdańsk is selected by the Polish team as a urban case. Map 2. shows its location within the region, together with the selected suburban and rural locality (all described in the following sections).

Map 2. Location of selected localities within the region

⁶ 1737,54 PLN, converted with the average annual exchange rate for 2018 given by the National Bank of Poland (https://www.nbp.pl/home.aspx?f=/kursy/arch_a.html), 1 EUR = 4,26 PLN.



Source: Own elaboration

2.2 The urban case

Gdańsk is a city selected as the urban locality. It is the capital city of Pomerania region located in northern Poland, on the Baltic Sea shore. It is Poland's 6th biggest city with population of 466,631 of inhabitants. As it was mentioned above – Gdańsk is a part of a large urban agglomeration. Together with Gdynia and Sopot they form a so-called “Tri-city agglomeration”. They cover an area of 414 km² and have total population of 748,986 inhabitants, with Sopot being the smallest (17km² and 36,046 inhabitants). Gdańsk is a municipality with county status which means it holds competences of both municipal and county level. From 2010 to 2018 Gdańsk was divided into 34 districts (as submunicipal units) and in 2018 the city council approved the division of the largest district (Chełm – 50 thousand of inhabitants) into 2 smaller districts (map 3.). All 35 districts have their own authorities (district council).

Map 3. The division of the city to submunicipal units (districts)



Source: www.gis.gdansk.pl

Since 1998, the city was led by the mayor Paweł Adamowicz who was described in Barber's famous book "If Mayors Ruled the World: Dysfunctional Nations, Rising Cities". In his political activity, public speeches and publications Adamowicz emphasized the need for active local communities and during his term of office some innovative social policies and programmes were introduced. In January 2019 the mayor was assassinated during the Christmas charity event and currently the mayor's office is held by his former deputy – Aleksandra Dulciewicz, who declares to continue the vision of the previous mayor. The turnout in Gdańsk in the 2018 local elections was 60,67% exceeding the average for Poland (54,90%) and for the Pomerania region (55,80%). Gdańsk had also the highest turnout among all 5 regional cities where the second round of the local elections took place.

Gdańsk has an important part in Polish historical heritage and is known worldwide as a birthplace of the Solidarity trade union movement, whose opposition to the government helped end the communist party rule in 1989. This and other historical facts (heroic defence of the Polish military depot Westerplatte at dawn of the WW2, anti-government demonstrations in 1970) cause that Gdańsk is often called the city of freedom.

Gdańsk's local economy presents a very good performance when compared to the rest of the Pomerania region. It is attractive for foreign investors (e.g. from Scandinavian countries) who locate here their offshore services centres. The registered unemployment rate for Gdańsk's (2,6%) is much lower than the average for the region (4,9%) and it has been decreasing over the years. The share of the long-term unemployed in the population of working age is 1.1%. Local budget revenues in 2018

were 7050 PLN (1654,26 EUR⁷) per capita (the average for the region was 6874 PLN, which stand for 1612,96 EUR). In this aspect Gdańsk ranks 7th out of 66 cities with county status in Poland. Expenditure in Gdańsk is at 7112 PLN (1668,81 EUR) per capita (the average for region is 6935 PLN, which stands for 1627,28 EUR) and in these terms has 15th place in the same group. Main expenditure in 2018 were: education (27%) and transport (20,8%). 17,2% of all local expenditures in 2018 was spent on capital investments. Gdańsk is a very attractive city for tourists – in 2018 it was visited by over 3 million tourists, which means an increase of 17% when compared to the previous year.

Table 4. Basic information about Gdańsk (urban locality)

Indicator	Gdańsk
Number of inhabitants (2018)	466 631
Size in km ² (2018)	262
Proportion of 0-17 years (2018)	17,5%
Proportion of 18-64 years (2018)	58,5%
Proportion of 65 years or older (2018)	24,0%
Proportion of women (2018)	52,6%
Old age dependency ratio (2018)	41,1%
Net-migration (2018)	1968
Natural population change (2018)	0,50
Population density (2018)	1 781
Registered unemployment rate (2018)	2,6%
Proportion aged 15-64 with master's degree as highest attained level of education (2011)	29,5%
Proportion of aged 30-64 with primary education as highest level of education (2011)	6,2%
Proportion of men aged 13 and higher with primary education as highest level of education (2011)	4,6%
Proportion of women aged 13 and higher with primary education as highest level of education (2011)	7,0%
Pre-school enrolment rate (%) (2018)	92,1%

Source: Statistics Poland

The closeness to the sea makes the city attractive not only for tourists, but also for citizens, which is confirmed in various rankings measuring quality of life in Poland (#1 in 2018 Poland-wide city inhabitants' survey⁸ conducted by a media company) and also by the dynamically developing housing market. The downside to its dynamic growth is that local authorities cannot keep up with the rapidly developing housing with public infrastructure (construction- and finance-wise). Over the last years Gdańsk experienced a slight population growth and is the only city in Tri-city not losing its population.

Moreover, the geographical location of Gdańsk is perceived as one of the most important territorial assets. The seaside location makes it a place that attracts highly qualified employees from country and abroad, who seek a calm place without smog and air pollution to live and work in. The Baltic sea

⁷ All values in PLN in this paragraph have been converted with the average annual exchange rate for 2018 given by the National Bank of Poland (https://www.nbp.pl/home.aspx?f=/kursy/arch_a.html), 1 EUR = 4.26 PLN.

⁸<https://www.gdansk.pl/wiadomosci/gdanskczanie-i-mieszkancy-20-innych-polskich-miast-zadowoleni-z-jakosci-zycia,a,127643> (access: 17.21.2018)

harbour in Gdańsk is not indifferent also for the logistics industry. Social and cultural infrastructure as well as transportation system are also appreciated attributes in the city.

2.3 The suburban case

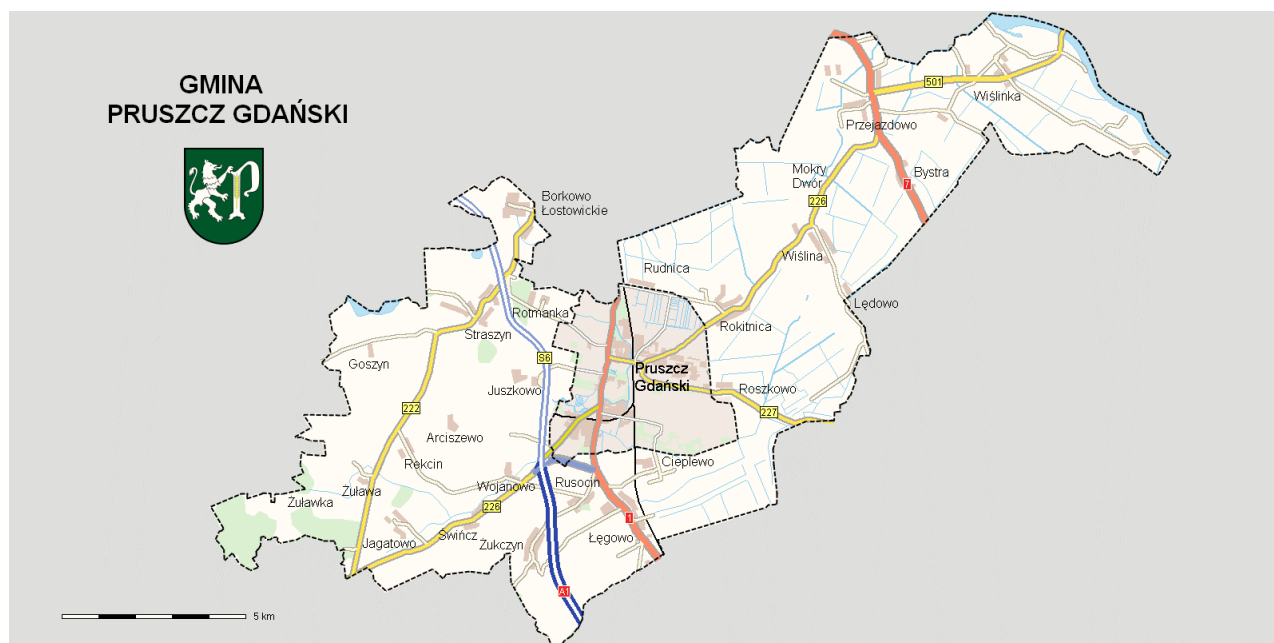
Pruszcz Gdański is Poland's suburban locality chosen for the study. It is located within Gdańsk Metropolitan Area. It differs from other selected COHSMO-localities, as it consists of two neighbouring municipalities – town of Pruszcz Gdański and rural commune of Pruszcz Gdański, which surrounds the town from East, West, and South, forming a so-called “municipality's bagel” (see map. 4)⁹. “Municipality's bagels” are a Polish specificity, not easily found elsewhere and display some dysfunctions related to the dominance of the central town/city as service provider. Both municipalities have a combined population of 61 thousand inhabitants and are functionally related, yet organized as separate local government jurisdictions. We decided that including them both will provide a comprehensive picture of the demographic processes and territorial governance arrangements in the suburban area.

Due to its size (only 16 square kilometres) the town of Pruszcz Gdański is not divided into districts, however, there are some physical barriers dividing the town: railway line, National Route 91 and the Radunia River. The town is also an administrative centre of a county (*powiat gdański*) composed of 8 municipalities and is very well connected to the metropolitan core.

The rural commune consists of considerably dispersed 30 submunicipal units (*sołectwa*). The size and prolonged shape of the municipality makes it devoid of a natural centre. For the time being the authorities of the rural commune reside in the town of Pruszcz Gdański, however, they plan to establish new seat in the nearby Jusków – both for convenience and community-building reasons. Each of 30 submunicipal units has its own sub-municipal council and a village head (*sołtys*). Sub-municipal councils have some discretion in spending the fund for small local investments as well as advisory competencies which are exercised during monthly meetings with the mayor. A visible division resulting from the morphological conditions of the terrain is a distinctive feature of the rural commune. The western part, located on the height and adjacent to the town is much better equipped in the infrastructure, with fast-developing residential areas and dominance of industry, services, and commerce. It is more populous and generally richer than the Eastern part. The Eastern part, which is located much lower (some below the sea level), near the Vistula river estuary, has rich soil and an agricultural character. This natural division marks a border between two sociologically different populations. Meeting the needs and expectations of these groups of residents poses a challenge for the local authorities.

⁹ To avoid confusion the town of Pruszcz Gdański will be farther on referred to as “town” and Pruszcz Gdański rural commune” - will be farther on called “commune” in this document.

Map 4. Town and rural municipality of Pruszcz Gdański



Source: www.pruszczgdanski.pl

Over the last years both parts of the chosen locality have been constantly growing due to the intensive suburbanization, but – what should be emphasized – the rural part faster than the town. Over the past 15 years, the rural municipality has almost doubled its population (from 15,737 in 2003 to 30,232 in 2018). In these years both municipalities increased by 22,186 inhabitants jointly, which is an increase of almost 57% (from 38,924 in 2003 to 61,110 in 2018). The fast development of the locality is closely related to the rapid development of the Gdańsk metropolitan region. While there is no formal administrative dependency between the city of Gdańsk and surrounding local governments, there are several signs of inter-municipal cooperation in the metropolitan region. For example under Integrated Territorial Investments (ITI), which can be implemented thanks to the functioning of the Gdańsk-Gdynia-Sopot Metropolitan Area, which is an association aimed at harmonious development of all member municipalities. Surprisingly, despite the seemingly strong territorial connection between two local governments of Pruszcz Gdański, interviews and analysis of strategic documents and programmes showed that the relations between them do not play a key role in governance and creating policies.

Both local governments have had a stable leadership. The same mayors have been in office since 2002 when the direct election of mayors was introduced in Polish local governments. Janusz Wróbel, the mayor of the town of Pruszcz Gdański represents the Civic Platform – a parliamentary right-liberal party. He won the recent local elections (2018) with 83,5% of the popular vote (having one competitor). He improved his result from four years ago, when he won nearly 80% of the vote, however, this time Janusz Wróbel did not run from the Civic Platform list – although he remains a member of this party – but from his own committee "Common Town" (*Wspólne Miasto*). It seems that high election results go hand in hand with the perception of the municipality. In the ranking of

the best local-governments¹⁰, which is collecting points from various categories, e.g. regarding the quality of the management, the town ranks 13th out of 864 urban and urban-rural municipalities. Magdalena Kołodziejczak, the mayor of rural commune represents a local independent list (Common Municipality of Pruszcz Gdański, *Wspólna Gmina Pruszcz Gdański*) and in the recent election received 59,27% of the popular vote (having two competitors). In both units, the election turnout was very similar. It was 55.40% for the town, and 55.93% in rural commune.

Table 5. Basic information about Pruszcz Gdański (suburban locality)

Indicator	Pruszcz Gdański (town)	Pruszcz Gdański (rural commune)	Pruszcz Gdański (combined)
Number of inhabitants (2018)	30 878	30 232	61 110
Size in km ² (2018)	16	144	160
Proportion of 0-17 years (2018)	21,9%	24,6%	23,2%
Proportion of 18-64 years (2018)	60,1%	62,7%	61,4%
Proportion of 65 years or older (2018)	18,0%	12,7%	15,4%
Proportion of women (2018)	52,5%	50,7%	51,6%
Old age dependency ratio (2018)	30,0%	20,2%	25,1%
Net-migration (2018)	247	757	1004
Natural population change (2018)	6,52	9,54	8,03
Population density (2018)	1 875	210	382
Registered unemployed persons in the working age population (2018)	2,2%	2,2%	2,2%
Proportion aged 15-64 with master's degree as highest attained level of education (2011) [county level]	19,8%	19,8%	19,8%
Proportion of aged 30-64 with primary education as highest level of education (2011) [county level]	12,1%	12,1%	12,1%
Proportion of men aged 13 and higher with primary education as highest level of education (2011) [county level]	8,0%	8,0%	8,0%
Proportion of women aged 13 and higher with primary education as highest level of education (2011) [county level]	9,6%	9,6%	9,6%
Pre-school enrollment rate (%) (2018)	95,5%	106,6%	101,1%
Proportion of rural population (2018)	n/a	100%	49,5%

Source: Statistics Poland

The town of Pruszcz Gdański is an important centre of economic activity and is characterized by an absorbent labour market. The location near the seaport and main transportation corridors makes it a particularly attractive location for logistics companies and distribution centres. The main employers among large companies are: LPP (retailing company logistics centre), Poczta Polska (the distribution centre of the national postal operator), Crown Packaging and Smurfit Kappa (international producers of packaging). The largest companies located in the rural municipality include: DGT sp.z o.o., Komers International, Makro Cash and Carry, PPHU Galeon and Tan Viet International. The sector of medium and small enterprises is also relatively strong, both in the town Pruszcz Gdański and in

¹⁰ <https://regiony.rp.pl/ranking-samorzadow-2019-gminy-miejskie-miejsko-wiejskie> (access: 21.11.2019)

the remaining part of the locality. The companies located in the municipalities constitute an important tax base for the local governments – they contribute to the local budget mainly through the shares in the corporate income tax and real estate tax. The indicators of the personal income also place both municipalities among the most affluent localities in the region. Apart from the private sector, an important role is played by the Military Base organized around the large military airport in the town. According to the recent decisions of the Ministry of Defence, the airbase will be developed as a headquarters for the newly formed units of Territorial Defence.

The simplified unemployment rate¹¹ (the share of registered unemployed persons in the working age population) has dropped from 3.6% to 2.2% over the last 8 years. In the Gdańsk county, the registered unemployment rate also fell from 7.8% to 4.1% in 2018 in this period. In 2018, the share of long-term unemployed in the working-age population was on average 1% for both municipalities. Local budget revenues in 2018 were 5170 PLN (1213,12 EUR¹²) per capita in rural municipality, which means that the municipality would be on 538th place in the ranking among all 2478 municipalities in Poland in terms of revenues per capita. The town of Pruszcz Gdański would be higher, as in 317 place with local budget revenues per capita of 5541 PLN (1300,18 EUR). The average for all municipalities in Poland is 4832 PLN (1133,81 EUR).

In both municipalities, the most important resources are favorable location in the metropolitan area of Gdańsk, railway and road communication routes, which give a huge opportunity for investments. The municipal authorities want to make their unit as compact and sufficient as possible for its residents. Problems and challenges of locality are concentrated mostly in upland part of rural commune and they are related to the typical urban sprawl issues.

2.4 The rural case

Debrzno is an urban-rural municipality with territory of 224 km² (see table 6.). It belongs to the Pomerania region, Czluchów county. Debrzno has a peripheral location in the region and is surrounded by four municipalities located in three different regions. The municipality is very distant from larger cities – 160 km from Gdańsk, over 200 km from Szczecin (capital city of West-Pomerania region) and over 140 km from the former capital of the region – Słupsk. It is closest to Bydgoszcz (88 km), which lies in the Kuyavian-Pomeranian region. Debrzno has a very low urbanization rate. The share of farmlands is very high (68%) and urbanized lands cover barely 18%. In 2018 Debrzno had 9078 inhabitants (5102 in the town and 3976 in the rest of the municipality), which accounts for 16.1% of the whole Czluchów county's population. The population density in Debrzno was 41 persons per square km in 2018. The population is decreasing from year to year, which is very typical for Polish small towns and peripheral rural areas.

¹¹ We use this simplified measure because the registered unemployment rate is only available up to the county level in Poland.

¹² All values in PLN in this paragraph have been converted with the average annual exchange rate for 2018 given by the National Bank of Poland (https://www.nbp.pl/home.aspx?f=/kursy/arch_a.html), 1 EUR = 4.26 PLN.

Table 6. Basic information about Debrzno (rural locality)

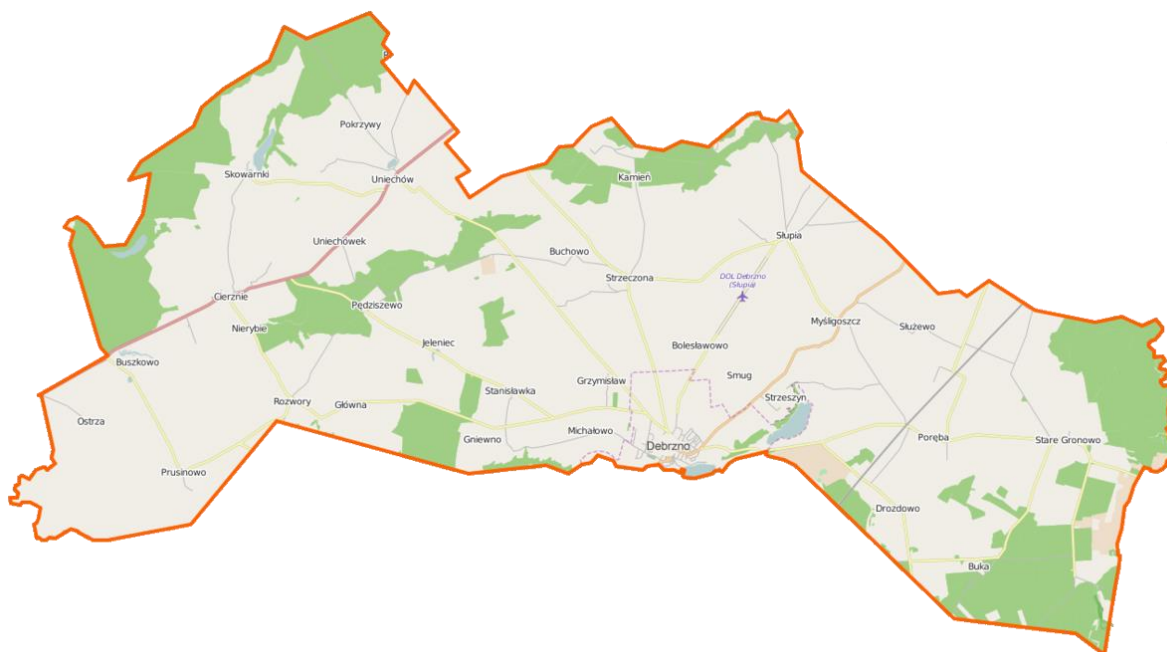
Indicator	Debrzno
Number of inhabitants (2018)	9 078
Size in km ² (2018)	224
Proportion of 0-17 years (2018)	19,5%
Proportion of 18-64 years (2018)	60,4%
Proportion of 65 years or older (2018)	20,1%
Proportion of women (2018)	51,0%
Old age dependency ratio (2018)	33,2%
Net-migration (2018)	-71
Natural population change (2018)	-0,66
Population density (2018)	41
Registered unemployed persons in the working age population (2018)	6,7%
Proportion aged 15-64 with master's degree as highest attained level of education (2011) [county level]	10,7%
Proportion of aged 30-64 with primary education as highest level of education (2011) [county level]	17,3%
Proportion of men aged 13 and higher with primary education as highest level of education (2011) [county level]	10,2%
Proportion of women aged 13 and higher with primary education as highest level of education (2011) [county level]	12,7%
Pre-school enrollment rate (%) (2018)	57,1%
Proportion of rural population (2018)	43,8%

Source: Statistics Poland

The town of Debrzno is the seat of the municipality and is surrounded by sparsely populated rural areas. There are 17 villages with administrative status of *sołectwo* (traditional sub-municipal unit). The villages differ from one another in terms of their size (population from 50 to 700 people), affluence (post state-own farms vs. villages of wealthy farmers and orchards owners), location (situated along main roads vs. devoid of paved road) and availability of public services (schools, kindergartens, regular bus connections etc.). There are two lakes in the municipality and remnants of medieval city walls with an emblematic tower which give Debrzno some tourism potential.

Its mayor, Wojciech Kallas, has held this function since 2014. In the 2014 election, he won over a long-time mayor who had been in this position continuously since 2002 (that is, since the introduction of direct mayoral elections in Poland). Wojciech Kallas competed again with the former mayor in local elections in 2018 and won the election again with support of 71,73% votes. The turnout in Debrzno in local elections was 53.99%, which is slightly below the average for the region and Poland.

Map 5. Debrzno municipality



Source: [wiki.openstreetmap.org](https://www.openstreetmap.org)

The beginning of the 20th century was very favourable for Debrzno's development. Unfortunately, the town was heavily demolished during the war. The economic transformation of the nineties also brought a lot of negative changes for the municipality. Since that time the municipality struggled with dramatically rising unemployment on account of the shutdown of biggest employers – state-owned farms and the garrison. However, the last several years have shown that the unemployment rate is systematically falling in Debrzno. In 2018 the registered unemployment rate in Czuluchów county amounted to 9,8% – it is higher in the region (4,9%) and the country (5,8%). Nonetheless over the 8 years the situation in the county significantly improved. When we look at the simplified unemployment rate in Debrzno itself (the share of registered unemployed persons in the working age population), it decreased from 17% to 6.7% in 8 years. The share of long-term unemployed in the population of working age is at 3.5%. Debrzno's Local Regeneration Program identified the most deprived area of the municipality which is the old, historic centre of the town of Debrzno (the highest level of accumulation of social, environmental, functional and infrastructural problems). However, despite the degraded part of Debrzno municipality is the city center, the highest rate of long-term unemployment and people using social assistance characterizes rural, mainly post-PGR areas.

Local budget revenues in 2018 were 5031 PLN (1180,51 EUR¹³) per capita, which means that the municipality would be on 669th place in the ranking among all 2478 municipalities in Poland in terms of revenues per capita (average for Poland is 4832 PLN, which stands for 1133,81 EUR). Despite the dominant agricultural character of Debrzno, more and more business entities appear in the

¹³ All values in PLN in this paragraph have been converted with the average annual exchange rate for 2018 given by the National Bank of Poland (https://www.nbp.pl/home.aspx?f=/kursy/arch_a.html), 1 EUR = 4.26 PLN.

municipality (increase from 682 to 737 per 10 thou inhabitants in 2012-2018). There is also a clear institutional and organizational support for the development of entrepreneurship: two business incubators (one in Debrzno, one in Cierznie), industrial park and the Association of Entrepreneurs of Municipality of Debrzno, established in 2015.

As indicated at the beginning of this section, Debrzno is facing similar problems as other peripheral units in the country. These include depopulation, labour market problems and infrastructure deficiencies. However, a huge resource – distinguishing this municipality from its neighbours, as well as other units of this type in Poland – is the role of the third sector in shaping of local policies. It will be described in more detail in the later chapters.

3 Territorial capital

In this chapter we investigate the concept of territorial capital and its relations with local growth and life chances. Territorial capital can take form of various kinds of assets which the locality can use to its advantage. They may be both material and non-material, natural and man-made. Regardless of the form, activation of the possessed potential is indispensable to convert it into tangible benefits for the community. From the perspective of key local actors and through the lens of strategic documents we analyse how case localities perceive and mobilize their territorial capital. The focus is not only to look into positive interactions between various types of capital, but to identify potential conflicts as well. Following the typology of territorial capital proposed by Servillo et al. (2012) we analyze six categories: environmental (e.g. landscapes, natural resources), antropic (man-made, including infrastructure, buildings etc.), economic (companies, business clusters, labour market, entrepreneurship), human & social (education, diversity, social networks), institutional (democracy, participatory processes, efficiency of the system) and cultural capital (heritage, historical monuments, cultural activity).

When we look at the territorial assets as factors responsible for attraction and/or retention of population and influencing migration patterns (Servillo et al. 2012) we can see that the selected locations exemplify very common development models: **Gdańsk** being a regional growth engine with stable population figures; the rapidly growing town and commune of **Pruszcz Gdański** representing urban sprawl processes and depopulating, peripheral **Debrzno** which has been losing in the competition with bigger and more attractive urban centres. However, in case of each locality, there is more than meets the eye at the first glance. Gdańsk tries to reconcile economic and social development by introducing innovative community-making policies and broad cooperation with the Third Sector. Although the location in the proximity of Gdańsk is a potent factor for their development, local governments of the town and commune of Pruszcz Gdański strive to build local identity and create endogenous assets and reasons to settle down or stay. On the other hand Debrzno – against all odds, despite its disadvantaged geographic location, difficult transformation legacy and unfavourable general demographic trends – struggles to reverse negative net migration figures, improve its local economy and ameliorate life quality with impressive adaptability and drive for innovative solutions (often based on EU funding stimuli). In this chapter we will analyse in detail territorial capital of the investigated municipalities and put forward some generalized patterns of

interaction between mobilization of territorial capital and local development. Nevertheless, due to the differences between the three localities: in their history, characteristics, assets and resources to use them, the conclusions need to be nuanced to reflect these dissimilarities.

It is also important to remark that two types of territorial capital, namely social/human capital and institutional capital play a special, double role in our analysis. They are simultaneously territorial assets and preconditions and catalysts of mobilization of other kinds of capital. Owing to their close link to the notion of collective efficacy they form a bridge between this and subsequent chapter.

3.1 Territorial problems and advantages in each case

3.1.1 Urban case: Gdańsk

We observe that Gdańsk has strong assets in all six categories: environmental, antropic, economic, human & social, institutional and cultural capital.

In the opinion of the interviewees Gdańsk's **geographic location** is one of its main assets. There are several components of this environmental capital. First, it is city's coastal location which brings many positive consequences for economy, quality of life and perception of the city. The closeness to the sea makes the city attractive for citizens as well as for tourists. Baltic sea harbour makes Gdańsk a perfect location for logistic industry. The proximity of the sea increases air circulation, and because of that Gdańsk avoids problem of smog and air pollution, which is very visible and debated in many other Polish cities. The city is perceived as *clean, safe and open* (GD_BUS_64, entrepreneur).

The **historical legacy** also provides Gdańsk with advantages in terms of cultural capital that presently accounts for social capital as well. Hanseatic membership, multicultural history and being the birthplace of *Solidarity* movement make people open, engaged and ready to cooperate. Most of today's citizens are newcomers from all over the country, so they are in general hospitable for other people. The diversity and openness of a port city encourages innovation, thinking outside the box, searching for solutions. As declared in the Development Strategy: *"for centuries, openness, and free movement of people, goods and ideas have been an invariable constituent of the foundations for the development of Gdańsk"* [GDAŃSK 2030 PLUS]. It is different as compared to more conservative, settled communities (such as Cracow) where the solutions are based on traditional approach (e.g. GD_PUB_06, GD_PUB_01 – local officials).

Another type of capital which is given rather than earned is its **metropolitan position and function** in the region. The population in the area is rather dense, and Gdańsk forms the core of the Tricity Metropolitan Area (comprised of three cities: Gdańsk, Gdynia and Sopot) which is surrounded by several prosperous satellite municipalities. It is a broad and fast developing market, which creates favourable environment for business sector. The proximity of municipal and regional authorities facilitates multilevel governance and make them more accessible for companies based in Gdańsk (GD_BUS_11 – entrepreneur). Metropolitan function which is a mixture of historical circumstances and environmental assets has been in lively interaction with economic capital.

The city is also well-equipped with **antropic capital**: there are **good connections** within the metropolitan area thanks to metropolitan railway network (however, there is still a deficit of transport connections in south-western outskirts of the city). Gdańsk is easily accessible by air, motorway, train and sea. Fast train connection links Gdańsk with the capital of the country within less than 3 hours. The city conducts the policy of sustainable transport – develops pedestrian and cycling paths (not only for recreation but for transport as well). Almost all respondents emphasized a **significant improvement** in terms of technical and social infrastructure over last 10 years – above all thanks to EU funds. The city has changed so much over decade, that most of the respondents assess infrastructure development as sufficient as for today's needs. Gdańsk has become a city with high quality of living (#1 in 2018 Poland-wide city inhabitants' survey¹⁴ conducted by a media company), it develops in a most favourable way, *there are good living conditions here* (GD_COM_14, NGO representative), *Gdańsk is the best place to live in* (GD_PUB_17, local politician).

The city is well equipped in **tourist infrastructure** of hotels and restaurants and there are still new investors coming in. This is coupled with great **cultural and entertainment offer**: the historic centre and some new attractions such as European Centre of Solidarity, Museum of WW2, Shakespearian Theatre and a world-class stadium.

The city has **high economic capital**. Gdańsk and its metropolitan area attract people from less-developed regions as a big labour market. It attracts people from all over the country, especially from the neighbouring regions (Warmian-Mazurian, Kuyavian-Pomeranian), but also from abroad. The city itself is characterized by very low and decreasing unemployment rate (lower than 3%). The salaries and wages in Gdańsk are relatively high. For business the most important advantages offered by the city are the scale of local and regional market, the presence of Vocational Education and Training (VET) infrastructure, business centres and technology parks, good cooperation with the city authorities and generally speaking a positive image of Gdańsk.

In terms of **institutional capital** we should mention the open and supportive attitude of the City Hall towards the cooperation both with business and the Third Sector. The municipality allocates large funds to support local NGOs (according to the opinions of the NGO themselves, e.g. GD_COM_16). In contacts with representatives of the Third Sector officials are helpful, proactive and engaged in their work – the quality of this cooperation is definitely above average in Poland (GD_COM_14, GD_COM_16, NGO representatives). The city is also appreciated for high level of innovation in social policies. Some examples of pioneering programmes or progressive approaches will be described in *Collective efficacy* and *Territorial capital* chapters. In addition, Gdańsk is a project leader in “Boosting social innovation project” BoostINNO under the auspices of European URBACT programme – an initiative aimed to “*to improve the capacity of cities to manage sustainable urban policies and practices in an integrated and participative way*”¹⁵

¹⁴<https://www.gdansk.pl/wiadomosci/gdanszczanie-i-mieszkancy-20-innych-polskich-miast-zadowoleni-z-jakosci-zycia,a,127643> (access: December 17th 2018)

¹⁵ <https://urbact.eu/urbact-glance> (access: December 13th 2019)

It seems that interviewees do not perceive their city through the prism of problems, but rather opportunities. It usually took most of the informants a while to indicate difficulties the city was facing. Neither the main strategic document – GDAŃSK 2030 [GD_001] – indicate any specific or serious socio-economic problems to be solved. The most frequently mentioned challenge for Gdańsk is **to find a way to keep the city developing**, not to slow down. Referring to the classic classification of urban regimes by Stone (1989) Gdańsk remains the development regime. Facing the fact that the flow of EU money will slow down in a few years, the absorption and good usage of EU funds in the current budget perspective for 2014-2020 is important. *It is a challenge to use these funds quickly and efficiently* (GD_PUB_04, local official).

Local labour market is one of the top priorities for local authorities. To keep the economic growth going Gdańsk needs skilled workforce. In the face of low unemployment rate local government's Labour Office has reoriented its policy from "fight against unemployment" towards "an agency supporting employment". The deficit of employees is to large extent filled by migrants from Ukraine. Gdańsk Labour Office actively recruits people abroad (in Ukraine, Moldova, Russia etc.). The city also has to keep attracting "creative class" (Florida 2003) to cater the needs of new business in industries such as IT, engineering, services etc. To deal with this goal, it needs affordable housing (e.g. apartments for rent in good standard) for young people. They should also offer high quality office spaces and broad scope of high quality services for citizens from demanding top segments of high-tech staff. As explained by one of entrepreneurs:

If a Frenchman or an Englishman or someone else comes to Gdańsk with their family to be a manager in LPP or other company, they need an appropriate infrastructure to live. They ask: where is a school which lectures in English? We need to have it. They later say: My daughter has just graduated from the secondary school. She wants to study. Which university has an English division? (...) Is there a good concert house here? (...) A theatre? [GD_BUS_64 – business actor].

This indicates the increasingly important role of soft locational factors as decision drivers for companies (Trip 2007) and individuals (Clark et al. 2002). Although Gdańsk has already a good infrastructure for living and leisure, it cannot rest on laurels taking into consideration its ambitions of transgressing the regional or even national scale (attracting more foreign investors and hosting the headquarters of some well-known international NGO). In consequence, local authorities need to **ensure social cohesion** in the face of demographic changes, enable influx of immigrants and facilitate their problem-free adaptation. Currently Ukrainians are the most noticeable group of immigrants, however, the measures the city takes are broader and of preventive character. One of the examples is *Model of Integration of Migrants* – the first document of such kind in Poland. It was drawn in response to the increasing number of migrants coming to live in Gdańsk with the objective to facilitate their cultural and social integration, counteract violence and abuse, increase the awareness of their rights and enable problem-free use of public services (thanks to immigrant-friendly procedures and officials trained to work with foreigners). The document was prepared by 150 experts and stakeholders representing 70 public institution and non-governmental organizations. It formulates seven areas

(such as education, local community, health, housing, work, violence and discrimination) in which the city will cater for the needs of immigrants¹⁶.

Fast economic development has resulted in an increased **urban sprawl problem**. It occurs in metropolitan scale, as well as within city borders. The number of newly built apartments is comparable to the largest cities in Poland and so are the problems with introducing appropriate legislation that would make developers co-responsible for public infrastructure in these districts. A vast proportion of new apartments was constructed in the previously sparsely populated areas behind the Tricity bypass. Therefore they are physically separated from the rest of the city and its infrastructure. Furthermore the design of new districts do not encourage social integration in the neighbourhoods (e.g. very little public spaces) populated mainly by young people working hard to pay back the mortgage. As framed by one of the interviewees:

“People sleep, go to work, sleep, go to work – they are not interested in their surroundings. They do not engage, they do not identify themselves with this new neighbourhood. And what will happen with it, when it gets older? Nobody will care about it.” [GD_PUB_09 – local politician)].

In order to keep the city developing, local authorities need to elaborate well prepared and broadly discussed **land use plan and to catch-up fast city development with public infrastructure and services provision** (e.g. GD_PUB_10, GD_PUB_01 – local politicians).

Last but not least, there are also some disturbing demographic processes such as **ageing of population**. Despite the fact that social structure of the city is in general favourable comparing to the country average, the problem of aging has already been noticed by higher-rank local politicians and officials specializing in social problems. The first group perceives aging as a multifaceted phenomenon which poses challenges for both labour market and social care institutions. The officials concentrate on providing social & health care and activation of senior citizens. However, the reorientation of local policies is rather slow and perceived more as a future challenge than a driver of today's strategic choices: *Perhaps one day we will build more homes for elderly people instead of new transport connections* (GD_PUB_01, local politician).

3.1.2 Suburban case: the town and commune of Pruszcz Gdański

As already mentioned the locality of Pruszcz Gdański is heterogeneous. There are three main dimensions of its complexity: administrative, geographical and socio-cultural. Firstly, the locality is divided in two separate local governments – a town and a rural commune which administer their territories independently, freely engaging (or not) in inter-municipal cooperation with each other. Secondly, there is a specific landform of the area – division into lowland and highland part which coincides with type of settlements and economic activity profile (agrarian vs. urban-industrial). This constitutes differences in the challenges the two municipalities are facing. Thirdly, the town of Pruszcz Gdański and the upland part of the rural commune (especially areas adjacent to Gdańsk) are

¹⁶ <https://www.gdansk.pl/download/2016-06/75797.pdf> (Access: December 13th 2019).

strongly urbanized in terms of land use and lifestyles of their residents, whereas Żuławy (the lowlands) have retained their rural specificity.

The **location near Gdańsk**, on the **major transport routes** is the most important resource of the locality. Pruszcz Gdański has **vast investment areas**, special economic zones, the construction of which is still underway. Thanks to suburban location the population over last 10-15 years has more than doubled. In the rural commune **varied landscape** with potential for active tourism and leisure opportunities forms part of environmental capital.

The antropic capital is also ranked high (including technical, educational and cultural infrastructure). Although the rapid increase in population size requires constant development of **infrastructure** (roads, school, kindergartens etc.), the current situation is assessed generally positively. Education is what many of the interviewees are proud of. *We have fantastic schools. For many years, the commune's policy has been focused on educational and cultural institutions [PG_COM_38]. Schools are in very good shape with extended sports facilities and high level of teaching* – she said. The number of places in nurseries, kindergartens and schools is currently sufficient (considerable proportion of them are provided by private entities, but parents receive vouchers to cover some of the expenses). Especially the town of Pruszcz Gdański – which has a more compact structure – can boast that *the specificity of Pruszcz Gdański is that it has everything [PG_PUB_27]* and this *everything* (including shops, sport centres, schools, swimming pools etc.) is very accessible thanks to free transportation within the city limits. Despite general satisfaction with the level of public services provision in the rural commune, the situation in sparsely populated areas is of course less favourable. Some villages still lack sewage system, paved roads or regular connections by public transportation (though the municipality organizes collective transport to all villages).

The main challenge for the locality results from the rapid growth – especially in the rural commune where the population soared from 13,000 in 2002 to 30,000 presently. **Making the infrastructure catch up with the development** and finding internal and external (mostly EU) sources to finance the necessary investments is one thing. Another is **building identification with the place** and supporting the integration of the newcomers. We can indicate several dimensions of this challenge. For the rural commune it is important to integrate the citizens of the urban and agrarian parts – very different in their attitudes, level of rootedness and lifestyle:

These ones are city slickers, they want to have pavements cleared of snow till barren ground in winter and flowers planted. The others – as farmers – have different needs: melioration (...) and anti-flooding protection is something vital for them. [PG_COM_35 – NGO representative].

In case of the town of Pruszcz Gdański the focal point of integration and identity building has evolved. At first the emphasis was on uniting the eastern and western part of the town divided by the railway line (with the eastern part visibly underdeveloped) and creating attractive public space and central point of the municipality which had been absent in the urbanistic arrangements. With this objective achieved, attention was shifted to place-relatedness. In the utterances of key politicians there is a clear aspiration to be something more than a dormitory of Gdańsk:

We want to create a “compact city”, so that these new residents needn’t flee anywhere and could see it is great right here, that they can go to the theatre, that there is sports and cultural offer and the city is well connected (...). We want the newcomer to quickly develop a bond with the town and feel this attachment [PG_PUB_24 – local politician].

Another important challenge is **further development of roads and public transport**. Locality, and the town in the first place, has a transit character. Filling the gaps in road network, building more parking lots (park+ride) and cycling routes to encourage multimodal transport and reduce traffic are crucial, especially in the face of the constant construction of new housing estates. This objective is being realized with the means of Integrated Territorial Investments within the metropolitan area. The final elements of the transportation integrated hub should be in place till 2020. However, resuming the suburban train connection (SKM) remains a missing link and its operator – Polish State Railways (PKP) – is beyond local jurisdiction.

The needs related to water supply, gas supply and waste disposal are mostly met. But it is difficult for local authorities (especially in the rural commune) to predict the rate of growth and demand for various types of public services [PG_COM_28]. The challenge mentioned by one of our interviewees is **updating local land use plans** to prevent the investors from using legal loopholes to their advantage and construct housing estates which are incompatible with the character of the commune and its capacity to provide infrastructure. The identified problems include divergent vision of spatial development, progressing suburbanization – intensification of built-up areas, exploitation of local plan’s imperfections by developers, increasing number of the needed investments and the lack of funds [PG_PUB_21].

Although the majority of new residents are young people and the percentage of inhabitants aged 65 years old or more is far below regional average, locality is no stranger to **problems related with aging**. Problems of elderly people is perceived by local authorities and social activists from the perspective of *carers*. Provision of day-care centres, adequate healthcare, satisfying cultural, educational and entertainment offer are the challenges they mention. Negative consequences of aging population for the labour market are not their concern. On one hand it can result from the specific area of their professional interest (social care, activation of seniors), on the other – from competences and tools ascribed to municipalities. As already mentioned in *Introduction* municipalities in Poland are not responsible for labour market policies. In the particular example of Pruszcz Gdański we can also hypothesize that the proximity of powerful Gdańsk makes the locality generally less concerned about economic growth. The interviews revealed also some recent phenomena – observed not only in Pruszcz Gdański but in Poland in general. Firstly, the problem of EU orphans (children abandoned by job migrants) can be metaphorically extended to seniors as well. Their adult children frequently live abroad and the local government takes over the care over their parents who are left alone. It becomes more important that the typical scope of social service (poverty, homelessness) [PG_PUB_36]. Secondly, we observe a substantial change in lifestyle and expectations of senior citizens which in Western Europe has perhaps occurred much earlier.

We need to think about senior citizens more seriously. I aim to build a senior activity centre in the next 2-3 years. A place where seniors can spend time actively all day long. There will be space for

dancing, playing, having fun. A meeting place as well. (...) Throughout the last decade seniors have become very active. [PG_PUB_32 – local politician].

3.1.3 Rural case: Debrzno

As it comes to the territorial capital, **nature, idyllic landscapes, tranquillity and clean environment** were almost unanimously mentioned as the local assets and reasons which make the municipality of Debrzno a good place to live and spend free time. Along with above-mentioned environmental capital there are also some **places of historical interest** such as the city walls and the town's landmark: the Tower (*Baszta*) which also gave rise to an annual event: the Festival of Witches (in Polish: *Wiedźmobranie*) – boosting the cultural capital. As tourism seems to be the a natural way to utilize these assets, there have been some investments in the **recreational infrastructure** (summer houses, sports facilities, touristic routes, tourist information centre). However, tourism-based development is by no means a low hanging fruit. The interviewees notice the already made investments, nonetheless some of them remark they are still insufficient:

I would say it (tourism) is in its infancy. Let's say we have several, several dozens of accommodations – it's not the kind of (scale of) tourism I have in mind. (...) It's not an enterprise for the next 2-3 years but for the future. And I believe that in town so ecologically clean as ours, there are chances for good tourism. This is the direction. [DE-BUS-60 – business actor].

Furthermore the peripheral location and no distinguishing features against the background of the neighbouring municipalities will make it difficult to place Debrzno in the itinerary of holidaymakers. As framed by another interviewee:

No offence but our tourist potential is 10% of what Rzecznica (a municipality in the neighbourhood) has. We can prepare good PR and sell it in an attractive way, otherwise – no chance. [DE_PUB_43 – local politician]

The second most commonly indicated territorial asset was **human capital**: social activism and dedicated citizens. Some interviewees mentioned local societal leaders, others – generally indicated the potential of young people. The civic engagement is met by an open attitude of the local authorities. Historically, the Third Sector played a vital role in the economic recovery after devastating outcomes of the transformation in the nineties – providing the municipality not only with the acquired EU funds, but know-how and vision of development as well. The leading non-governmental organization – Association for the Development of the Town and Municipality of Debrzno – has been town hall's partner for many years and nowadays when the economic situation is more stable and civic activism more mature the cross-sectoral cooperation continues. An interviewee who works in the Third Sector considered it an important local asset that the local government wanted to listen to bottom-up initiatives. It forms part of the **institutional capital**.

Due to still precarious economic situation of the municipality its economic capital is not mentioned very frequently. The **development of Business Incubator** Cierznie and the newly attracted investor,

however, evoke some hopes for the future. A couple of public and business actors mentioned them as municipality's asset.

The above-mentioned assets are also listed as strengths in SWOT analysis included in the current Development Strategy of the municipality. In addition the document mentions favourable natural and organizational conditions for agriculture (including eco-farming) and availability of biomass as a renewable energy source. Nevertheless, in comparison with the previous Development Strategy (2006-2013) the emphasis laid on agriculture has diminished and the sector has been degraded from being one of the strategic objectives in the development plan with meticulously elaborated strategic actions to a generally framed slogan with no particular operationalization.

Entrepreneurship of the local businessmen needs to be mentioned as an asset at the intersection of economic and social capital. This small municipality has its Association of Entrepreneurs and more sector-profiled Association of Fruit and Vegetable Producers.

Because of the many economic and demographic difficulties Debrzno has been facing since the nineties caused or exacerbated by its peripheral location, it cannot be surprising that naming the problems and challenges turned out to be the easier task for the interviewees. Currently there are here generally three kinds of territorial problems mentioned by the interviewees: infrastructure deficiencies, demographical changes and – to some degree resulting from it – local economic development difficulties.

With regard to **infrastructure issues** the top-of-mind challenge mentioned by the interviewees was finishing a prolonging reconstruction of the main road (under jurisdiction of the regional government) crossing the city centre. Apart from the temporary difficulties which dominated the perception of some interviewees the municipality has more problems with transportation. Importantly the reported problems more frequently referred to the underdeveloped road network – especially in remote rural areas – rather than to limited public transport opportunities. Other infrastructure and public services-related problems were mentioned sporadically and reflected professional interests or life stage situation of the interviewee (e.g. social care for seniors, sports facilities at schools, child care institutions). As it comes to accessibility of public services the interviewees perceived some degree of territorial inequalities – however relatively rarely considered them to be an acute problem. The most frequently mentioned hardship were road connections, but not limited public transport opportunities. The limited network of county bus routes, insufficient frequency and inadequate hours of coach departures have made public transport a tertiary choice, not taken seriously into account or even expected to be improved. People have developed various bypass strategies: using individual transportation, carpooling, travelling with the school-bus. The centralization of public services such as childcare in the town of Debrzno or even in county-capital – Czuluchów is not seen as a problem either. It is justified with the argument of too sparsely populated rural areas and a different women professional activity model in the countryside (more traditional lifestyle, involving staying at home with children). As a result the inequalities are perceived as facts of life and do not evoke much aspirations to ameliorate the standards of public service provision. This approach distinctively deviates from the national discussion and the level of expectations of urban communities. Notwithstanding there are three important points to be made. Firstly, even those who found the current

public transportation sufficient admitted that there are people such as seniors or the poor from state-farm villages that are excluded from the access to some services such as healthcare. Secondly, younger interviewees (in their thirties) were more inclined to expect better childcare services and some less typical infrastructural investments such as bicycle routes to improve safety on the roads. Lastly, it might be the role of the younger generation and the local elites who bring in different mindset and expectations to awake the aspirations in the local community. To some extent it is already happening:

Today I can't imagine there isn't a nursery here. People are so glad. The beginnings were difficult, we couldn't recruit ten children, whereas today there are almost crowds. (...) There are people who think that other solutions will suffice, others are different. Besides the awareness is evolving. If there is such an institution, why shouldn't I use it? The kid will learn something, develop. [DE_PUB_54 – public actor]

The **demographical problems** – interlocking social structure disruptions revolving around depopulation and ageing of the population – seem to be more challenging to solve. The economic transformation in the nineties left Debrzno with the collapse of the local economy and soaring unemployment. With time the lack of perspectives combined with the new possibilities to work abroad resulted in migration and depopulation. The depopulation pertains mostly to the rural areas – especially the post state-farm villages and smaller dwellings. The population of the town of Debrzno is more stable due to migration from the rural part of the municipality.

The migration of youth is generally blamed on limited perspectives offered by Debrzno. Agriculture does not create many jobs and there are few big employers – only the municipal office, schools and chain supermarkets. Furthermore, the capital of the county – Czulchów – is also a rather small and averagely developed city. Some interviewees pointed out that the departure process starts very early due to the lack of a secondary school in the municipality.

The consequent phenomenon is the **ageing** of the population with two important impacts on the local economy. The first one are increasing healthcare needs of the population. There is no old-people's home or on duty ambulance in the municipality. Socio-economic consequences of the changing population structure for the **labour market** are the other kind of impact we can observe. In case of Debrzno the difficult legacy of (bankrupting in early 1990s) State-Owned Farms i.e. high unemployment rate, passive, helpless and dependent on social benefits community is combined with labour force deficiency. The official statistics based on registered unemployment do not reflect the actual labour supply. The long-term unemployed and workers with very low qualifications account for a large proportion of the registered number. Some of the local entrepreneurs have already resorted to the nation-wide solution of employing Ukrainians. Nevertheless, the problem remains casting a shadow over a successful acquisition of a new investor for the Special Economic Zone in a village of Cierznie. We can describe it as a vicious circle: the young leave Debrzno because of lack of prospective jobs and new enterprises do not develop because they cannot find qualified employees.

3.2 Mobilisation of territorial capital across cases

Beginning from the turn of the 21st century the diversity of the European regions, differences in their assets and consequently in their most prospective development paths has been gaining more and more attention in the European discourse and documents (CEC 2007, CEC 2008, CEC 2009). Placed-based policies and mobilisation of territorial capital started to be perceived as vital elements of successful development and enhancement of competitiveness of the given territory. As framed by Bachtler et al. (2016, p. 9):

*The ability of the EU to exploit opportunities and overcome challenges is **place-specific**, contingent on factors such as historical legacies, resources and institutions.*

In this subchapter we will analyse how local assets are mobilized to tackle local problems and make the municipality thrive. We will also observe some negative externalities the chosen development policies entail owing to contradictory interests of various stakeholders (investors and entrepreneurs, local community, new residents, tourists etc.). In some cases they provide a clear exemplification of the strain of economic growth on local communities and territorial cohesion calls.

A short comment on the specificity of each locality needs to be a point of departure for our analysis as the current socio-economic situation (table 7.), material and non-material assets (table 8.) impact the possibilities and strategies of the municipalities.

Table 7. Socio-economic situation of the localities

	Gdańsk	Pruszcz Gdański	Debrzno
10-year population change (%, 2009-18)	2,2	17,4 / 56	-3,9
Unemployment rate (%)	2,6	2,2 / 2,2	6,7
Economic situation – budget revenues per capita (2018)	7050	5541 / 5170	5031
Number of companies per 1 thou inhabitants	10,1	8,0 / 5,4	3,5

Source: Statistics Poland

Table 8. Summary of territorial capital in the investigated localities.

Type of territorial capital	Gdańsk	Pruszcz Gdański – town	Pruszcz Gdański –rural commune	Debrzno
Environmental	+++++	++++	++++	++
Antropic	+++++	++++	+++	++
Economic	+++++	++++	++++	+
Human & social	+++++	+++	+++	++++
Institutional	+++++	+++	+++	++++
Cultural	+++++	+++	++	++

Scale: from +++++ = very strong to + = very weak.

Summing up, basing on the investigated cases we can define at least two situations: (1) territorial capital management under the circumstances of abundance – exemplified by Gdańsk and Pruszcz Gdański and (2) territorial capital management under the circumstances of scarcity – Debrzno. The rural case with its limited assets is a clear example. However, additional differentiation can be made with regard to urban and suburban localities. Both Gdańsk and Pruszcz Gdański seem to face basically similar challenge: to make the growth last and keep improving the quality of living. The difference lays in self-agency. The economic success of Gdańsk seems to depend more on its own actions, while the key development stimulus for Pruszcz Gdański is its proximity to Gdańsk, meaning an asset given from above and hardly controllable. Of course the suburban locality can still be very active in introducing policies which support and enhance the growth, however, this *granted* asset encourages more passive attitude. There is also obviously the difference of scale: the resources of Gdańsk are far richer than these of the satellite municipality.

In general interviewees positively assessed both the way the local authorities handle municipalities' problems and take advantage of territorial assets. Also in the strategic documents we observe convergence of the issues mentioned by the interviewees and considered important by the policy makers. Therefore in the analysis we will focus on *how territorial capital is mobilized* rather than *if it is mobilized*.

The analysis of mobilization of territorial capital will revolve around themes which are essential from the perspective of COHSMO project: economic growth, quality of living and social cohesion.

3.2.1 Agents of mobilization of territorial capital and patterns of cooperation

Local government, non-governmental organizations, entrepreneurs and their associations are the key agents of mobilization of territorial capital. However, depending on the locality their role in initiating, implementing and coordinating the process varies. The specific configuration in each investigated municipality results from a number of factors.

Firstly, it is **power and resources** (financial, organizational and knowledge) possessed by the actors that decide about their presence and salience in the process. The urban case provides an illustration of cooperation between strong partners. Gdańsk is a dynamic and affluent city. As a city with county status, the capital of the Pomeranian Region and core of metropolitan area it holds many functions and prerogatives. In contrast to other municipalities in the research it can shape VET and ALM policies (which are competences of a county) which enables drawing and implementing more holistic development strategies. Gdańsk is also the headquarters of many big Polish companies (such as LPP S.A., Lotos, Energa), business organizations (e.g. Pomeranian Employers, Pomeranian Craftsmen Chamber) and branches of international firms (Intel, ThyssenKrupp and Bayer). The Third Sector is strong as well. There are numerous NGOs registered in Gdańsk oriented for a vast spectrum of beneficiaries and problem-areas. It provides conditions for arena where experienced and powerful actors act together or independently in pursuit of their goals.

Mobilizing and multiplying the economic and infrastructural capital is an example of cooperation between the public and private sector in which the city hall supports entrepreneurs in their business activity with the means of InvestGDA (city-owned company, appreciated by the interviewed business actors for its efficiency) and personal involvement of the mayor or his deputies in meetings with investors. It is worth noting that the strong position of local developers and construction-favouring spatial planning brought the city authorities some criticism, however, resulted in development of housing (approximately 100 thou apartments) and office infrastructure (e.g. Oliva Business Centre). The business sector considers it a success which enabled to “*swing the city into high gear*” [GD_COM_20] despite some externalities for the public services and public spaces. The consequences for the city’s social tissue will be further discussed later in this and subsequent chapters.

Gdańsk provides also examples of extensive cooperation with non-governmental organizations. One which seems to be especially worth mentioning from the perspective of life chances and public services provision is “outsourcing” childcare and social care to NGOs. NGOs as quasi-public agents are specially active in childcare in districts that suffer from deficiency of infrastructure. The cooperation with NGOs and non-public child care institutions enabled to solve the problem of shortage of places in kindergartens. These organizations *know the procedures very well* (GD_PUB_04, local official) and also actively participate in formulation and consultation of specific local policies. NGOs have significantly contributed to solving the problem of uneven access to public services. The interviewed foundation alone provided 850 places for children last year and this year has added 350 more (which in total accounts for 12% of all places in kindergartens in Gdańsk). Similar cooperation is planned with regard to extension of the network of nurseries. The delivery of

childcare services is one of the examples of successful cooperation: the city specifies its needs and NGOs provide an action plan and look for funding (EU funds, central government funds). The city authorities emphasize good quality of this cooperation and high professionalisation of the NGO. Using Arnstein's (1969) ladder of participation, it is close to partnership or even delegation step.

A very different configuration of power can be found in Debrzno. The transformation in the nineties swept away its economic pillars: the State-Owned Farms and the garrison and the local economy is still recovering. The Third Sector turned out to be the strongest and most proactive actor in mobilizing territorial capital and preparing development strategy for the future. Initial determination of the local societal leader, founder of the biggest and most influential local NGO which with time was coupled with growing knowledge, experience and skilled staff shifted the power to plan and implement development strategies towards the Third Sector.

At the background of very vivid examples of Gdańsk and Debrzno the suburban case does not seem to distinguish itself. In both rural and urban municipality business and community actors seem to have far less significance and the strategic actions seem to be more focused on life quality rather than economic growth. As for a smaller locality their resources are of course more limited, however, it also seems to result from the fact that the economic success of Gdańsk is enough to attract investors to Pruszcz Gdański. Therefore the location seems to have a more internal focus on its citizens and building their identity. The Development Strategy of Town of Pruszcz Gdański confirms our observations from interviews. It formulates a vision of the locality and its mission: a town complying with sustainable development principles and providing its citizens with safety and life enjoyment. The vision concentrates on high life quality, integration within the city and connection with the metropolis. A selective approach to new investments (not disturbing for the citizens, mostly logistics and new technologies), preference for one-family housing, efforts to join the two parts of the town divided by the railway line and create a bustling city centre – reveal the future picture of suburban town with a distinct local identity. Furthermore we observe an increasing emancipation from Tricity – at least in the verbal framing of the strategy. In the initial document the authors explicitly pointed out that in the modern world big metropolises are growth engines, therefore Pruszcz needs to align its strategy with Tricity for the mutual benefit. The drive for self-sufficiency was far less pronounced as compared with the updated document and last year's utterances of the town's officials ("complete, compact city" [PG_PUB_24]). Hence, including the broader time perspective reinforces our observation that Pruszcz Gdański – even if actually dependent from Tricity in its development – has been developing aspiration to become something more than just a satellite city.

3.2.2 Beneficiaries of mobilization of territorial capital

The process of mobilization of territorial capital apart from boosting local economy, producing better infrastructure and generally enhancing territorial attractiveness can also have negative externalities for certain groups and sectors. *"Territorial attractiveness is not an undifferentiated concept with regard to all categories of citizens or for all possible target groups"* (Servillo et al. 2011, p. 359) and therefore it can create social tensions. The clashes can occur as a consequence of differences in needs and preferences between tourists, investors and residents, newcomers and rooted citizens,

different industries operating in the same area etc. The more multifunctional the territory, the more potential conflicts can emerge as a result of mobilizing specific types of territorial capital.

Gdańsk provides the greatest number of such examples. In general development of tourism is perceived as a positive process. However, the enhancement of city's appeal for tourists boosts housing industry and in consequent it pushes regular citizens out of the city centre because of increasing demand for apartments for short-term rental. Secondly, it has a negative impact on the social cohesion, because there are neighbourhoods which are crowded in high touristic season and become almost empty during the winter. Another aspect of this problem is an increase in rental prices in the city centre and some districts located by the coastline. At the same time affordable housing is an indispensable condition for attracting workforce so much needed for the further development of the local economy.

One of the respondents representing the business sector [GD_BUS_20] pointed out another vicious circle of housing development. Experience of previous investments shows that weak coordination of construction plan with broader city spatial planning policies resulted in a deficit of space for public infrastructure and accusations of excessive support for developers. At the same time the focus on construction and housing produces a strong demand for continuous infrastructure investment (kindergarten, medical care etc.), especially in transportation network in those areas, and some claim that it contributes to the lack of funding (and lack of attention of city government) for older housing areas in the areas closer to historical centre. On the other hand new investment in the city centre trigger gentrification of poorer neighbourhoods and yet another social tension.

Conflicts resulting from growth and mobilization of various kind of territorial capital take place also in the suburban and rural localities, though at a smaller scale. In Pruszcz Gdański the influx of citizens means new tax payers but also the necessity of infrastructural investments (roads, schools, kindergartens). According to local officials the pressure is not only on increasing the numbers but on improving the quality as well – sometimes to meet inadequately high standards.

As far as Borkowo [one of the villages] is concerned, the newcomers are very demanding. «We have come from Gdańsk and we must everything». Though in fact they didn't always have it [such services] – we know in which districts they used to live. It's a kind of testing, later they blend in - [PG_PUB_22 – local official].

The problem of newcomers with high and costly expectations, not rooted in the municipality is one of the gravest concerns of the local authorities. Interestingly, the rural commune which has experienced an especially dynamic increase in population size now plans to limit its demographic development (up to 35 000 of inhabitants) and is starting to modify its land use plans to moderate housing investments – as revealed by one of policy actors [2_PG_PUB_07 – rural commune].

In the rural case locality presently there are no significant social conflicts resulting from mobilization of different types of territorial capital. Some respondents remarked, however, that in the future some development paths can turn out to be conflicting. If the flagship project of the municipality – Cierznie Business Incubator – is very successful, industrialization of the area can destroy another territorial

capital of Debrzno: clean environment, tranquillity and appeal for tourists. In this particular case we can speak of a zero-sum game: at some stage further development of one type of capital will be of serious detriment to other.

3.3 Conclusion

The studied localities cover a broad array of local arrangements. They possess various kinds of territorial capital and its levels, represent different historical legacies which determine their path-dependencies, current civic activism and governance style. The above-mentioned factors are largely responsible for patterns of collaboration on mobilizing territorial assets and solving local problems. We have examples of mobilization of territorial capital in municipalities where the general objective was to maintain the prosperity and where the chief goal was to overcome the crisis. **Social** and **institutional** capital can play a pivotal role in identifying growth opportunities and taking advantage of them. Urban and rural locality provide good instances of collaboration between various actors on solving local problems and facing challenges. Suburban locality can serve as an example of a community with a bit more passive attitude in terms of supporting economic development, however, very much active as it comes to reinforcing place-attachment.

The analysis also proves that improving territorial attractiveness is not a universally beneficial process. Investing in a particular kind of territorial capital and making a locality attractive for a specific group may at the same time aggravate life quality or conditions for development of other industry. Gdańsk seems to be a poignant example of such contradictions. Conflicting interests of developers, big companies and local entrepreneurs, residents and visitors make it necessary to strike balance between social cohesion and economic competitiveness of places.

4 Collective efficacy

Collective efficacy is one of fundamental notions of COHSMO project. Following Sampson (2011, 1997) we define it as activated social networks, a link between mutual trust, shared expectations between members of the local community and willingness to intervene. In our study we have operationalized this concept by i) identity and attachment to the place, ii) social network and organizational density, iii) civic participation and capacity for collective action. In each locality – by the means of desk research on historical and social legacy and more contemporary civic activity, interviews and discourse analysis – we intended to measure the level of collective efficacy and understand its impact on mobilization of territorial capital and increasing life chances for members of the local community. Furthermore we perceive a close relationship between the concept of collective efficacy and social and institutional capital as defined by Servillo et al. (2011). When analysing various forms of social interactions and engagement we try to distinguish passive forms of participation (joining in, especially in some leisure activities) from collective efficacy *par excellence*. These two seemed to be frequently confused by interviewees when asked about the level of engagement of the local community and ease of mobilization. For some of them it meant participation in local events, socializing with other members of the community. We treat meeting opportunities as an important precondition for building bonds and

trust, however, we contrast it with collective actions aimed at achieving common goals. Another differentiation worth accentuating is the scope of these common objectives:

I would say there are two kinds of activism. There is very bottom-up activism when people engage, however, basically they engage in satisfying their own needs. It is a grassroots action but in a strictly limited scope – defined by where they see their own interests. There is also another kind of activism which is a bit from meta- level when organizations and their leaders engage in e.g. policy-making process.
[GD_PUB_03 – local official]

We will refer to both types of activism, in this chapter concentrating on more grassroots interventions and elaborating on governance in the next one.

4.1 Level of collective efficacy in each case

4.1.1 Urban case: Gdańsk

Identity and social cohesion

Founded by the Polish ruler Mieszko I in the 10th century, the city has changed its national affiliations quite often (Polish, Teutonic, Prussian, German), including the periods of being a free city (1807-1814 and 1920-1939). Like many cities, towns and villages in the region of Pomerania Gdańsk underwent a substantial population exchange after the WW2. Almost all German inhabitants were expelled in the process of post-war relocations and migrants from different parts of Poland and repatriated from the lost Eastern Borderland were sent to live in Gdańsk. As stressed by many interviewees Gdańsk has always had openness for diversity which results from its harbour city legacy where for centuries people from different origins and walks of life has been meeting. More recently the tradition of tolerance was institutionally reinforced by the local authorities and the late mayor, Paweł Adamowicz. As the social structure of the city changes quickly and the deficiency of workforce drives immigration especially from Eastern Europe (Ukraine, Belarus, Moldova), **prevention of social segregation** became an important issue for the local policy. The preventive measures include establishment of a council of immigrants, as well as preparation of a Model of Integration of Immigrants and a Model for Equal Treatment (a more general document providing guidelines for inclusion of defavourized groups). However, the creation of strong local communities is jeopardized by “ghost” neighbourhoods with a sizeable proportion of short-term rental apartments and by the past spatial planning policies which enabled construction of housing investments devoid of public spaces and public services facilities. This deficiency of bonds and interdependencies among neighbours and absence of meeting places can hinder the creation of positive neighbourhood effects (Völker, Flap & Linderberg 2007).

Density of social and organizational network

Gdańsk is one of the cities with the best developed cooperation with societal organizations (NGO's) especially visible in the long-term arrangements related to urban regeneration programme or cooperation in public service provision (e.g. childcare or social care for homeless people). As for

2018 there are 1482 social associations and 769 foundations, out of which 439 cooperated with the city¹⁷. There is also strong institutional support for social activism: the first Council for Public Benefit (*Rada Działaności Pożytku Publicznego*) – gathering local NGOs and city government - in Poland was created in Gdańsk in 2005, as well as Council of Non-Governmental Organizations (established in the City in 2002, i.e. before the national law made the Council for Public Benefit an obligatory institutions in local governments). Gdańsk Strategy 2030 declares a wide support for civic sector as an important part of city development.

Our interviewees generally confirmed this optimistic view, claiming that the network of societal organizations is very dense and well developed (GD_COM_14), however, they also point out to some important shortcomings (e.g. GD_PUB_03, an official responsible for cooperation with local NGO). First, as the majority of them is local and deeply rooted in local community, there are also many NGOs operating in a larger (or at least different) scale than the municipal one, employing up to 150 people. They operate nationwide, have huge resources to act, and are not motivated to have a regular and direct impact on local policy developments. Secondly, as in late 1980 and early 1990 one might observe kind of social activism boom in Gdańsk, today these are still the same people leading many of local NGOs. Many of them are burnt-out, so they are not involved in local policy as much as they were before. Thirdly, many local activists are present in several NGOs, so official statistical data on number and diversity of the civic sector may be misleading. There are active *leaders on duty* which poses a hazard of civic participation being dominated by a narrow group. Fourthly, some peripheral districts have no sufficient “local civic basis”, so local authorities observe a kind of intra-municipal “local colonization” – NGOs from one districts apply for funding in the name of other districts (sub-municipal level, mentioned below). Lastly, some interviewees claim that as a real NGO should be *able to look through the prism of broader social needs, and not individual interests* (GD_PUB_03, local official with NGO background), several NGOs are rather oriented on specific individual political goal achievement. These groups are frequently related to local councillors. For them NGO is a kind of political backing, it is kind of a “quasi-social” activism. Despite generally positive opinion some point out a mismatch between political declarations and the reality: changes occur later than expected, allocated funds are inadequate etc. (2_REG_COM_03 – community actor).

Civic participation and capacity for collective action

Gdańsk has a **longstanding tradition of civic engagement** (e.g. Solidarity Movement). This legacy is considered to make citizens of Gdańsk more active and mobilised. Indeed the civic society structures are vivid. Not only younger people with higher social awareness and expectations are active; the older generation also organizes themselves in parishes, works as volunteers. As reported by Regional Voluntarism Centre (main organizer and intermediate body for voluntarism in Gdańsk), the number of people taking up voluntary service with their aid in 2018 was 4749 (as compared with 2475 in 2013). Furthermore, 57% of citizens of Gdańsk claim they acted for the benefit of some unrelated person in an uninstitutionalized form.¹⁸ There are numerous **micro bottom-up cooperation**

¹⁷ <https://www.gdansk.pl/raport-o-stanie-miasta-2018> (access: 14.11.2019)

¹⁸ <https://www.gdansk.pl/raport-o-stanie-miasta-2018>. Access: 14/11/2019.

initiatives, which are more or less equally distributed in the city: locally initiated projects such as “Kuźnia” cafe, projects submitted for participatory budget by informal groups, volleyball league for parents of children from 30 primary schools, active involvement in charity, defence of the school when it faces some legal-administrative difficulties etc.

However, some interviewees perceive civic engagement as a recent trend, not necessarily related to city’s traditions, but rather more general phenomenon in Poland:

“Comparing social engagement to product life circle we are at the stage when we are converting from early innovators to early adopters. We haven’t yet reached the peak but it is in to be engaged (...) It’s not well seen to do nothing”. - [GD_COM_13 – community actor].

Gdańsk is also an example of a locality where non-governmental organizations are a very important partner in provision of public services and improving life chances. They contributed to significant amelioration of access to child care services (kindergartens). In 2011 national-level regulations obliged each municipality to provide places in kindergartens for all willing children (step-by-step for particular age groups till 2015). The necessity of quick development of municipal network of child care facilities encouraged cooperation with NGOs. One of the biggest partners alone provides 12% of all places (GD_COM_08) and in total 3000 places available in the municipal network are provided by non-public entities (2_GD_COM_11). A significant proportion of social care services (e.g. for homeless people) has also been outsourced to the Third Sector.

4.1.2 Suburban case: Pruszcz Gdański

Identity and social cohesion

From the historical point of view Pruszcz Gdański and its vicinities have been always related to Gdańsk. Before it again became a part of Poland, it pertained to Prussian Kingdom, subsequently German Reich and (after the First World War) Free City of Gdańsk. After the WW2 all German inhabitants were relocated and today – as framed by one of the interviewees – *we are all incomers* [PG_PUB_30].

Our suburban case consists of two municipalities (urban and rural) which are different in terms of their social and territorial characteristics. The town of Pruszcz Gdański is a territorially condensed locality, representing a small-town, suburban lifestyle, whereas the commune of Pruszcz Gdański is divided into two distinct parts: “upland” and “lowland”, the former more densely populated and more “urban” than the latter, typically agricultural one. However, morphological divisions within the two units have become more blurred due to urban sprawl and large infrastructural projects (e.g. A1 highway, metropolitan ring road) which introduced new spatial divisions in the area. The question of local identity is very pronounced in strategic documents and utterances of local leaders, nonetheless building of place-attachment encounters different challenges in the town and the rural commune. The town is focused on differentiating itself from Gdańsk to become something more than only a suburb or even worse a dormitory. The commune struggles to reconcile its agrarian and suburban characteristic, to create bridges between the two populations, form identity and encourage

engagement among newcomers who are generally perceived as demanding but not contributing to the local community [PG_COM_28, PG_COM_35].

The efforts to build stronger local identity concentrate around providing common spaces and meeting opportunities and – especially in the town – improving living conditions for the citizens to make them realize all their everyday needs locally. Many identity-building initiatives have a top-down character, however, there are examples of bottom-up initiatives of local leaders such as documenting history of the area and stories of post-war settlers, lobbying for school patrons of local origin or organizing cultural and leisure activities (PG_COM_29, PG_COM_31).

Density of social and organizational network

There are over 100 recognized local associations active in various fields (sports clubs, education, social care, tourism, ecology and sustainable development): 73 associations in the town and 33 in the rural municipality. Both municipalities prepare, adopt and implement yearly plans of cooperation with local NGOs. These plans are used mainly to define the basic rules of the bids for public funding distributed by the municipalities to the NGOs.

The picture of local activism in the locality is not consistent. On one hand, many interviewees expressed dissatisfaction with the degree of self-commitment and self-organization of the inhabitants, on the other hand, there are many examples that testify to a rather high level of involvement. Activeness of local leaders and public actors in *organizing* is coupled with general willingness to *participate* [PG_COM_31]. There surely is a difference between the attitudes of the “natives” and “newcomers” which was accentuated mainly by actors in the rural commune. The well-rooted residents of the agricultural lowland part have stronger identity and tradition of community life, while new residents are less integrated and sometimes are not even aware in which municipality they live. The community of the lowland part have developed strong bonds, which allow it to carry out many activities that engage residents' energy, such as various local events (on the occasion of harvesting, Christmas charity, Senior's Day). It is customary that everyone brings food and drinks from home to the events organized jointly by rural communities [PG_COM_29]. A sizeable part of local NGOs are women associations from rural areas oriented on preservation of tradition (e.g. local cuisine).

The residents of the town of Pruszcz Gdański benefit from a small size of their municipality. One of interviewees reflected on this “small town specifics” as an important factor of engagement. People treat Pruszcz Gdański as their little homeland. There are tighter bonds between neighbours as compared to big cities [PG_COM_33]. There are examples of informal cooperation between inhabitants (picnics organized by neighbours, mutual help) and local businessmen (traditional Christmas feast on the streets of Pruszcz Gdański). The contact is more personal and this closeness also forces people to be more truthful as it is easier to hold one another responsible for their words or even promises during political campaign. This proximity between citizens and their political representatives was emphasized in several interviews – not only by public actors, but communitarian as well:

“The mayor is a person who walks around the town. He has never got detached from the society. (...) This is his place, his home. His collaborators act similarly. Honestly speaking, he is not afraid to walk around because nobody would «through a stone at him», because there is no reason. He has been the mayor for 20 years and has never got entangled in anything.” [PG_PUB_31 – community actor].

In Pruszcz Gdański there are numerous sports and culture oriented associations. There is also a very active senior community, represented by three organizations and a council advising the mayor. The Third Age University (run by an NGO) is a successful organization with approximately 400 students and over 50 workshop groups. Non-governmental organization support the municipality in provision of social care for e.g. mentally disabled people, seniors etc. These goals account for 75%-85% of the total annual budget for the cooperation with the Third Sector.

Civic participation and capacity for collective action

The capacity for collective action is varied and in most cases dependent on the presence of local leadership. In the rural commune a significant role is played by village heads. As put by one of the interviewees: *without a doubt the activeness of the inhabitants depends on the activeness of “the horse who pulls the carriage”, representatives of the community: village head and village council* [PG_COM_28]. The interviewee considers the role of village heads in Pruszcz Gdański as one of the most important in the communication with local community and authority. The rural commune has its Association of Village Heads to which belongs 28 out of 31 sub-municipal units' leaders. Determined and engaged leaders seem to exert real influence on the decisions made by the municipal council and even the office of an elected regional government (lobbying for construction of road investment for heavy agricultural machines can be an example – PG_COM_29). There are also instances of self-organization of the community e.g. in protest against some unwanted, disturbing investments – such as poultry farming (PG_COM_31, PG_PUB_23).

Despite differences between the two municipalities conclusions for the town of Pruszcz Gdański are very similar. There is increasing civic activity centred on local identity and integration, however it is mainly generated by few activists who are the animators of activities. Some of them convert into large scale events such as “Tulip of Żuławy” – a flower festival frequented by spectators from the whole municipality and Gdańsk. “Interventions” to solve minor or more particular issues are often carried out individually with use of social media which is an effective channel to bring everyday problems to the mayor's attention (and put some pressure as well). Citizens use this method to report potholes or uncollected rubbish littering their neighbourhood. There are also examples of grassroots collective actions (e.g. to save some buildings of historical interest from being demolished by private investor).

One of the long-lasting NGO activist positively assessed local voluntarism, however, reflected on the changing attitudes of people who engage for the public benefit. There is a lot of enthusiasm for ad-hoc actions, one-time events but people are not interested in “full-time” engagement, tedious administrative, office work [PG_COM_33].

4.1.3 Rural case: Debrzno

Identity and social cohesion

Throughout its history Debrzno (founded approximately in the XIV century) has been under Polish, Teutonic, Prussian and German rule. The town regained by Poland after the WW2 was heavily destroyed (80% of the old town and 40% of the rest of the town locality was in ruin¹⁹). The then authorities organized school, a post office and a State Educational Centre for difficult youth and created DEMET metal plant. Location of an army unit in the area had a positive impact on Debrzno's development, State-Owned Farms provided many job for the local population. However, not only the economy and infrastructure was to be rebuilt after the WW2, but the social tissue as well. In the post-war period many people from all over Poland (some of Ukrainian ethnicity) came to live in the municipality and work mostly in the agricultural sector or the garrison²⁰. As remarked in a monography of the municipality of Debrzno: *"In the course of settlement processes the community was disorganized as it was an amalgamate of settlers from various parts of Poland. It was characterized by different levels of culture, awareness, customs and education"* (Fryda 2014). Improvement of living conditions, development of various forms of socializing initiated assimilation process. After a period of stabilization during the socialistic regime the political and economic transformation in the nineties was another shock for the local community. The collapse of the economy resulted in severe unemployment and out-bound migration. It took more than a decade to overcome these difficulties, EU accession and substantive public support facilitated these positive changes. However, even nowadays some claim that Debrzno is not sufficiently attractive for aspiring young people which poses a serious threat for place attachment and talent retention.

Even if not always directly named urban/rural dimension is the axis of socio-economic division of the local society. Some interviewees define it even more precisely restricting the rural part to the post state-farm villages. In a sizeable proportion of interviews the subject of post state-farm villages came up spontaneously in various contexts: to localize accumulation of social problems, long-term unemployment, economic difficulties, to illustrate differences in mentality and the level of social activity. The place of residence determines both social and economic resources and the post state-farm villages were described as *ghettos of unemployment* (DE_PUB_49), *villages where the time has stopped* (DE_BUS_59), *places of no activity* (DE_PUB_49). The urban/rural division marks also conflicting investment interest and competition for funds. Some of interviewees claimed that the allocation of resources favoured the town, other – that the regeneration programme was the first serious investment in the urban part of the municipality.

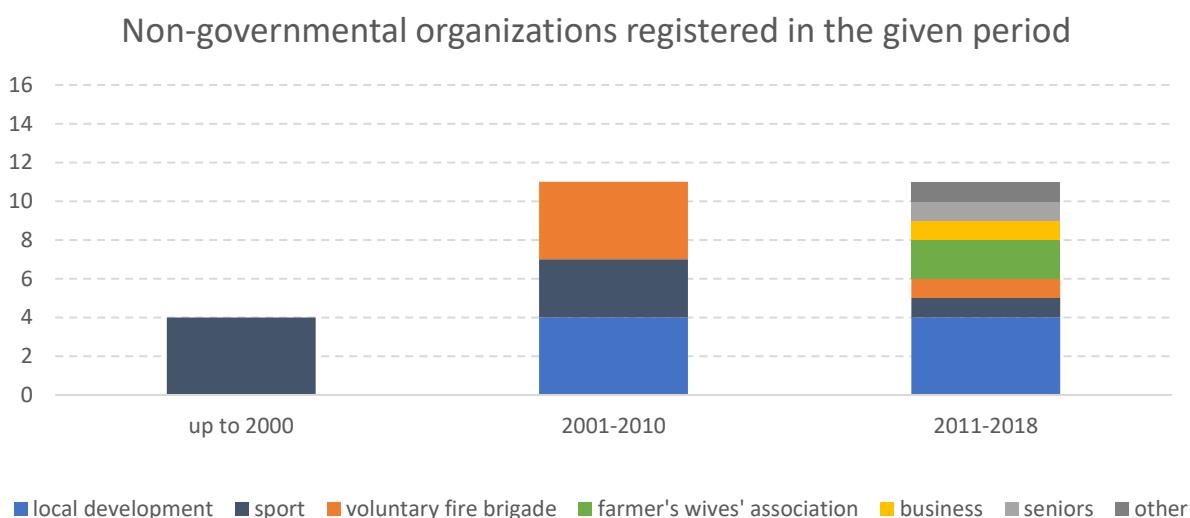
Density of social and organizational network

¹⁹ <http://debrzno.pl/historia-miasta/> (access: 11.11.2019)

²⁰ Their stories are depicted in the documental "Four words about Debrzno".

As for 2018 there are 26 associations and foundations in the municipality of Debrzno²¹. The majority of them (14) are registered in the town of Debrzno. It is the headquarters of the leading civic organizations for local development: Association for the Development of Town and Municipality of Debrzno, Local Action Group of Czulchów County, Local Action Group “Necklace of the North”. There is also a number of sports associations (7), Association of Pensioners and a voluntary fire brigade. The social activity outside the town of Debrzno (in villages: Myśligoszcz, Słupia, Strieczona and Stare Gronowo) takes form of traditional rural organizations such as farmer's wives' associations²² and voluntary fire brigades. However, in the recent years some new associations have been established with clear orientation for local development (in Myśligoszcz and Strieczona). It is also worth mentioning that Cierznie has been developing its specialization as a local centre of entrepreneurialism (business incubator, Local Fishermen Group, Association of Entrepreneurs of Debrzno Municipality). We can also observe the evolution of registered associations and foundations – both in terms of number and their profile. Whereas in the nineties there were only sports organization, with time the variety of registered NGOs increased to cover more thoroughly the needs and interests of the local population. On one hand it may reflect the growing level of social engagement, on the other – learning process of a young democracy how to utilize the benefits of establishing non-governmental organization and acquire EU funds.

Fig. 2.. Non-governmental organizations registered in the given period



Source: Own elaboration based on www.ngo.org data base.

In the perception of the interviewees the Association for the Development of the Town and Municipality of Debrzno is the pivotal local organization, in a sense the hatchery of the social activity

²¹ Data for 2018, own elaboration based on Local Data Bank data and <http://bazy.ngo.pl> and <https://mojepanstwo.pl> (access: 02.11.2019)

²² The tradition of farmer's wives' association reaches back to the 19th century and this year has gained legal support and recognition: farmer's wives associations are now entities independent from the national and local government or other farmers' associations, and entitled to receive dotation.

in the municipality (e.g. business incubators, Local Action Group, Social Economy Centre). Almost all interviewees mentioned it spontaneously and a large proportion of them directly named its president Ms Hołubowska²³ as the *spiritus movens*, key leader who eclipses even the local authorities.

Other organizations the interviewees considered worth mentioning depended on the background they represented: entrepreneurs and some representatives of the town hall tended to focus on local development and name the Association of Entrepreneurs of the Municipality of Debrzno as an important organization. The intention was to create a connection between the authorities and the business environment, an advisory body for the municipality which would participate in solving some of the local problems. The process of negotiating roles in this cooperation is still in progress as the organization is relatively new (established in 2015). However, the members of the association positively assess the supportive and open attitude of the mayor. The most recent example of a collective action backed by the town hall was a complaint addressed to the regional government demanding compensation for financial losses caused by prolonging construction of the main road (managed at the regional level).

The interviewees also mentioned smaller, more local associations which organize sports activities, firefighting or cultivate local traditions. Apart from formal organizations there are also informal groups. They often apply to Local Action Group for grants to finance some small scale investments (playground for children, recreational facilities etc.) or local events. Generally as observed by one of interviewees high activity coincides with size and wealth of the village. An important role is played by active village heads who animate their communities.

Civic participation and capacity for collective action

It is noticeable that collective efficacy in Debrzno is propelled by local leaders. The case of the Association for the Development of Town and Municipality of Debrzno is the most prominent example. However, when we inspect local civic organizations – especially in villages – we observe that they are often run by the same key people who are simultaneously village heads or municipal councillors²⁴. Combining the role of village head and municipal councillor takes place in 5 sub-municipal units out of 17²⁵. One of the interviewees even called it “a good model” because it enables to be well-informed about very local matters and have a broader perspective of the municipality as a whole.

With regard to the level of mobilization and activity of ordinary members of the local society the opinion is divided. Some interviewees spoke enthusiastically about the inhabitants’ participation in the life of the community, however, often having in mind participation in local events and socializing with other members of the community. Others pointed out that mobilization tended to fail when the offered benefits were long-term (such as investment in children’s education). One of the interviewees referred directly to this kind of pleasure-driven activism (i.e. participation in local events) saying that

²³ Ms Hołubowska was the co-founder of the Association for the Development of the Town and Municipality of Debrzno and has been running it since the very beginning.

²⁴ Source: www.mojepanstwo.pl (access: 05.11.2018)

²⁵ Source: bip.debrzno.pl (access: 19.11.2018)

the activeness of citizens didn't touch the main problems of the municipality e.g. there are no NGOs oriented for social care. As it comes to the later understanding of this notion the main emphasis of interviewees' utterances was on charity and thus occasion-triggered aid. As remarked by one of the interviewees, the local community is active in ad hoc actions, while constant activity for the commune is lower.

There is no specific social or ethnical profile of local activists. The population is rather freshly rooted and post-state-owned farm employees are generally considered to be rather passive and dependent. However, the economic transformation of the nineties and its devastating impact on the local economy seem to be a founding experience which played a vital role in the development of social activism – at least among the local leaders. In the face of the crisis and no signs of a coherent vision of municipality's future development a group of active citizens recruiting from various professions (from priest, school principal and bank manager to farmer and unemployed) founded an association in order to acquire external funds and make Debrzno “an agricultural and industrial municipality with European standard of living”. Ever since the Association for the Development of the Town and Municipality of Debrzno has been the engine of social activity, the local pathfinder in the area of external funding and example for other organizations. Their efficiency in obtaining grants inspired others who replicated their model – similar associations were founded in municipalities of Czarne and Lipki. One of the interviewees assessed that within 20 years the Association had acquired approximately 100-150 million PLN of funding²⁶. Furthermore it carried out, participated in or inspired initiatives such as 2 business incubators, Local Action Group “Necklace of the North”, Local Fishermen Group²⁷, renovation of town's landmark and tourist attraction – The Tower (*Baszta*).

4.2 Innovative community practices and collaborations in territorial development across cases

This subchapter is to summarize our findings on observed practices aimed at stimulating cooperation and stakeholder involvement in the process of territorial development. We will give examples of the most innovative and effective approaches to encouraging and unlocking the potential of collective action. Interestingly, there are examples of both top-down and bottom-up initiatives. In the analysis we follow the operationalization scheme of collective efficacy, in search for actions aimed at boosting place attachment, social network and capacity for collaboration.

Despite many differences in the characteristics of localities, they all have in common the **awareness of importance of place-relatedness** as a precondition for integrated local community and a source of collective efficacy. Depending on the specific situation of the locality it may take on a form of e.g. **identity-building** efforts. This is especially true in case of suburban municipalities with a sizeable influx of new citizens: social integration is one of the most strongly pronounced challenges – both in strategic documents and in utterances of local politicians. Community-building activities are one of

²⁶ Data based on interview DE-PUB-43.

²⁷ Both Local Action Groups and Local Fishermen Groups are instruments of EU funded LEADER programme.

the most important assignments the public sector foresees for non-governmental organizations (e.g. 2_PG_PUB_07) and incentivized in annual programmes of cooperation with NGOs.

Another element of the policy of social integration, universal for all investigated localities, is creation of common spaces to provide **meeting opportunities** for the members of the local community. Leaders of localities with no distinguishable centre accentuate the need of creation of one in Local Regeneration Programmes and Development Strategies and notice the negative impact of natural and man-made barriers dividing the municipality and obstructing free flows of inhabitants. In all localities there is an emphasis on creation of meeting/gathering facilities. In rural areas such a role is played by village houses (*świątlice wiejskie*) many of which were financed with EU funds from OP PROW. They are used for various gatherings, local festivities, meetings of informal groups. Almost all interviews with village heads took place in village houses and showing round was an important part of the visit. In case of a community which did not have a village house, construction of one was a top-of-mind investment for the local leader. These observations prove the importance attached gathering places.

In urban environment the role of a place of local activity is played by neighbours' houses which are often a part of area regeneration programmes. In Gdańsk the awareness of necessity of meaningful public spaces has evolved. As admitted by one of the urban planners: *earlier we thought that a shopping mall is a valid public space* [2_GD_PUB_10] and such understanding of neighbourhood's centre was even written in the Study of the Conditions and Directions of Spatial Development – a mandatory municipal document. Nowadays public spaces are considered an indispensable part of urban planning, included in Gdańsk's Operational Programme "Infrastructure" and negotiated with developers on the occasion of new housing investments. Lack of local meeting places is blamed for weak social bonds and low civic activism in the new city districts on the south-western outskirts of Gdańsk. Policy makers from Social Development Department have found it necessary to down-scale their polices to a micro-area of a neighbourhood defined as a territory within 15-minute walk. It is now a basic unit for planning centres of local activeness, public libraries etc. [2_GD_PUB_11]. Walkability is also considered an advantage of small towns because concise territory provides many meeting opportunities and facilitates interactions between inhabitants, as well as between citizens and local authorities. Face-to-face, casual contacts enable direct communication of needs and reinforce a positive image of the mayor. It resembles *management by walking around* – a concept from managerial manuals.

Along with capitalizing on local identity and spatial proximity, local authorities also address their policies to selected groups of actors. Typically these groups are businessmen, senior citizens and youth – important from the perspective of local development or empowerment of otherwise underrepresented segments of civic society. Actions aimed at **creating denser networks and platforms for communication with public sector** most frequently take form of advisory councils, annual integrating events, support in legal issues or grant applications

Public actors are well aware of the **significance of local leaders** and sometimes use them as intermediaries to activate broader groups of citizens. The rural commune of Pruszcz Gdański and the Association of Village Heads can be an example of this mechanisms. Founding of this association

was encouraged by the local authorities in hope to initiate integration process of the divided community by reinforcing cooperation between its leaders – *a first step to convey some good practices onto the citizens* [PG_PUB_26].

Finally, local governments provide various financial stimuli to encourage collective action by giving financial **resources for realization of common goals** of the local community. The most popular tools of this kind are participatory budgeting (present in Gdańsk, the town of Debrzno and the town of Pruszcz Gdański) and village funds (present in rural commune of Pruszcz Gdański and Debrzno). They enable members of local communities to put forward some initiatives (small investments, local events etc.) and then vote for the most attractive ones.

The history of participatory budgeting dates back to 2011 when it was introduced in Sopot (a part of already mentioned Tricity agglomeration) and was later adopted voluntarily by other local governments (mainly urban). Since 2018 participatory budgeting is included in the *Act on Local Government* as a form of public consultation, which results are legally binding for the municipality. Creation of participatory budget is obligatory in cities with county status (Gdańsk is among 66 such entities in Poland) and has to account for no less than 0,5% of the annual expenditure. Municipal Council determines the entry and evaluation criteria for proposed projects and rules of voting. However, it cannot reject or substantially change the winning projects.

Village funds apply to rural communes and their sub-municipal units and are regulated by *Act on village funds* from 2014. Their creation is voluntary, but it is incentivized by partial reimbursement from the national budget (20-40% depending on municipality's economic situation). The sum allocated to each sub-municipal unit depends on the number of inhabitants. Projects financed from village funds need to pertain to municipal functions, be in line with local strategy and improve living conditions of citizens. The proposed initiatives have to be approved during a village meeting.

Participatory budgeting functions at the greatest scale in Gdańsk. Since 2014 when the first edition took place the budget to spend has more than doubled (from 9 million to almost 20 million PLN)²⁸. The total amount is divided into two pools: for small (district-wide) and for big projects (city-wide) to prevent extensive, costly projects from consuming up all the budget and give each district opportunity to realize local ideas. There are generally two measures to assess civic feedback: number of project applications and voting turnout. In 2019 there were 455 applications out of which 82 was approved for realization. 12,4% of citizens cast their vote. In comparison in Debrzno there are yearly 10-15 applications out of which 4 projects are realized (total budget: 120 000 PLN). Since the beginning of this programme the percentage of inhabitants participating in voting fluctuated between 17,3% – 18,4%²⁹ which can be considered a very good result. It is also worth noting that it is not popular in town this size to provide participatory budgeting.

Expert in civic participation [2_REG_COM_9] formulated 4 conditions of good participatory budgeting:

²⁸ <https://www.gdansk.pl/raport-o-stanie-miasta-2018>. (access: 14.11.2019)

²⁹ Source: bip.debrzno.pl (access: 20.11.2018)

1. Decent amount of money to encourage people to submit project application.
2. Clear and just rules so that everyone had a chance to win.
3. Little formalities to register one's voice (pro-turnout solutions).
4. Separate pools for small and big investments.

In the investigated localities these conditions are at least partially fulfilled. Gdańsk seems to be the closest to the ideal participatory budgeting mechanism: it has a sizeable budget (0,59% of all city's spendings), divided into pools for district (80%) and city-wide (20%) projects. The procedures to register one's voice are so liberal that they even evoked some criticism in the media as not preventing potential manipulation of results.

As regards **village funds** they are distributed proportionally to the number of inhabitants, with predefined quotas for investments and local events. In Pruszcz Gdański the biggest village obtain 48 thou PLN, and smallest – 14 thou. PLN. The attendance at village meetings is generally assessed as low, however, one of the local politicians pointed out that participation in decision-making process is a value for its own as a lesson of democracy and budget management:

“Occasionally I happen to be at these village meetings and I listen, with great satisfaction, how people discuss how to divide the money. I always tell them: see how difficult it is to make a compromise among city councillors when we vote the municipal budget, to divide this cake so that everyone is more or less satisfied”. [PG_PUB_26 – local politician]

Since 2015 Gdańsk has practiced **re-granting**. In this mechanism the municipality offers financial grants to NGOs (operators) and then the funds are re-distributed for the purpose of different civic initiatives (see the book written by the mayor Adamowicz: Adamowicz 2018). There are 4 funds for initiatives addressed to seniors, youth, neighbourhoods and innovators. The efficiency of this solution is, however, limited by the sum allocated for the instrument is relatively low – about 0,5 mln PLN in 2018 (0,12 mln EUR). A formal organization can apply for funding up to 5000 PLN (1170 EUR) and an informal group – 500 PLN (117 EUR) [2_GD_REG_03 – NGO representative].

Another method of financial support is deployed in Gdańsk and the rural commune of Pruszcz Gdański. Non-governmental organizations are offered **loans to cover own contribution** when applying for external funding. In the commune the debt is cancelled after successful completion of the project.

The city of Gdańsk has been the first one in Poland which applied the innovatory mechanism of **deliberative panel of citizens** to make decisions concerning some policies. The idea of such form of including citizens in policy-making process was a bottom-up initiative of a local activist. So far there have been three panels organized in Gdańsk: the first one (organized in 2016) concerned policy of adaptation to climate change, the second topic of discussion of the deliberative panel concerned policies for improving air quality in the city and the third one – policies to support civic activeness in Gdańsk. The uniqueness of this tool lies in its truly deliberative character: participants who closely match the socio-demographic structure of the local community (random-quota sample design) are supposed to offer a solution to a given problem after presentation of available options, opinions of

stakeholders and information from experts in the field. Secondly, Gdańsk is obliged to implement the chosen solution providing that it was supported by more than 80% of panelists. Presently, the city is implementing the recommendations from the first panel (anti-flooding solutions). The deceased mayor, Paweł Adamowicz, was an enthusiast of this method, and planned to establish a more continuous and regular form of such consultations: deliberative parliament. However, after his death the idea was discontinued (at least for now).

Gdańsk has developed an **innovative model of PPP** in larger area development projects: using the land owned by the municipality it seeks commercial partners for the area development and creates joint-ventures, in which partners realize their own business goals and simultaneously – public investments (e.g. in the infrastructure and public spaces). Once the public goals are achieved, the city leaves the partnership. For example, the city contributes to the company dilapidated granaries in the Old Town or an obsolete tram depot, which are renovated and commercialized by the business partner. An important part of the contract is obligation to invest in regeneration of the surroundings. Unlike in case of simple sale of municipal property, the city as a shareholder has influence on the regeneration plan. The city leaves the special purpose, as soon as the public objectives are achieved. Such a solution is presented as flexible and successful in at least three cases (*Dolne Miasto*, *Wyspa Spichrzów*, *Forum Gdańsk*). Local authorities are convinced that with diminishing EU funds, public-private partnerships will become the only chance for big scale investments

4.3 Conclusion

In this chapter we investigated various dimensions of collective efficacy: place-relatedness, density of social network and capacity to intervene. The first aspect usually fails among new residents, therefore integrating initiatives are important in development strategies of suburban locality and spatial policies and integration models in Gdańsk. All municipalities have their social networks relatively well developed, however, they vary in terms of their prevailing profile and territorial capital arrangements they are embedded in. There are also differences in their involvement in policy making and policy implementation – i.e. their influence on local development and spatial justice in terms of life chances and living conditions.

Gdańsk is a vibrant city with diversified and abundant assets – in this environment there are strong and mature business and community actors, along with open-minded local authorities. This combination of social, institutional and economic capital results in innovative policies and partnerships but also cleavages when exploitation of particular city's assets is not universally beneficial. In Pruszcze Gdański which economic well-being is largely secured by the proximity of Gdańsk social activity concentrates on the sphere of integration of residents (the university of third age, women's organizations in villages, sport events) and grassroots cultural activities (theatre in the barn, agriculture machine museums, local history). The involvement of business sector is limited to CSR activity. However, neither community nor business actors have a major impact on the shaping of local policies of access to public services. In Debrzno important development impulses have their sources in the activities of (a narrow) group of activists and the role of the Third Sector is surprisingly substantial.

The following general observations can be made in relation to social activities in the researched localities:

- The social engagement is strongly dependent on dedicated individuals (informal local leaders). It is especially so in the small rural locality, but to a smaller extent the same phenomenon could be noticed also in neighbourhood activities in the central city.
- There is a growing social engagement of senior citizens, which produces a positive feedback with including issues of elderly people among priorities of local government policies.
- In some of localities we have identified clear territorial cleavages among interests of different community groups. In the city of Gdańsk the main cleavage has been between residents of old, central part of the city, and fast growing housing estates at the outskirts of the city. In Pruszcz Gdański it is a cleavage between part of the locality inhabited mainly by old residents of the locality and newcomers concentrated in a particular part of municipal territory. Interestingly, in the rural locality of Debrzno such cleavages has not been so visible, although there has been a clear competition between individual villages. This competition is channelled through the unwritten consensual rule of the seeking even distribution of resources to individual parts of rural locality. At the same time the main perceived line of social (but also economic) cleavages in Debrzno is a division on villages with former domination of state-own farming and remaining part of the municipality. The former part is perceived as in general poorer, less active and having more social problems related to the long-term unemployment.
- The dominant mode of social engagement is reactive rather than proactive – it needs encouragement from local authorities and/or leaders of local NGOs. But the emergence of civic organizations itself is definitely bottom-up.
- With some exceptions the activity of civic organizations is focused on narrowly defined sectoral issues. However, there are also some organizations which aims are of a broader character concerning general development and well-being of localities. In Gdańsk this characteristic may apply to organizations which are part of nation-wide network of “urban movements” trying to influence the way of thinking on further development of cities (e.g. more focus on environment protection, public transport, organization of public space favourable for pedestrians and bicycle traffic). In the rural locality of Debrzno it is first of all the rare in such small communities general purpose oriented Association for the Development of Debrzno Municipality initiated and continuously animated by the local activist.

The role of civic activities in provision of local public service is very different depending on type of locality. In the city of Gdańsk there are several NGOs active in e.g. child-care, social welfare assistance, cultural or sport and recreation activities, but also in vocational education and training. In the suburb locality the public child-care is supplemented by private rather than societal providers, but NGOs are active in culture, sport or recreation. In the rural part of Pruszcz the role of societal actors is much lower, except of sport events or very local culture activities. Non-governmental organizations in rural community are very much oriented towards grant-seeking, and availability of grants often determines directions of their activity rather than other way around. This phenomenon is noticed in other localities as well, however in Debrzno it has been by far the most pronounced. The reason for this is twofold: firstly, in a situation of economic difficulties and infrastructural underdevelopment

attracting money for any purpose was vital for overcoming the crisis. The Association for The Development of the Town and Municipality of Debrzno exhibits real proficiency in extremely adaptive fund acquisition. Secondly, in other localities we rather have organizations which have an overall focus on specific sector, so their detailed scope of activity is driven by grant availability. In Debrzno there are more organizations which mere existence and even selection of the profile of activity, follows the availability of funding for various areas.

5 Territorial governance

In the following chapter, we will investigate the role of territorial governance in mobilizing territorial capital (chapter 3) and in utilizing the effects of collective efficacy as outlined in chapter 4. We will analyse how the ‘capacity to act’ depends on strategic forms of policy coordination (Servillo, Atkinson and Russo 2012). First, we describe the main characteristics of territorial governance in the localities covered by the study in Poland (section 5.1). Then, we formulate general conclusions across cases by focusing on the main dimensions and elements of territorial governance (section 5.2). At the end of the chapter we refer to multi-level relations within the administration units: their intensity and importance (section 5.3).

Following the guidelines in Appendix 1 for WP4 we base our analytical approach on TANGO project³⁰. In the framework of this project territorial governance had been analysed according to the five following dimensions: (1) coordination actions of actors and institutions, (2) integrating policy sectors, (3) mobilizing stakeholder participation, (4) being adaptive to changing context and (5) realizing palace-based / territorial specificities and impacts. A similar approach is used within this section.

5.1 Characteristics of territorial governance in each case

5.1.1 Urban case: Gdańsk

The key agent for territorial cooperation in Gdańsk was with no doubts the local government and the former mayor himself. He was perceived as very open for cooperation of any kind. At the same time most partners had been emphasizing deliberative and supportive attitude of local government staff in general. Thus, the sudden change of the local leader may result in a modification of territorial governance schemes. However, according to the interviewees it is too early to assess the attitude of the newly elected mayor. What we observe now is rather an inertia and a slight suspension of new policy directions formulation.

The most general observation revealed during interviews is the key role of local authorities in civic collaboration. However, the city works more as a hub than as an authoritarian leader. NGOs of different type (small, medium size and nation-wide) are involved and visible in every type of local policy. In what concerns weaknesses of this presence, is that many civic leaders are a bit burnt-out, the generational change is slower than expected (GD_PUB_03). Gdańsk offers a relatively wide range of territorial cooperation tools and practices. The city has the obligatory program of cooperation with

³⁰ <https://www.espon.eu/programme/projects/espon-2013/applied-research/tango-territorial-approaches-new-governance>

NGOs (this obligation is based on a national law from 2003). Almost all social programmes are developed in cooperation with social organizations therefore at times it is difficult to set apart the policy creation and consultation phases: *How can we ask them to consult a programme that they have co-created?* – GD_PUB_03, local official. Social organizations are also involved in implementation of the policies: the city outsources to them many tasks related to social care. There are programmes (e.g. economic safety) in which contracted (paid) private solicitors and central government offices (e.g. Office of Electronic Communications) are also engaged.

NGOs have significantly contributed to solving the problem of uneven access to public services (especially kindergartens). However, an important observation concerning the density of civic sector is that horizontal interorganisational contacts and initiatives are rather weak and rare. There is rather a co-existence (or sometimes competition) than cooperation between these entities – they act independently and compete for the same resources. This situation is not perceived as a problem or challenge to deal with. On the other hand, the attitude of respondents from the city hall confirms a great sense of NGOs' influence, agency and empowerment.

In what concerns examples of coordinated actions and policies, apart from the childcare, we have to mention subsequent urban regeneration programmes. First phases of urban regeneration programmes were subordinated to building city image through interventions in districts connected to organization of European Football Championship in 2012. Local administration definitely has the leading role in area regeneration. Civic mobilization is possible through the sub-municipal councils and associations. However, once speaking about the district councils, the interviewee notices the *lack of* [citizens'] *trust towards any kind of institutionalized interest representation, even at the lowest level*, 2_GD_PUB_10, local politician] (i.e. at the sub-municipal level). Although the EU funding for the regeneration programme has been clearly in the background; however, from the district perspective it was perceived as a city level decision on who is going to be involved and how.

Another interesting example of territorialized policy is the one oriented on labour market. It is conducted in a different, above-local territorial scales: international (flow of migrants from Ukraine etc.), regional and metropolitan. Thus, the territorialisation is mostly aimed at attracting specific group of migrants and control over their flow. The Labour Office even does not collect data on unemployment on the districts level and they do not care from which districts (or even which city) the job-seekers come, so there is no specific intra-city diversification of labour policy. In fact, the Gdańsk Labour Office provides also services for the neighbouring county on the basis of an intra-county agreement (see section 1.1.5). What is actually surprising is the lack of territorial coordination between, e.g. urban regeneration policies and labour market policies – no specific labour force mobilisation tools are applied in regenerated areas.

In what concerns local business sector, the voice of entrepreneurs is generally heard by the city authorities. Their attitude is, however, rather reactive than proactive. The city authorities rather don't ask what the business needs but when addressed with a concrete postulate – they try to meet the expectations. In addition, local business community is still not sufficiently structured in terms of institutional representation. There are several business associations which communicate horizontally to a very little extent. Thus, the involvement of business sector of development policy formulation and implementation is of more incidental character and occurs only when it is in line with the

entrepreneur goals (e.g. involvement of construction companies in the process of urban planning of the brownfields of the former shipyard). Many interviewees claim that business sector is involved mainly through its associations, not individual companies nor entrepreneurs. They present more sectoral and individualistic approach and they are not involved in the process of policy development. The city tries to support business bottom-up organisational structures and their involvement in policy making e.g. by establishment of the “Council of Investors” to discuss general rules of preparing and financing new transport and water-sewage projects. The mayor of Gdańsk meets regularly with the representatives of entrepreneurs, however, these consultations are not coordinated between various business organizations. Business actors are the most important “clients” of Labour Office. The Office does much effort to provide labour force for fast developing industry and service sector. They look for employees in the region, but also abroad, especially in Ukraine and Belarus. Sometimes it is difficult to identify who puts forward new cooperation initiatives – the city or entrepreneurs and to indicate individual business partners especially important for local authorities. There are entrepreneurs engaged in cooperation with NGOs, however, this cooperation is very frequently based on personal relations. The general trust deficit towards NGOs that is specific for Poland is mitigated when it is an organization of one’s acquaintance. In general, the contacts between business and NGOs are rare and weak. Businessmen are afraid of being treated “like cash machines”. Obviously, the business sector has a huge influence of local labour market in many dimensions. Fast development of labour market boosts housing industry, and reversely the housing industry stimulates the labour market. In addition the city engages in PPP to facilitate area regeneration and invigorate distressed neighbourhoods (*Dolne Miasto, Wyspa Spichrzów* – see section 4.2).

5.1.2 Suburban case: Pruszcz Gdański

The general image of civic territorial activism in Pruszcz Gdański – keeping in mind that it is a wealthy suburban municipality – is rather pessimistic. It seems that territorial development policies are run mostly within the city hall units, and this fact is widely accepted by the interviewees representing the non-public sphere.

There are several groups which are visible in local policy making. Village heads seem to play a role of guardians of equal allocation of local government funding among individual parts of local government territory. There is the village heads council in the rural commune of Pruszcz Gdański, which operates in parallel with the municipal council. It creates an interesting model of a “bicameral parliament” in the commune, even if the village heads council plays only consultative role and doesn’t have any specific duties nor responsibilities. Thanks to this solution, village heads are constantly involved in the planning and implementation process of communal policies. Every month, the village heads council meets with the mayor of the community and employees of the mayor office.

Another important group are senior citizens whose association is very active especially when it comes to third age education and culture. Apart from senior organizations there is the council of senior citizens serving as consultation body in the town hall. Their role is purely consultative.

In the sector of education – parents are mentioned as key partners. There are school parents’ councils, but more important is their informal impact. The municipality also cooperates intensively with private partners which build and operate kindergartens in the city subsidized by both the town and rural

commune. All abovementioned bodies have some impact of sectorial policy shaping, however the domination of the local government over all these policy domains is visible and not undermined at all.

The city is quite affluent and it does not meet required indicators of deprivation of the neighborhoods, so it was not eligible under the EU regeneration programmes. Thus, it focuses mostly on improving public space in the center (hard investments in infrastructure). The social component of these programmes is very limited in terms of involvement in policy shaping and scope of undertakings. It is mainly local government programme implemented through local government administration.

The assessment of the involvement of entrepreneurs in the process of co-creating local policies and management is unclear. Contacts of local municipalities with local business sector are rare and rather responsive. They consult the schedule of public investment processes. Despite such a pessimist assessment, both communes (urban and rural one) owe their development to, among others, fast development of the business sector. Business also supports social organizations financially and materially within basic CSR activities: they assure costumes for the local choir, T-shirts for the sports team, catering etc. The main company operating in the town of Pruszcz Gdański is one of the biggest clothing producer, which is very active in term of civic initiatives supports, but at the same time the local perspective is not in the focus of the company heads. The company supports to some extent the local business networking by offering space for Christmas meeting once per year. The meeting itself is a local government initiative.

It seems that local administration does not try to involve local actors more intensively in policy making process, at least in the official consultation procedures. The analysis of the consultation process related to development strategy (PG_U_001) and local regeneration programme (PG_U_004) suggest that inclusion of citizens is limited and the real impact restricted. In addition, some of local politicians (councilors) see themselves as reviewers rather than co-creators of policy which should be in their opinion developed by the mayor. The mayor is often mentioned as a key asset in both communes (their vision, determination in applying for the external funds). Moreover, the local authorities are not very interested in new public-private initiatives (PG_PUB_24). They seem being afraid of decreasing transparency in consequence of governance style of policy making. Despite financial difficulties it is much easier to conduct investments independently than in partnership.

Despite the twin functional character of two Pruszcz Gdański communes (the rural and the urban one) in the locality, the formal relations between them surprisingly do not play a key role in governance and creating policies. An important point of reference for local authorities are the office of elected regional government, the office of regional governor and entities managing national road and rail infrastructure, and the city of Gdańsk, but not other neighbouring municipalities.

5.1.3 Rural case: Debrzno

Contrary to the Pruszcz Gdański case, the position of civic organizations seems extraordinarily powerful in the municipality of Debrzno. There is strong collaboration and partnership between the leading non-governmental organizations and the local authorities – for the last two terms of office reinforced by an open attitude of the new mayor. The collaboration is focused on the local development policies (business incubator) and urban regeneration programme. The business

representatives are involved on a moderate scope, mostly as programme beneficiaries and co-founders. There are also examples of cooperation between entrepreneurs and the city hall. This activism results from the fact that the Association for the Development of The Town and Municipality of Debrzno is a very strong and experienced partner for the local authorities. In opinion of some interviewees in the times of the crisis not only was it involved in developing the plans for the locality but it created the local strategies and brought new policy priorities on the local agenda as well. Thus, in a sense the Association took on the role of a visionary leader instead of being just a consultant or facilitator. The establishment of a Local Action Group and two business incubators was definitely initiated by the Association which also participated in realization of these plans.

Participatory budgeting in the town of Debrzno and village funds in the rural areas are another form of including the civic society in place-making strategies by letting them decide about small local investments. Although the turnout is not high, the figure is higher than in the neighbouring Czluchów and higher than average in the whole country.

The most recent example of a place-based policy is the Urban Regeneration Programme implemented in the town of Debrzno which is one of the smallest municipalities in Pomerania region to obtain this funding. It was based on statistical data which covered social, economic, spatial, technical and environmental aspects. Only the later stage of fine-tuning the delimitation entailed consultations with the local community. Meetings, qualitative and quantitative research were carried out to diagnose the needs and expectations of the inhabitants with respect to social functions of the area under renewal. There are also some institutionalized communication platforms focused on citizens from various age groups: Youth City Council and Council of Senior Citizens. However, the significance of civic society's participation in the governance process (as a value for itself) might not be universally internalized. The cooperation with the Third Sector is sometimes (but rarely) described as strictly instrumental: the partnership is often a formal requirement to receive a grant (DE_PUB_54).

In the *modus operandi* of the municipal authorities we can find several examples of reaching for the local knowledge. To some extent the establishment of participatory budgeting and village funds is a form of allowing people to verbalize their needs. The Council of Senior Citizens and Youth City Council are other platforms for information exchange. The Urban Regeneration Programme is also an example of incorporating local knowledge into prepared plans. Apart from social research and consultation the municipality mobilized the knowledge of subordinate entities (such as Municipal Social Care or Department of Education) about sub-municipal units.

However, there are areas where the incorporation of the local knowledge is hindered. The labour market is managed at supra-municipality level and moreover the role of the county Labour Office is to implement top-down policies determined by national programmes. Therefore, the active labour market policy is not very differentiated between the municipalities.

For the time being the involvement of business in area-based growth and development policies and governance is limited. Firstly, because there are no big companies that would take on the role of the leaders and representatives of the local entrepreneurs. Secondly, the Association of Entrepreneurs of Municipality of Debrzno is still quite young and unexperienced (founded in 2015). Even if presently entrepreneurs are not active policy-makers, they are engaged in collective actions supporting the local business. Entrepreneurs praise the openness of the local authorities. Good cooperation between the

mayor and the entrepreneurs enabled reorganization of the special economic zone so that it could cater the new investor (a furniture company). They agreed, i.a. to modify the spatial plan for the area in order to be able to build one big instead of several smaller industry buildings. This flexibility is very positively assessed. Although the relation between the mayor and entrepreneurs is heading towards full partnership, the routines of information flow are not in place yet (DE_BUS_60, DE_BUS_58).

For several years the leaders of civic society have played a vital if not dominant role in the local development. The Association for the Development of the Town and Municipality of Debrzno led the way for other formal and informal organizations. Now the local arena enters the phase of maturity – growing in number and versatility of social organizations. However, soon the local community will be faced with the retirement of the present leaders and may find itself in crisis in the absence of equally devoted and talented successors. In addition, lack of labour force and peripheral location are a great challenge for the future.

5.2 Coordination of territorial governance across cases

Distributing power across levels

First, we should emphasize that majority of Polish municipalities, including our three localities covered by the study, are **territorially sub-divided**. However, the role and scale of these sub-municipal units varies strongly and depends on local traditions and attitudes of local authorities. They may simply serve as a point of reference for territorial identification. Another role is a tool of intra-municipal analysis and comparisons. Gdańsk (the most territorially complex among our localities) uses advanced **territorialisation sub-divisions**:

- *Districts* (dzielnice) with representative elected bodies
- *macro-areas* (makroobszary): groups of districts used to plan network of ambulatories and schools (synchronized with their zoning);
- *neighbourhoods* defined as an area within 15-minute walk (bases for planning centres of local activeness, public libraries). When the district has 40 000 inhabitants and stretches for 7 km one library is not enough;

We wouldn't know the everyday-life routines, if we hadn't gone down onto the level of neighbourhood. We reach out to district councils, activists, we take on a bit ethnographic approach. [2_GD_PUB_11, local official]

Then, municipalities can have elected village / neighbourhood heads who could be involved in local policy making as a recipient of information of local policies, a consultant or a co-creator of policies. To make it even more complex, the role of sub-municipal units may vary also within the same municipality. In all three case studies the role of these units is clearly visible. The strongest sub-municipal units were observed in Debrzno and rural Pruszcz Gdański. Their importance was moderate in Gdańsk (as they are only ones among many active actors) and absent in urban part of Pruszcz Gdański. We may conclude, that the fact that they exist and have some elected representatives (village

heads / neighbourhood councils) boosts territorial approach towards local policy making. On the other hand, rather marginal (only consultative) role of these units combined with a competition in representing territorial interests between representative bodies and more dynamically developing local NGOs do not leave much space for an increase in influence on local policy making.

Models of leadership

Not less important factor of the local policy making style is the **local leadership**. Conducted interviews have not revealed one preferred style of policy making. In Gdańsk and Debrzno local communities expect local political leaders to base their policies on broad consultations with NGOs and local business sector. It is also preferred to implement agreed policies through the wide mobilization of resources outside the city-hall rather than relying on local government budgets and public resources only. Comparison with similar research conducted in 2003 (see Swianiewicz et al. 2006) demonstrates that the preference towards the consultative style and wide mobilization of resources has deepened in Polish cities during last years. Although the community involvement in setting policy goals was also preferred 15 years ago, but the acceptance for visionary leadership implementing own policy agenda was much broader than nowadays. Referring to the John and Cole (1999) definition of styles of leadership, the current preference towards the consensus-facilitator style is more dominant nowadays, while the support for visionary style has shrunk considerably.

There are two kinds of leaders. There are leaders who say: “Here, go and do it”. Or others saying: “Look, this is our goal, come, let’s do it together”. It’s the latter one and to my understanding is the real leadership. [DE_PUB_43, local official]

Although this preference is by far the most visible in the city of Gdańsk and the commune of Debrzno, while the suburb locality of Pruszcz Gdański is on the other extreme, more often allowing “city boss” style in which political leader presents his/her own political agenda and implements it with rather passive involvement of local community. The preferred and perceived style of political leadership seems to be dependent on the complex of local specific or even individual characteristics more than on a general environment in which local authorities operate.

Structures of coordination & dealing with constraints to it

Even the most charismatic city leader would not be able to work efficiently without well-organised **administrative structures**. We have observed a difficulty to overcome sectorial administrative structures decreasing the chance to implement complex integrated policies. We should emphasize that our localities are of a very different size in terms of population and – consequently – local administration size and structure. Thus, the rural municipalities together with Pruszcz Gdański are obviously less bureaucratized than the huge city hall of Gdańsk. In smaller municipalities the integration is rather a side-effect: it sometimes occurs in result of multi-sectorial scope of responsibilities of specific employee: the same person responsible for social care and elderly services trying to coordinate them. At the same time Gdańsk is frequently mentioned in the context of local administrative structures reforms concerning the number of departments and covered thematic areas. The city hall is also trying to overbear the criticized sectoral approach towards city policy making. Municipality of Gdańsk has its own development strategy, which consists of nine fields (operational programmes). These fields are organized around problems instead of management structures. The

municipality has appointed nine coordinators of teams composed of officials from various departments of the city office. In addition, at the end of previous decade the system has been built in local administration to collect information not only in departments responsible for individual sectors (education, transport etc.) but also of the comprehensive cross-sectoral information on individual parts of the city. However, there are still complaints about city administration not always flexibly adapting to the changing situation and switching among sectorial policies.

Looking across the cases we can identify several aspects repeated during the interviews which may foster or block the inter-sectorial coordination:

- 1) **Hard factors** such as the number, organisation structure and territorial dispersion of administrative units. Over last years the tendency towards merges of different sectorial policies into less administrative units dominates. In general, local (but also regional) administrative structures are relatively dynamic and undergoing frequent adaptations;
- 2) **Soft factors** such as day-to-day practice and flow of information among municipal units. The interviewees referred to the gradual evolution of attitude of the local staff, who first was not prepared nor used to inter-sectorial contacts and coordination. However, these attitudes and operation routines are perceived as less susceptible for changes (2_REG_PUB_04)

This gradual successful evolution of the attitudes had been mentioned during several interviews, i.a.:

At the beginning we sometimes needed to invite ourselves over. (...) It was not met with a friendly reaction, but rather unfriendly: 'Where are you trying to poke your nose again? Why do you care about this? It is not your job.' [GD_PUB_11, local official]

Territorial coordination of sectorial policies: synergies and conflicts

What surely enables and creates occasion for inter-sectorial contacts are **integrated development programmes**. It seems that in most of municipalities the integrated approach had been introduced together with the EU area renewal programmes in cities and rural development programmes in rural municipalities. Together with the preparation and selection of the areas to be covered, the municipalities were inclined to combine sectorial data within sub-municipal territorial units and to involve actors from different sectors. The selection of the covered areas is perceived as a consensus between meritocratic criteria and civic / political pressure. What is worth to stress is that Pruszcz Gdański implements its urban rehabilitation programme, regardless of not meeting criteria for EU funding and rural Pruszcz Gdański did not conduct this kind of programme at all. In general, it seems that with time “the integrated approach” is infiltrating into the way of thinking about local policies, however in many cases is still rather superficial. There are no specific procedures or tools to avoid sectorial conflicts, it is rather a question of evolution of staff's attitudes and/or operation routines.

What is striking is that our case studies revealed a successive inversion of the traditional priorities of local government policies. 15-20 years ago, the focus was strongly on infrastructure and the social aspects were far behind all other issues. This is especially the case of Gdańsk, but repeats also as a more general observation formulated by regional level actors. We observe a kind of inversion of this pyramid, with social aspects and social policies starting to be in the core (or at least in the area) of local government interest. Social impact and policies are being included in almost every single

sectorial action. This pattern repeats on other administrative levels (excluding the national level, which was not covered by the study):

We pick the areas that used to be labelled [as social care domain]: senior citizens pertained to social care department, social economy, defavourized groups trying to work were ascribed to welfare service. Now it is categorized differently. [2_GD__PUB_11, local official]

Examples of non-standard **inclusion of social perspective** can be found in the following policy areas, most of them can be found in Gdańsk:

- public spaces needed for leisure and education are included in infrastructure development programmes (Gdańsk, urban Pruszcz Gdański)
- labour market: the city engaged in social economy to cater for defavourized groups. This activity was incorporated into innovation & entrepreneurship programme and the city intends to find jobs for defavourized groups in new investments (e.g. in call centres) (Gdańsk)
- housing: new investments are investigated whether they provide infrastructure such as schools, roads. New ambulatories are matched with new housing investments. (Gdańsk)
- In addition, local government try to overcome the negative stereotype concerning social care beneficiaries. An innovative approach to avoid stigmatization of social care beneficiaries are multifunctional public buildings combining library, social care centre, local activism centre. (Gdańsk)

In this context we should mention an immense change concerning the scope of social problems. Even if they are now more in local policy focus than few years before, the scope and scale of problems has strongly evolved (actually: decreased). In all three localities the same pattern repeated: the policy is aimed at amelioration of something what already functions quite well. For example, the number of extremely poor families and people in danger of social exclusion was much higher. Today this problem almost has almost disappeared. Thus, the localities focus more on improving social service quality in general. The favourable dynamic economic situation and thus, elimination of social exclusion resulted, *inter alia*, in reorientation of the policy focus of some local NGO fighting against social marginalisation – there was not enough recipients to take care about any more. Today they focus more on, e.g., prevention policies.

But yet, an analysis of the current horizontal and sectorial documents of all three localities shows that the general policy focus in the context of territorial cohesion and governance differs among municipalities. In Gdańsk and Pruszcz Gdański the emphasis is put more on equal access to public services (Pruszcz Gdański, both urban and rural part) and social inclusion (Gdańsk). In rural municipality of Debrzno it is difficult to indicate the predominant policy direction.

What was interesting, is that in Debrzno we heard about not only horizontal, but also **intra-municipal vertical integration** of development strategies. The village heads have elaborated together with the citizens a series of sub-municipal units' development plans that go in line with local government policy (which they also co-create and consult). It had been prepared in order to apply for EU rural development funds. However, facing the lack of continuation of the financial support this initiative was abandoned after several years.

Identification of key stakeholders within investigated policy areas

In the context of collective efficacy analysed in the previous section, it is worth mentioning the types / groups of stakeholders involved in policymaking process. Here we observe several similarities among cases. Childcare, ALM, area regeneration, economic growth are local government tasks involving municipal (childcare, urban regeneration, economic growth) and county (ALM) administration. In case of VET it is more complex, because county and regional government share this task with the national sectorial administration and are not independent in policy shaping (see section 1.).

In what concerns **childcare**, the more urbanised is the locality, the higher is the involvement of partners in policy shaping and service delivery. This is a result of the increasing bottom up (parents' pressure) and top-down (national regulations) expectations. Local governments all over the country are trying to fulfil the requirement concerning the pre-school education coverage. It was a strong stimulus for launching broad inter-sectorial cooperation with actors being able to support or take over the provision of this task. This is mostly the case of Gdańsk, where childcare market pushed forward broad cooperation with both NGOs and business sector at all stages of policy formulation and implementation, but also the case of urban part of Pruszcz Gdański, where it is more market-based and business only co-delivers childcare services. Nowadays both municipalities have almost fulfilled these stringent requirements and concentrated mostly on optimization of the network (to be able to offer the closest possible kindergarten or nursery). This is a clear example of successful and territorially adapted cooperation enabling fast increase in quality of public service provision.

In terms of childcare policies, the rural municipality (Debrzno) is self-governed and self-sufficient. There are no private entities offering childcare services. The number of places in these institutions covers the needs of the local community. However, the future of the kindergartens and nurseries seems ambiguous. Some interviewees expressed their concern that Family 500+ social programme³¹ will make young mothers stay home and decrease the demand for early childcare.

Gdańsk also starts to expect from construction companies to include childcare services in newly built housing settlements. This is unfortunately still a rare case, not a regular practice. It has been additionally impeded by the new so-called "Lex Developer" law introduced in 2018 which in fact liberalises requirements concerning access to public services.

Another policy that is run mostly within administrative structures is **ALM** (see also section 1.1.5). We should keep in mind, that ALM is a county responsibility, so the possibility to create a specific policy in this area on the lowest administrative level is very limited (if any). Actually, over several years the whole region, including peripheral rural localities, is facing the problem of labour force deficits. Thus, the local ALM is focused threefold:

³¹ The Family 500+ programme is a systemic support for Polish families. Introduced in 2016 initially provided 500 PLN of monthly allowance for the second child and all above. From 1 July 2019, all children up to the age of 18 are entitled to the benefit regardless of income received by the family.

- 1) on acquisition of employees for companies claiming the demand to Labour Offices. They often come from other regions or from abroad (Ukraine, Russia, Moldova).
- 2) on mobilizing long-term unemployed people and groups excluded from the labour market (people with disabilities, senior citizens).
- 3) on adapting administrative structures to the new labour market (cooperation with employees from abroad, staff's linguistic competences, complex services for migrants).

However, none of the three activities is territorialized within municipal borders, they are all organized on a larger scale or in a aterritorial manner (keeping that Gdańsk Labour Office provides services of the whole country, among others for Pruszcz Gdański). The involvement of the civic sector in this policy is marginal. Business representatives declare involvement is creation of social economy enterprises (*it goes far beyond simple corporate social responsibility*, II_REG_COM_08, local businessman from Gdańsk), but it seems not being coordinated on territorial scale nor by the local authorities. Another aspect of public-private territorial cooperation are private labour agencies being contractors of the Gdańsk Labour Office. It is not popular model yet and the administration employees claim the loss of control over the procedures as the agencies operate as a kind of “black box”.

What is striking, is that there are several EU financed programmes oriented on labour market which are focused on long-life learning and training, but as for the moment the demand for this kind of action is very low. As a result, it is difficult to fulfil the formal requirements concerning e.g. number of beneficiaries. It was quite surprising that the ALM institutions of different territorial scale (county and regional) do not participate at all in the formulation nor consultation of several related policies such as childcare or urban regeneration. What was also emphasized, was the need for deeper cooperation between labour offices and social care centres (nowadays one cannot be a client of both at time).

VET is an interesting example of policy with no clearly defined division of competences. The local level is marginally involved – the rural municipalities of Debrzno and Pruszcz Gdański can only lobby for specific policy directions. In general, as VET is a county level task, Gdańsk city has some discretion over it. However, the national sectorial administration is very much involved in this domain and practically even counties cannot create their policies independently. Paradoxically, this complex collaboration structures leaves much space for territorially adapted actions which with years are highly supported by local and regional authorities. The offer and education profiles start to be adapted to the expectations of regional enterprises, but because of the lack of clear coordinator the process is neither smooth nor intense in the investigated municipalities. Before, such a cooperation had been conducted voluntarily on a local scale (e.g. in Gdańsk), it is also now being planned in Debrzno. In Gdańsk, there is also a unique public school managed by a business association. The city hall gave its permission and offered school building. We did not noticed NGO involvement in this area at all. A huge impact on rationalization of VET offer is attributed to the Integrated Territorial Investment, an instrument of EU cohesion policy for 2014-2020. It has created an arena for policy coordination and developed the system of professional advisory outside schools (this develops mostly in Gdańsk). To sum up – Gdańsk is the only among out cases to conduct any kind of specific VET policy at all. The process involves upper administrative levels and local/regional business.

Reversely to the abovementioned policy areas, the **area regeneration policy** is one of these where involvement of civic sector is more widely visible. Once again, the image varies among the three localities, so it is impossible to formulate a more general pattern. In Gdańsk, it is not possible any more to formulate any policy without broad civic consultation. In Debrzno the new task concerning urban regeneration hit the fertile ground of high local activism and even despite its narrow financial scope became important policy topic. The “worst practice” among the localities is the Pruszcz Gdański Regeneration Programme and the process of its public consultations which provides an interesting insight into the idea of territorial governance and the participation of private and social sector in the process of policy making. The document presents a complex, detailed process of public consultations already conducted (during preparation of the programme and over its final version) and planned in the phase of implementation of the interventions, monitoring their results and updating the programme. The attention paid to civic participation may suggest its important role in the process of policy-making. However, at a closer look at the chronology the elements of the consultation process were misplaced so that in some cases the gathered opinions could not effectively shape the projected interventions. The role of social and business actors seems even smaller when it comes to the implementation of the Programme. Out of 13 basic interventions only five defines non-public partners for realization mostly where land ownership is concerned. Non-governmental organization is mentioned only once, however, in the face of technical, infrastructural orientation of the majority of interventions it should hardly be a surprise. The rural municipality of Pruszcz Gdański does not conduct this kind of policy at all.

The most broadly understood **local growth policies** seem to combine all abovementioned approaches and actors. Depending on the type of action and policy tool, the scope of actors involved and character of their involvement vary. In general, all vast majority of actors agree – at least at the declarative level - on decisive role of broad participation in this kind of policies.

On the basis of abovementioned policy-specific conclusions, we are able to formulate more general observations. First, the involvement of local civic organizations in preparation and implementation of local policies demonstrates several weaknesses. One of the important is related to supply-driven character of growth policies which is strongly dependent on available EU funding. In one of interviews in Debrzno when asked about the typical sector profile of NGO's in the locality the respondent answered:

The typical profile of social activity is the same as profile of EU funds available at the moment [PG_COM_37, local NGO].

Similarly, Local Action Groups (LAGs), which are active in both Debrzno and Pruszcz Gdański seem to be “grant coalitions” rather than “growth coalitions” to use the expression used originally in relation to urban rehabilitation programmes in East German cities (Bernt 2009). In the assumptions of the LEADER programme, LAGs should gather together representatives of public authorities, civic society organizations and business community, so they would be instruments of both inter-municipal and inter-sector cooperation. But in practice of both cases the LAGs are in fact animated and operated by extremely narrow groups of people, the most often connected to public authorities. The good illustration of this bias is the experience of failure when the researchers tried to use the membership in Local Action Groups to identify potential respondents from business community, who might be

ready to talk about general community development issues. Also the LAGs seem to operate alike like grant-hunting organizations, and their existence is strongly dependent on availability of external funding. Most probably the network would disappear completely, if it would be sustained by internal resources only.

Adaptability of territorial governance structures

Thus, what are the lessons learnt by our localities? What are the recent changes in policy making style? Analysing the evolution of strategic documents, we discovered that the **mode of preparation** of policy documents has also been modified. Over past we might observe a wide presence of professional consultant companies preparing the strategic documents for the local governments. Among our case studies only the urban Pruszcz Gdański stays attached to this model and plans to continue it in future. The main argument mentioned concerns insufficient institutional capacities of local government units (2_PG_PUB_06). All other municipalities prepare their documents on their own. This seems to help to integrate it into the administrative structures, internalize goals and define needs and actions more precisely. This “locally adapted” and “individualised” approach can be also reflected in **time coverage** of strategic documents. First, they do not directly reflect any more only EU financial perspectives (taking into account the n+2 rule³²). Second, they more often cover diverse perspectives, including mid- and long-term ones. This is especially the case of Gdańsk and Debrzno, but to a lesser extent of both Pruszcz Gdański municipalities.

Another important aspect concerns **reflexive knowledge** about consequences of decreasing EU funding after 2020 for local development strategies. Gdańsk city government seems to place much more attention to reflect upon this issue in comparison to local authorities and civic activists in the remaining two localities. Whether it is related to larger economic and human resource potential of the large city (as compared to relatively small communities) or rather the consequence of individual characteristics of the leaders, remains for a moment an open question.

There are also examples of innovative solutions revealing **adaptability** not only of the policies, but of public infrastructure: buildings that are planned to have a double function or to be easily converted following, e.g. demographic changes (e.g. kindergarten changed into a day-care centre). The latter is being implemented in Gdańsk mostly.

The ability to predict “future problems” and **prevention policies** are more and more visible in our localities. The two main challenges the local authorities will have to answer in the nearest future are demographical changes and consequent difficulties on the labour market. Demographical challenges are being catch through an increase in senior-oriented investment and broadening the senior citizen inclusion in local policy making (e.g. through Senior Citizen Council). In response to the increasing problem with labour force and expected demand for guest employees the Debrzno municipality is building the first block of flats to provide accommodation for e.g. future workers of newly constructed industrial zone. A similar pro-active trend is visible in Gdańsk, where many actions are oriented on prevention of migrants’ exclusion even before they settle in the municipality. Another example form

³² N+2 (n+3) rule is related to the EU funds operation. The funds assigned to the specific financial perspective (e.g. 2014-2020) cannot be spent later than two / three years after the end of this period.

Gdańsk oriented on social conflicts prevention is broad and extensive consultation process of newly adapted area plans aiming at thickening of housing district structure.

We should also mention interesting attempts aimed at **de-bureaucratization** and de-corporatization of some local policy aspects. In this context the most interesting examples are once again those coming from Gdańsk, where the city offered a lump-sum to support informal groups initiatives and decided to decrease the scope of administrative procedures within this instrument. According to interviewees, this approach allows to cover and support the types of standard local government action and encompass local administration organisational and mental limitations.

Over time we also observe deepening and broadening of **intra-municipal territorialisation** tools such as specific territorial sub-divisions referring mostly to the urban-rural structures (settlements) and villages. In general, most of the interviewees agreed on key role of territorial approach:

If you look for the relationship between territory and social development or well-being, we do not discuss it here anymore. It's obvious for us. [2_GD_PUB_11, local politician]

However, territorial approach is often used only at the stage of diagnosis of needs and problems to be solved, but not as a perspective allowing differentiation of implemented policies.

5.3 Relation to other scales of government

The multi-level governance in the vertical axis encompasses coordination with the county, regional and national government. Taking into account importance of EU funding for several projects implemented in the localities, an important role in the multi-level arrangement is also related to European Union policies. Preparing the research and selecting localities we have had in mind certain expectations concerning the differences between large (urban centre) and smaller or between metropolitan (central and suburban) and rural settings. Our findings partially confirm those expectations, e.g. metropolitan localities think about themselves as stronger and more self-reliant than peripheral rural community. On the other hand, we were surprised by the lack of correlation between the metropolitan character of the locality and the scope of governance mechanisms applied.

It is difficult to diagnose the coordination mechanisms between different levels of territorial government apart from those obviously resulting from legal regulations. Even our interviewees were not to explicitly describe these patterns. Generally speaking, the higher the level, the more official, top down the relation is. E.g. the relations with the national government are rather contractual, based on the formal procedures and bids for offers announced to distribute funds. The relations with the regional authorities are more direct: mayors are in contact with regional authorities and officials. In several cases the respondents were declaring that informal relations and local government experience of national level politicians and bureaucrats (ministers, governors) allows them to break this formal vertical ladder.

When talking about the **European Union** relations, it appears in several contexts. First and the most frequently repeated is obviously the EU budget as the source of funding for local investment and initiatives. As the grant minister, the EU is also presented as a source of knowledge and know-how. From time to time the scope and complexity of the EU requirements are also criticized. But the general

understanding, will to be involved in these policies and to adapt local solutions, development goals and tools to the European standards are common (taking into account both interviews and the content of strategic documents). It is commonly agreed and appreciated that the influence of the EU on local policy making is high; local administration employees are eager to present themselves as EU funds professionals and euro-enthusiasts. Another dimension of the EU context in local discourse are broadly understood “European standards” – of public services, of administration, of the quality of life in general. What is striking is that - especially in Gdańsk - Europe reveals as the main point of reference regarding local policies – the national references (other regions or Warsaw) as rather rarely mentioned. *(This is not our reference point, these are not the standards we should plan to meet-* regional politician, 2_REG_PUB_02)

In contrary to this positive image of the EU, the attitude towards the **national level** is ambiguous, if not rather negative. There are two main reasons for this.

The first one refers to the popular perception of the national institutions playing role of “blocking agent”, whose policies and offered legal solutions are belated, conservative and sometimes chaotic. They are perceived not as a helpful framework, but as an external disturbing circumstance. What is striking is that even the EU funds implementation procedures seen as over-bureaucratized of complicated are mostly assigned to the national institutions responsible for their organisational framework and not to the EU itself. In addition, the national policies are frequently assessed as not sufficiently flexible and adaptable to the local needs. Several respondents referred in this context to the current labour market policy tools and problems. Labour market policy framework and programmes are very much oriented on job creation and fight against unemployment. In all 3 localities the situation in this context has evolved dynamically over last few years. Unemployment is not a big problem any more. The problem is actually opposite – it is a deficit of well-qualified and professional labour force. However, programmes conducted by the national institutions (the Ministry of Labour) are still oriented on decreasing unemployment rate. This policy direction is also supported by the EU funds. Many respondents emphasized that the problem is now solved through employment of migrant from abroad, but it is not easy nor sure because of the lack of national legal migration framework or policy.

The second dimension refers to the current politics of the national government which is frequently criticized for a tendency towards re-centralisation of municipal and – more generally speaking – local governments’ tasks. Thus, a feeling of uncertainty and unfavourable national context for experimental solutions and out-of-the-box policies was frequently mentioned (in several cases only off the record):

The golden era for local governments has passed. (2_PG_PUB_07, local politician)

Municipalities cooperate both with the office of a regional governor and the office of an elected **regional** government. It is difficult to say which one is more important for the city as their scope of competence is obviously different. The regional governor represents the opposition party to the one ruling in Gdańsk and Pruszcz Gdański (formally both mayors from Pruszcz were elected as non-partisan candidates); the mayor of Debrzno is non-partisan and has a majority in the council. In contrary, regional elected government represents the same political environment and both metropolitan localities. We should mention that personal changes (even within the same political environment) have also a big impact on the perception of the quality of vertical relations.

As we have described in section 1., the main task of the regional governor is the legal control over local governments' resolutions. Through the implementation of this task, the governor can also practically impede local policy decisions that are not in line with the national government's policy. For example, this was the case of The Model for Equal Treatment adopted in Gdańsk – the conflict between the conservative regional governor and the city authorities ended at the administrative court and was won by the city of Gdańsk. The city also works with the office of a regional governor on some aspects of nationally coordinated policies such as homelessness, anti-violence and mental health. In general, apart from the cases of conflicts concerning local resolutions, the regional governor is not mentioned as an important partner in territorial policy formulation nor implementation.

On the contrary, the cooperation between the municipalities and the office of an elected regional government is very broad. It is hard to list all their joint project and policy areas. What was frequently emphasized is that this cooperation is focused around implementation of the projects co-financed through EU funds, since regional governments are responsible for management of 1/3 of them under the Regional Operating Programme (ROP). What is not typical, is that Pomerania is one among only few regions where the instrument is implemented almost all-over the region (in several bigger agglomerations and their surroundings).

We observed a striking difference in perception of the role of regional government among our case municipalities. For peripheral as relatively small municipality of Debrzno, the region is playing role of a donor, a patron, a key player because of the role in EU funding procedures. Problems in vertical cooperation with the regional level were seen as the bottleneck for local development (the problem of the overdue construction work and the highway). In what concerns the local discourse in Pruszcz Gdański, the region was almost absent, hidden in the shadow of the big metropolis of Gdańsk. Finally, the respondents from Gdańsk were talking about the region as an equal partner for local political debate. They were also frequently referring to the informal networks and contacts at the regional level. Thus, we may conclude that territorial proximity combined with the size of the locality has a huge impact of vertical relations.

An analysis of the discourse of regional authorities led us to the conclusion that in most contexts the regional politicians and decision makers think about the territory divided into counties. Single municipalities are too small as a point of reference. This also confirms the unique position of Gdańsk – a city of a county status.

The peripheral location of Debrzno municipality could suggest a broader space for **interregional cross-border** cooperation. Some interviewees even pointed out the peripheral location as a potential asset of the municipality. However, in reality the examples of cross-regional cooperation are scarce. Apart from the “Necklace of the North” (39 partners from 4 regions) project and some environmental projects which require cross-regional synchronization (eradication of an invasive plant species) there were not any other mentioned. As remarked by one of the interviewees the cross-regional cooperation is rather a domain of NGOs and is motivated by the opportunity of acquiring external funds.

From the regional level we should not pass directly to the meso-tier of the county, but we should also include the newly institutionalised **metropolitan cooperation structures**. In what concerns Debrzno, metropolitan scale is totally absent in local policy discourse – its location is too peripheral. We can only talk about metropolitan relations in case of two out of three analysed localities – Gdańsk and

Pruszcz Gdański. We should mention that in case of the Tri-city metropolis it is quite difficult to indicate the precise borders of the metropolitan region, because its functional impact varies strongly among different sectors. Even daily commutes cross the regional administrative border of Pomerania (especially of the East). Surprisingly, in both metropolitan localities – one being the core of the metropole, other directly neighbouring this core – metropolitan references are also relatively weak and rare. Governance discourse in Gdańsk refers mostly to the role of the city as a regional and international economic hub. Metropolitan region from Gdańsk perspective is treated more like an additional source of territorial assets (mostly labour force). Previous studies of metropolitan cooperation within Tri-city region show that even if contacts and networks are dense (comparing to other metropolitan regions), Gdańsk is often perceived as an “individual player” in this game (Krukowska, Lackowska 2016).

At the same time Gdańsk takes over several tasks from metropolitan municipalities (public transportation, labour services) with a financial enumeration on the basis of legal contracts (intermunicipal agreements). The Tri-city is surrounded by the county composed mostly of fast developing rural municipalities that suffer from intense urban sprawl. The city also tries to limit the phenomena by housing densification within the city borders. Relations seem friendly and cooperation is efficient, but not very intense. The competition of Gdańsk and Gdynia³³ – second biggest city in the metropolitan region is well known and recognized in Polish local government politics. Since 2014, both cities together with almost 60 other municipalities of the region cooperate within the Association Gdańsk-Gdynia-Sopot Metropolitan Area. This initiative is a result of the implementation of the Integrated Territorial Investment instrument (ITI, a tool of the EU 2014-2020 cohesion policy). The area of policy coordination covers several EU cohesion policy thematic goals such as public transportation, spatial planning, education and energy. The projects conducted under this cooperation framework are currently being planned and realised. Local politicians claim that the ITI forced them *to think about the city in a totally different way* (2_PG_PUB_06). The focus is now much more on coordination of service provision among municipalities (e.g. public transport) and to support the citizens' daily routines crossing the administrative borders.

In what concerns surrounding municipalities, the scale of Gdańsk and small rural entities makes the relationship very uneven, but there are some examples of effective cooperation (e.g. new metropolitan school built with Kolbudy and Pruszcz Gdański municipalities, near the administrative borders of Gdańsk where new intensive housing development takes a place). The school, as located in rural area, get higher national education grants than schools located in urban municipalities. The collaborative and open attitude of Gdańsk authorities is appreciated by their suburban neighbours (Pruszcz Gdański).

³³ However, for many years there has been a competition between cities and (multi-term) mayors of two biggest cities of the region, so the number of common initiatives is assessed as unsatisfactory. An example of a failure in this field is the unsolved problem of universal metropolitan public transportation ticket system.

The **county**³⁴ is municipalities' partner with regard to road network, transportation and labour market (see section 1.). The first field of cooperation is restricted to sharing the costs of road network repair. The Czluchów county of Debrzno is praised for effectiveness in acquisition of funds and modernization of the road network. Apart from that, the county is the owner of a transportation company which is financed jointly by the municipalities, county and regional authorities. The public ownership of the company enables maintaining unprofitable routes in remote rural areas (though infrequent) and by this means to some extent responds to the problem of exclusion of inhabitants without a car and raises the awareness of public transport. Thus, the county is here perceived not only as a partner but also an adequate addressee of political lobbying. The county dominates the labour market policy within the municipality. The regular scope of cooperation described by a representative of the County Labour Office involves organization of internships in local administration and public works. There are also some non-standard collaborations such as common specific programmes oriented on fight against long term unemployment. Contrasting to this relatively high importance of the Czluchów county for Debrzno, in Gdańsk and Pruszcz Gdański the county is rather absent. In the context of both – transportation and labour market – the metropolitan localities and the city itself rely mostly on services provided by Gdańsk and the Tri-city local institutions. This situation is broadly accepted:

Bigger local governments have a mission to be subsidiary (2_PG_PUB_07_local politician)

The Gdańsk Labour Office provides services for citizens from the Gdański country (outside the city borders). It is subsidised by the county administration and consults the policy directions with the county authorities. This is actually the case of inter-local government cooperation occurring between units of different administrative level. Our observations can be confronted with the question regularly raised in Polish public debate concerning the rationale for the maintenance of the three-tier subnational system. Our findings confirm rather low political and functional importance of the county administration.

5.4 Conclusion

First of all, the distinction between characteristics of the territorial governance adapted by our localities does not always follow the most general cliché of centre-periphery cleavages. In particular the urban-rural distinction reminds more a fuzzy continuum rather than clear cut. If we try to formulate a subjective classification of the 3 cases (4 municipalities) according to the level of territorial governance advancement, the readiness and openness for cooperation, Gdańsk would be a leader, Debrzno the second best, rural commune of Pruszcz as the third and urban Pruszcz Gdański at the end.

A lack of comprehensive territorial cooperation frameworks makes the governance schemes strongly dependent on **current local authorities' attitude**. For example, electoral change in the mayoral

³⁴ We should keep in mind that Gdańsk is a city of a county status. Thus, when talking about Gdańsk case study and relation of the locality's authorities with the county, we mean the county neighboring its west and south borders (as the north-east is the coastline).

office can modify to some extent (both in negative and in positive way) the territorial cooperation practices. This was the case in Debrzno and might be to some extent the case of Gdańsk in future (after the 2014 and 2018 election respectively). This means that civic involvement structures are not well established yet. Without the positive and supportive local governments attitude, most of territorial activism would not be applied into city policy and would not have impact on the quality of life. The mode of governance seems correlated with the style of leadership: city boss mayors of both Pruszcz Gdański are less eager to cooperate and consult policies territorially.

The presence of specific territories and their eligibility under different municipal sectorial policies often depends on local civic activism. Taking into account the generally low level of civic involvement and interpersonal trust (according to Eurobarometer data). All these factors result in **random representativeness** of actors involved and representation of interest and opinion far from being typical for the whole population. According to the interviewees, this is especially the case of fast developing urban and suburban areas which did not succeeded to create its representative bodies and leaders. Big, diverse, not integrated and still growing population of these areas make it very difficult to elaborate a common vision. Thus, there are still not enough representatives being able to push the territorial interests forward.

The **national legal framework** does not provide tools for effective territorial governance, despite the legal requirements concerning consultation procedures. That can easily be imitate: municipalities can easily pretend to follow without actually doing so. Reversely, over last years the neo-liberal market-based attitude starts to grow in importance, e.g. construction companies are not obliged any more to assure social infrastructure within newly built housing and to consult it with local authorities.

On the basis of the fact that local authorities play a role as local contact point, we could formulate also a relatively pessimistic conclusion: local **cross sectorial networks** (NGO-business, business-citizens) **are very weak** or inexistent at all. Even if the observe several cases of mutual learning, these occurs within sectors (business association from Debrzno learns from business association from Gdańsk). There are few or no occasions for inter-sectorial contacts. Thus, the attitude and ability of local administration to support these contacts seems decisive. There is also a space for upper tiers of coordination: to stimulate intra-sectorial contacts within the region (e.g. enabling entrepreneurs from Debrzno learning from entrepreneurs from the Tri-city).

The cases of **inter-sectorial policy coordination** are more and more present, but the change is rather slow and more visible in big metropolis of Gdańsk than in other municipalites. The biggest challenge is to stimulate local activism and assure intra-municipal contacts and relations to be established on a regular – and not *ad hoc* - basis.

6 Discussion and conclusion

The key objective of WP4 was to investigate how local communities in varied environments and settings (urban, suburban and rural) cope with urbanization and demographic challenges. In particular we were interested in how case localities mobilize territorial capital and what is the role of collective efficacy in overcoming difficulties and solving local problems. The final element of our analysis was to describe patterns of territorial governance: vertical and horizontal collaborations, coordination of

key policies: economic growth, area regeneration, child care, ALMP and VET. The overarching motive was the significance of the location: how it shapes local assets and shortcomings, how it is perceived and utilized by public, community and business actors in place-based interventions. To sum up we present the key findings relating to these essential research questions.

The impact of urbanization and demographical changes

All investigated localities are affected by demographical changes. Common themes include: urbanization, depopulation of rural areas, urban sprawl. However, these phenomena mean something different for each locality owing to their varied characteristic and function in the settlement system.

For Gdańsk urbanization mostly means development and challenges related to the management of this growth in order to avoid segregation, territorial inequalities in access to public services and necessary infrastructure and simultaneously avert economic stagnation. Maintaining equilibrium between cohesion and growth is by no means a new challenge for Gdańsk, however, it seems that presently the competition between these two objectives has become more balanced or at least reached the awareness of policy-makers. The dominance of neoliberal development paradigm gave advantage to the private sector in the first decades after the economic transition in Poland. Numerous housing and business-infrastructure investments boosted local economy, however the degree of freedom given to developers had negative consequences for the spatial and social development of the city. New districts on the outskirts, lacking basic infrastructure and public spaces on one hand and the most attractive areas in the city centre occupied by “ghost neighbourhoods” of short-term rental apartments on the other, illustrate the negative consequences of the growth-driven development. They are the source of two kinds of challenges for the authorities of Gdańsk. First: increased spending for infrastructure, second – dysfunctions of local communities. The first problem is being solved gradually, however, the needs - as usually – exceed financial resources. More strategically the spatial development policy in Gdańsk which earlier allowed for “controlled” urban sprawl within the city limits, is now strongly oriented to city’s development “to the inside”, i.e. densification. These actions encounter some difficulties. Financially-wise: new public infrastructure investments are threatened by the prospective cuts in the EU funding which may aggravate the already observed dilemma: allowing for new housing investments to obtain additional incomes in the city’s budget versus regaining control over urban sprawl. Another factor obstructing local spatial development strategies is the recently introduced national legislation intended to facilitate and accelerate construction of inexpensive apartments, in consequence limiting the autonomy of local government in spatial planning (so called *Lex Developer*). The issue of insufficient public facilities in newly built neighbourhoods is for the time being a matter of non-obligatory negotiations between investors and local authorities, initiated by the latter. Suggestions to include public spaces, childcare institutions or ambulatories in planning are often accepted, however, the motivation is purely economic – as a possibility to increase the value for future buyers. Voluntary and not formalized character of these negotiations makes them an ad-hoc solution which moreover can be perceived ambiguously by the public opinion and raise questions about possible conflict of interests or corruption.

The suburban case is also a beneficiary of urbanization processes but above all – its location in the proximity of Gdańsk. Pruszcz Gdański is a magnet for investors, companies from logistic industry

and new inhabitants seeking more affordable housing or more peaceful lifestyle but still within a short drive from Tri-city. In the rural commune where the population has nearly doubled in the last 20 years there are difficulties with providing public services for the growing population or in the remote agrarian areas. The population boom raised concerns about manageability of growth and inspired putting some restraints to further development of housing. Presently, however, the biggest challenge related to urbanization processes is creating an integrated community and inspiring place-attachment. Ameliorating living conditions, providing attractive cultural and entertainment offer, encouraging and nurturing local activity aimed at social integration, preservation of tradition and historical legacy are examples of municipal strategies to enhance place-relatedness. The tension between economic growth and social cohesion is less vivid in the suburban case. Thanks to the attractive location the economic success just seem to happen on its own, providing budget income to pay for making Pruszcz Gdański even more attractive to live in.

While urbanization has both negative and positive consequences for the urban and suburban, the rural locality is solely affected negatively. The peripheral Debrzno has been shrinking both as a consequence of some general city-bound migration trends and economic breakdown it experienced in 1990's. Recovery of the local economy and search for new directions of development (often guided by available EU funds) were the key areas of activity of municipal authorities and supporting (and sometimes replacing them) non-governmental organizations. Despite of an impressive progress in living conditions the municipality still has difficulties in appealing to young people aspiring to carrier-oriented, modern lifestyle. In the last 25 years Debrzno has rebounded from soaring level of unemployment rate to deficiency of workforce. Now it suffers from a labour market vicious circle: the young leave Debrzno because of lack of prospective jobs and new enterprises do not develop because they cannot find qualified employees. However, there are instances of attracting back young, skilled specialists – the mayor and his deputy being best known examples.

The problem of deficiency of workforce is also present in the remaining two case localities (and in general: nation-wide). However, it is Gdańsk that perceives it as a multifaceted phenomenon and responds with both labour market and social integration policies. The labour market interventions encompass innovative forms of supporting recruitment of employees, carrier consultancy (Talent Development Centre – a pioneering project of the Labour Office) and cooperation with business organizations to adjust vocational training to the requirements of employers. Gdańsk is also open for job migrants from abroad and simultaneously develops tools to avert social segregation (model of integration of immigrants and a Model for Equal Treatment). This is one of the many examples of a holistic outlook and cross-sectoral policies in the city.

Finally, aging is a universally present challenge for policy-makers. On one hand it means increasing healthcare needs of the population, on the other – providing senior citizens with adequate representation, cultural and leisure offer. It requires both infrastructural changes and funds to finance the investments. In all investigated localities we observed pronounced presence of senior citizens in public actors narratives, strategic documents and in formal and informal organizations. In all case localities there is a Council of Seniors – as an advisory body to the mayor and associations of elderly/retired people. Providing cultural and education offer for senior citizens seems to be a need

which is already well fulfilled (Third Age University, integration events etc.). Healthcare, however, is a still unresolved issue, requiring far more efforts and resources – especially in the rural areas with scattered and due to age immobile senior population. Gdańsk is the most advanced in planning for the future ageing challenge which results both from their progressive outlook and the statistical figures – age structure is the least favourable in the urban case. When constructing new public facilities they utilize “universal, strategical design” – buildings that are planned to have a double function or to be easily converted into something else following demographic changes e.g. from kindergarten into a day-care centre. Following the demographic change needs to take place not only on the axis of time, but also adjust to the liquid territorial arrangements within the city. One districts “get old”, others get rejuvenated which makes public services planning an intricate jigsaw puzzle calling for flexible solutions.

Territorial capital and its mobilization

First of all, there are clear differences in the level of economic strength of localities between those located in the metropolitan area (i.e. urban and suburb municipality) and those outside the metropolitan area. It is also reflected by the perception of our respondents. Those from Gdańsk (central city) and Pruszcz Gdański (suburb) most often perceive their localities as more affluent comparing to national average, typical localities in the region and also comparing to their neighbour municipalities. They also claim that their localities are strong enough to deal with the existing problems using their own resources, with a limited outside support (e.g. of the central government budget). The perception of Debrzno (rural locality of peripheral location) is very different. Local community sees itself as less affluent in comparison to typical localities in the country and in the region. But the opinions on the relative level of affluence of the immediate neighbours are more diversified – on average Debrzno is seen as similar to surrounding localities. Also, the rural community is much more sceptical about self-dependence of local development. Most of respondents estimates that own resources are not sufficient to cope with existing problems, and the locality needs substantial support from outside or – according to some of respondents – it is totally dependent on external resources. It is hardly surprising knowing the degree to which local development is propelled with the EU funds.

In terms of territorial capital the investigated localities represented very different levels of available assets: both in terms of diversity of their kinds, as well as their strength. Regardless of the levels of economic, environmental, antropic and cultural capital (which are all the most abundant in Gdańsk and rather mediocre in case of Debrzno), the researched municipalities use their assets, however, it is Debrzno that puts the greatest effort to succeed with the little it has. For this reason the role of social and institutional capital is especially worth accentuating – as a factor multiplying even scarce resources. The research provides interesting insights into the origins of these types of territorial capital, explaining various levels of collective efficacy and mobilization of assets.

The ideals of civil engagement for the community can sprung up from various sources. Many respondents in Gdańsk attributed it to the history and **tradition of social activism** such as Solidarity movement. **Place-attachment** and **close face-to-face relations** were the most important factors in Pruszcz Gdański. In case of Debrzno high level of collective efficacy seem from a **founding**

experience of a deep crisis and necessity to step into the shoes of the “missing hero” (Platt 1973). Some respondents, however, perceive social engagement as a relatively new phenomenon, more related to modern values and lifestyle. Even more pragmatically, some respondents remarked that the increasing level of activism is closely correlated with improving economic standing. After overcoming economic and political difficulties of post-transformation period people having their material needs covered are ready to engage. Taking into consideration a relatively short history of Polish post-war democracy, Poles are indeed in the process of learning participation, self-governance and their own agency.

The **institutional capital** can also result from various circumstances. The openness for cooperation of local authorities in Gdańsk partially can be attributed to the same source as the already mentioned civic engagement. The openness for cooperation with different partners seems to form part of the city’s DNA. However, it also reflects the process of maturing of the local government and the long-lasting mayor, Paweł Adamowicz, to more and more inclusive governance³⁵. As observed one of the interviewees the propensity to cooperate with societal organizations is closely related to open-mindedness of mayors and experience of work outside the public sector.

In Debrzno the motivation for including community actors can have more instrumental motivation. In the times of the crisis the door was open wider for engaged, resourceful and innovative people, especially if no alternative plan of development was on the table. Stabilization of municipality’s condition and the generation change (both in the town hall and in NGO’s management) can change the situation in the future.

Territorialization of problems, territorialization of solutions

When investigating life chances we were particularly interested in territorial inequalities in access to public services such as child care and education institutions or collective transport. Another interesting finding concerns comparison of perception of internal territorial inequalities in the access to public services in the research localities. The issue has been the most pronounced in the city of Gdańsk, in spite of the fact it was far from the top of political agenda a decade ago. In the suburb area of Pruszcz Gdański the main challenge is seen in achieving the balance between more traditional, rural part of locality and experiencing very rapid population growth (being result of migration) parts localities closer to the city of Gdańsk. This population growth produces challenges related to public transport (especially commuting to the central city) but also development of technical (sewage network, local roads) and social (pre-school child care) infrastructure. In both cases of Gdańsk and Pruszcz Gdański it is a dominant opinion that local authorities rightly consider reducing territorial inequalities among their priorities and that the outcomes of the relevant policies have been satisfactory.

But opposite to what might be expected on the basis of hard available data, the issue of internal inequalities is much less perceived as important in the rural community of Debrzno. It seems to be

³⁵ Quite symptomatically his first book about Gdańsk was titled “Gdańsk as a challenge” and the most recent one – “Gdańsk as a community”.

related to the low level aspiration of local population, who has stopped to count on certain public services. A good example may be provided by the attitude towards the public transport. Although the train network practically does not play any role at all, and the bus network is poorly available (in many villages limited to buses transporting children to schools, so totally unavailable during weekends, bank holidays and vacation period), the lack is not noted by most of respondents. While directly investigated they answer that “public buses are not a problem, since every household possess at least one car, and usually there are two cars in the family”. The same attitude applies to very uneven access to pre-school child care in individual villages. The dominant tune of interviews has been very different from the dominant tune of public discourse of national media, in which access to child-care and to public transport are seen among the main challenges of the provincial part of Poland. Our research exemplifies the relativity in what one expects depending on the place their live. It also depicts how individualistic strategies settle in in the absence of local territorial cohesion strengthening the threat of exclusion of defavourized groups.

The territorialization of policies, to varied extend, can be seen in all localities except the town of Pruszcz Gdański which is considered to be a walkable compact town, where internal differences can be deemed irrelevant. However, this “compact” character results also from some previously taken measures such as providing better road infrastructure and free public transportation. Rural communes of Debrzno and Pruszcz Gdański have submunicipal units and village heads are appreciated as sources of local activism and “spokespersons” of the community. Gdańsk has the most sophisticated system o territorialization consisting of 3 levels: districts as submunicipal units and two auxiliary tiers used for planning of social infrastructure: macro-areas of several districts and micro-areas of a neighbourhood.

Territorial collaboration and coordination of policies

There are several interesting remarks resulting from the comparative analysis of **territorial governance** and **strategizing process**.

First, Polish local governments are climbing up the participation ladder (Arnstein 1979). We observe serious changes in the level of civic involvement inclusion (*in plus*) – driven on the one hand by instrumental motivation (legal and grant requirements) and genuinely changing attitudes on the other. The general trend of progressing civic participation in preparing and executing local policies is one part of the story. The other is (i) sometimes more pro forma character of this consultations which can be seen as participation without redistribution of power (Arnstein 1979) or (ii) limited number of involved actors as in the concept of urban regimes (Stone 2005). Another issue – providing extenuating circumstances – is the relatively low level of interest in public consultation process which brings out the issue of reactive rather than proactive character of social engagement in investigated localities, Gdańsk excluding.

Secondly, the level of internalization of the civic participation in local policy-making and the ease of involving the citizens and NGOs varies. We have Gdańsk where cooperation with the Third Sector is a part of everyday routine, Debrzno – where it is simply indispensable (because of the role of the Association) and the town of Pruszcz Gdański – where it still doesn’t come naturally. Results of our

survey on styles of leadership based on P. John typology (John & Cole 2008)³⁶ may provide a short summary of the discussion on the relations between the public and non-public sector in the local governance. In line with our analyses of the strategy-making process the interviewees perceived the authorities of Gdańsk and Debrzno as the most open for cooperation (highest percent of consensus facilitators ~ 60% vs. 33% in the town of Pruszcz Gdański), whereas in the town of Pruszcz Gdański the authorities were more frequently described as city bosses (42% vs ~20% in Debrzno and Gdańsk).

Thirdly, the private sector is relatively seldom present at the strategizing process. The reasons for that may be two-fold: (i) reluctance of businessmen to devote time to social activism, alternatively disbelieve in being able to make a change; (ii) reluctance of local authorities to include them (e.g. to avoid accusation of illegal dealings). Again there are localities where the problem is limited (Gdańsk, Debrzno) and those where the absence of business actors is apparent (both in town and commune of Pruszcz Gdański).

Whereas the access of non-public actors to policy-making is in some cases restricted, they are much more frequently invited to policy-implementation stage. Although it is a generally optimistic observation, exclusion from strategizing takes away real agency and makes the involvement strictly controlled by public actors.

On the other hand policy-makers sometimes justify their reservations towards letting citizens have real say with observation that they tend to disregard the *fundamental principle of participation which is building a sense of co-responsibility for the common good and try to force a solution not optimal for the majority but representing their self-interest [LPR – Debrzno]*.

In the Polish reality the synergy between the five investigated policy fields is interrupted by the competence levels. Whereas growth policies, childcare and regeneration programmes are in municipality's jurisdiction, VET and ALM are coordinated at the county level. Among our investigated localities only Gdańsk is a municipality with county's status, thereby combining responsibilities of both tiers and able to fully coordinate all 5 policies. The coordination exists so as the synergies do, however, in a city which seems to be an economic *perpetuum mobile*, it is more adequate to speak about perfecting the already good situation. The emphasis is laid on horizontal cohesion of policies to make sectoral interventions harmonized.

For other municipalities this separation of functions means that they have limited means to address **vocational training** and **labour market** issues or may perform their interventions through local growth or regeneration policies. In localities such as the two suburban municipalities or Debrzno unemployment is intended to be remedied by provision of new jobs created by attracted investors (Special Economic Zones, development of investment-friendly infrastructure), industries built on territorial assets (tourism, logistics, agriculture), regenerated public spaces (tourism, commerce), encouraged and facilitated entrepreneurship. **Vocational training** interventions are much rarer even though incompatibility of skills with the market's demand is often perceived to be to blame for

³⁶ The summarizing standardized questionnaire was administered after completing the interview. It consisted of several questions investigating perception of intermunicipal inequalities and expected and factual behaviour of the local authorities.

unemployment and resulting social problems. Debrzno – as a municipality suffering the most from unemployment initiated in the nineties – has elaborated its own and numerous ways of providing support for the labour market. An undeniably important role was played by the Third Sector.

Growth, VET and ALM policies have a lot of convergent objectives and interventions in one area often support the others. At this background **childcare** seems to be almost totally unrelated to these policies in the eyes of the authors of the strategies and furthermore is generally underrepresented in the analysed documents. Even when the defined local problem is unemployment, low professional activity among women and resulting family dysfunctions (e.g. regeneration area in the town of Pruszcz Gdański or Debrzno), development of childcare institutions is not among priority actions to be taken to remedy social exclusion. Interestingly, it is the case in all investigated localities regardless of its size or function (also in Gdańsk). We may hypothesize that the economic perspective in solving growth issues prevails, whereas institutional support for families does not play a leading role.

To sum up, the three investigated localities provided diversified research material. The differences between them in terms of affluence, territorial capital, administrative power make it difficult to make comparisons. However, given the particular circumstances they are in, Gdańsk, Pruszcz Gdański and Debrzno exhibit good cases of adaptability, though all of them have challenges to overcome. Gdańsk needs to find balance between being *economic engine* of the region with ambitions for international success and at the same time – an *inclusive city*. This will require smart spatial development policies and reconciling interests of business and community stakeholders. The city is well advanced in successful cooperation with societal organizations, especially as far as policy implementation is concerned. The appreciation for the Third Sector was closely linked to the attitude of the late mayor Paweł Adamowicz, therefore keeping the good climate for cross-sectoral collaboration will be an important challenge in the situation of the change of the leader. Pruszcz also has some strong territorial assets, however, the most potent one (proximity of Gdańsk) which propels its economic development is purely exogenous. The locality has long-time experienced leaders with a strong political mandate. However, despite declaratively positive relations between public and community actors the agency of the latter in policy making process is weak. Finally, Debrzno has the most limited portfolio of territorial assets, however, it testifies to the salience of social and institutional capital which enable effective mobilization of resources. In case of the rural locality it was a strong local NGO which resourcefully used external funding to invigorate local economy and improve living conditions. Unfavourable demographic trends (depopulation, aging and resulting deficiency of workforce) and peripheral location still jeopardize the development of Debrzno. Generational change among local leaders and decrease in EU funding are also risk factors for the future.

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Appendices

Appendix 1: List of interviews

interview ID	locality	locality type	actor type	respondent information
GD_PUB_01	Gdańsk	metropolitan	public	local politician (municipality level)
GD_PUB_02	Gdańsk	metropolitan	public	local official (municipality level)
GD_PUB_03	Gdańsk	metropolitan	public	local official (municipality level)
GD_PUB_04	Gdańsk	metropolitan	public	local official (municipality level)
GD_PUB_05	Gdańsk	metropolitan	public	local official (municipality level)
GD_PUB_06	Gdańsk	metropolitan	public	official (county or regional level)
GD_PUB_07	Gdańsk	metropolitan	public	local official (municipality level)
GD_COM_08	Gdańsk	metropolitan	community	NGO, civic organisation
GD_COM_09	Gdańsk	metropolitan	community	NGO, civic organisation
GD_PUB_10	Gdańsk	metropolitan	public	local politician (municipality level)
GD_BUS_11	Gdańsk	metropolitan	business	entrepreneur
GD_BUS_12	Gdańsk	metropolitan	business	entrepreneur
GD_COM_13	Gdańsk	metropolitan	community	NGO, civic organisation
GD_COM_14	Gdańsk	metropolitan	community	NGO, civic organisation
GD_COM_15	Gdańsk	metropolitan	community	NGO, civic organisation
GD_COM_16	Gdańsk	metropolitan	community	NGO, civic organisation
GD_PUB_17	Gdańsk	metropolitan	public	local politician (municipality level)
GD_PUB_18	Gdańsk	metropolitan	public	local politician (municipality level)
GD_BUS_19	Gdańsk	metropolitan	business	entrepreneur
GD_BUS_20	Gdańsk	metropolitan	business	entrepreneur
GD_COM_21	Gdańsk	metropolitan	community	NGO, civic organisation
GD_BUS_64	Gdańsk	metropolitan	business	entrepreneur
PG_PUB_21	Pruszcz Gdański - rural	suburban	public	local official (municipality level)
PG_PUB_22	Pruszcz Gdański - rural	suburban	public	local official (municipality level)
PG_PUB_23	Pruszcz Gdański - rural	suburban	public	local politician (municipality level)
PG_PUB_24	Pruszcz Gdański - urban	suburban	public	local politician (municipality level)
PG_PUB_25	Pruszcz Gdański - rural	suburban	public	local politician (municipality level)
PG_PUB_26	Pruszcz Gdański - rural	suburban	public	local politician (municipality level)
PG_PUB_27	Pruszcz Gdański - urban	suburban	public	local politician (municipality level)
PG_COM_28	Pruszcz Gdański - rural	suburban	community	NGO, civic organisation
PG_COM_29	Pruszcz Gdański - rural	suburban	community	NGO, civic organisation
PG_PUB_30	Pruszcz Gdański - urban	suburban	public	local politician (municipality level)
PG_COM_31	Pruszcz Gdański - urban	suburban	community	NGO, civic organisation
PG_PUB_32	Pruszcz Gdański - urban	suburban	public	local politician (municipality level)
PG_COM_33	Pruszcz Gdański - urban	suburban	community	NGO, civic organisation
PG_BUS_34	Pruszcz Gdański - urban	suburban	business	entrepreneur
PG_COM_35	Pruszcz Gdański - rural	suburban	community	NGO, civic organisation
PG_PUB_36	Pruszcz Gdański - urban	suburban	public	local official (municipality level)
PG_COM_37	Pruszcz Gdański - rural	suburban	community	NGO, civic organisation
PG_COM_38	Pruszcz Gdański - rural	suburban	community	NGO, civic organisation

PG_PUB_39	Pruszcz Gdański - rural	suburban	public	local politician (municipality level)
PG_BUS_40	Pruszcz Gdański - urban	suburban	business	entrepreneur
PG_BUS_61	Pruszcz Gdański - urban	suburban	business	entrepreneur
PG_BUS_62	Pruszcz Gdański - urban	suburban	business	entrepreneur
PG_BUS_63	Pruszcz Gdański - rural	suburban	business	entrepreneur
DE_PUB_41	Debrzno	rural	public	local official (municipality level)
DE_PUB_42	Debrzno	rural	public	local politician (municipality level)
DE_PUB_43	Debrzno	rural	public	local politician (municipality level)
DE_PUB_44	Debrzno	rural	public	local official (municipality level)
DE_PUB_45	Debrzno	rural	public	local politician (municipality level)
DE_BUS_46	Debrzno	rural	business	entrepreneur
DE_COM_47	Debrzno	rural	community	NGO, civic organisation
DE_PUB_48	Debrzno	rural	public	local official (municipality level)
DE_PUB_49	Debrzno	rural	public	official (county or regional level)
DE_COM_50	Debrzno	rural	community	NGO, civic organisation
DE_COM_51	Debrzno	rural	community	NGO, civic organisation
DE_COM_52	Debrzno	rural	community	NGO, civic organisation
DE_PUB_54	Debrzno	rural	public	local official (municipality level)
DE_BUS_55	Debrzno	rural	business	entrepreneur
DE_COM_56	Debrzno	rural	community	NGO, civic organisation
DE_PUB_57	Debrzno	rural	public	local politician (municipality level)
DE_BUS_58	Debrzno	rural	business	entrepreneur
DE_BUS_59	Debrzno	rural	business	entrepreneur
DE_BUS_60	Debrzno	rural	business	entrepreneur

Appendix 2: List of documents

document ID	locality	locality type	title of document	publication date
GD_001	Gdańsk	urban	Development Strategy of Gdańsk	2004
GD_002	Gdańsk	urban	Development Strategy of Gdańsk GDAŃSK 2030 PLUS	2014
GD_003	Gdańsk	urban	Study of the Conditions and Directions of Spatial Development	2007
GD_004	Gdańsk	urban	Study of the Conditions and Directions of Spatial Development	2018
GD_005	Gdańsk	urban	Strategy for Social Problems Solving	2004
GD_006	Gdańsk	urban	Strategy for Social Problems Solving	2016
GD_007	Gdańsk	urban	Programme of cooperation with NGOs	2011
GD_008	Gdańsk	urban	Programme of cooperation with NGOs	2017
GD_009	Gdańsk	urban	Local Regeneration Programme	2010

GD_010	Gdańsk	urban	Local Regeneration Programme	2017
PG_U_001	Pruszcz Gdański – urban	suburban	Development Strategy of the Town of Pruszcz Gdański	2011
PG_U_002	Pruszcz Gdański – urban	suburban	Development Strategy of the Town of Pruszcz Gdański	2004
PG_U_003	Pruszcz Gdański – urban	suburban	Study of the Conditions and Directions of Spatial	2016
PG_U_004	Pruszcz Gdański – urban	suburban	Local Regeneration Programme	2017
PG_U_005	Pruszcz Gdański – urban	suburban	Strategy for Social Problems Solving	2015
PG_U_006	Pruszcz Gdański – urban	suburban	Programme of cooperation with NGOs	2017
PG_U_007	Pruszcz Gdański – urban	suburban	Programme of cooperation with NGOs	2011
PG_U_008	Pruszcz Gdański – urban	suburban	Evaluation of Programme of cooperation with NGOs	2019
PG_U_009	Pruszcz Gdański – urban	suburban	Evaluation of Programme of cooperation with NGOs	2013
PG_U_010	Pruszcz Gdański – urban	suburban	Evaluation of Programme of cooperation with NGOs	2014
PG_U_011	Pruszcz Gdański – urban	suburban	Evaluation of Programme of cooperation with NGOs	2015
PG_U_012	Pruszcz Gdański – urban	suburban	Evaluation of Programme of cooperation with NGOs	2016
PG_U_013	Pruszcz Gdański - urban	suburban	Evaluation of Programme of cooperation with NGOs	2017
PG_R_001	Pruszcz Gdański - rural	suburban	Development Strategy of the Pruszcz Gdański District for 2007 – 2020	2007
PG_R_002	Pruszcz Gdański - rural	suburban	Development Programme of the Pruszcz Gdański Commune up to 2020+	2018
PG_R_003	Pruszcz Gdański - rural	suburban	Change of the Study of Conditions and Directions of Spatial Development of the Commune of Pruszcz Gdański	2010
PG_R_004	Pruszcz Gdański - rural	suburban	Strategy for Social Problems Solving in the Area of Pruszcz Gdański Commune in the years 2014-2020	2014
PG_R_005	Pruszcz Gdański - rural	suburban	Communal Family Support Program in the Commune of Pruszcz Gdański for the years 2016-2018	2016
PG_R_006	Pruszcz Gdański - rural	suburban	Strategy for Cooperation with Non-Governmental Organizations 2012	2011
PG_R_007	Pruszcz Gdański - rural	suburban	Strategy for Cooperation with Non-Governmental Organizations 2015	2014
PG_R_008	Pruszcz Gdański - rural	suburban	Strategy for Cooperation with Non-Governmental Organizations 2018	2017
PG_R_009	Pruszcz Gdański - rural	suburban	report on the implementation of the cooperation program with NGOs for 2017	2018
DE_001	Debrzno	rural	Development Strategy of the Municipality of Debrzno (2014-2020)	2015
DE_002	Debrzno	rural	Development Strategy of the Municipality of Debrzno (2006-2012)	2006

DE_003	Debrzno	rural	Local Regeneration Programme (2016-2022)	2017
DE_004	Debrzno	rural	Study of the Conditions and Directions of Spatial Development	2017
DE_007	Debrzno	rural	Programme of Cooperation with NGOs 2012	2011
DE_008	Debrzno	rural	Programme of Cooperation with NGOs 2013	2012
DE_009	Debrzno	rural	Programme of Cooperation with NGOs 2014	2013
DE_010	Debrzno	rural	Programme of Cooperation with NGOs 2015	2014
DE_011	Debrzno	rural	Programme of Cooperation with NGOs 2016	2015
DE_012	Debrzno	rural	Programme of Cooperation with NGOs 2017	2016
DE_013	Debrzno	rural	Programme of Cooperation with NGOs 2018	2017
DE_014	Debrzno	rural	Regeneration Plan for the village of Rozwory 2009-2016	2009
DE_015	Debrzno	rural	Regeneration Plan for the village of Stare Gronowo 2009-2016	2009
DE_016	Debrzno	rural	Regeneration Plan for the village of Cierznie 2009-2016	2009
DE_017	Debrzno	rural	Regeneration Plan for the village of Skowarnki 2009-2016	2009
DE_018	Debrzno	rural	Regeneration Plan for the village of Buka 2009-2016	2009
DE_019	Debrzno	rural	Regeneration Plan for the village of Myśligoszcz 2009-2016	2009
DE_020	Debrzno	rural	Regeneration Plan for the village of Słupia 2009-2016	2009
DE_021	Debrzno	rural	Regeneration Plan for the village of Strieczona 2009-2016	2009
DE_022	Debrzno	rural	Regeneration Plan for the village of Stanisławka 2009-2016	2009

Appendix 3: List of policy-makers interviews

interview ID	locality	locality type	actor type	respondent information
2_REG_PUB_01	Pomerania	regional	public	local official - regional level
2_REG_PUB_02	Pomerania	regional	public	local official - regional level
2_REG_COM_03	Pomerania	regional	community	NGO, civic organization
2_REG_PUB_04	Pomerania	regional	public	local official - regional level
2_GD_BUS_05	Gdańsk	urban	business	entrepreneur
2_PG_PUB_06	Pruszcz Gdański	suburban	public	local politician - municipality level
2_PG_PUB_07	Pruszcz Gdański	suburban	public	local politician - municipality level
2_PG_COM_08	Pruszcz Gdański	suburban	community	NGO, civic organization
2_REG_COM_08	Pomerania	regional	community	NGO, civic organization
2_REG_COM_09	Pomerania	regional	community	NGO, civic organization
2_GD_PUB_10	Gdańsk	urban	public	local official - municipality level
2_GD_PUB_11	Gdańsk	urban	public	local official - municipality level
2_DE_PUB_14	Debrzno	rural	public	local politician - municipality level
2_DE_COM_17	Debrzno	rural	community	NGO, civic organization
2_DE_PUB_19	Debrzno	rural	public	local official - municipality level

Project no.: 727058

Project full title: Inequality, urbanization and Territorial Cohesion: Developing the European Social Model of economic growth and democratic capacity

Project Acronym: COHSMO (Former Hans Thor Andersen)

Deliverable no.: D4.6

Title of the deliverable: Report on policy analysis - Italy

Contractual Date of Delivery to the CEC:	31.12.2019
Actual Date of Delivery to the CEC:	20.12.2019, 01.07.2020
Organisation name of lead contractor for this deliverable:	Aalborg University (AAU) Uniwersytet Warszawski (UW)
Author(s):	Marta Cordini, Carolina Pacchi, Andrea Parma
Participants(s):	P1, P2, P3, P4, P5, P6, P7
Work package contributing to the deliverable:	WP4
Nature:	RE
Dissemination level:	PU
Version:	1.0
Total number of pages:	86
Start date of project:	01.05.2017
Duration of project:	54 months

Abstract:

This report summarises the findings on the constitutive relationship between territorial development and cohesion in the three areas selected for the Italian case (the city of Milano, the suburban town of Legnano, and the inner area Oltrepò Pavese, in Lombardia), focusing on how location matters, based on the interaction between territorial governance, territorial capital and collective efficacy. It impinges on previous reports produced within WP4, and it reinterprets their main findings in the light of the WP as a whole. In the first part, Section 1 and Section 2, it presents the three localities selected as case studies for the subsequent analysis, based on the selection criteria, in the background of the Italian context in general. In the central Sections (3,4, and 5) it proposes a critical discussion of the dimensions used to interpret the localities: territorial capital, collective efficacy, territorial governance, impinging on the empirical work done in the WP

as a whole. It then summarises the main findings, moving between the specific aspects concerning the local cases, and an attention towards more general mechanisms.

Looking at the lessons learned from the three areas in perspective, we can underline some basic differences that, as we have seen, can be largely explained by the economic, geographical and cultural position in the Region (and in the country), but we can also underline some commonalities, which become particularly significant if we look at the ability to build and sustain cohesive and effective governance networks and to define policy bundles, able to tackle the most complex emerging urban questions.

Keyword list: territorial capital, collective efficacy, territorial governance, Milan, Legnano, Oltrepò Pavese, spatial inequalities, territorial cohesion.

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Abbreviations

ACLI: Associazioni Cristiane Lavoratori Italiani (Christian Associations of Italian Workers)

ALMPs: Active Labour Market Policies

ARCI: Associazione Ricreativa e Culturale Italiana (Italian Cultural and Recreational Association)

CSV: Centro Servizi Volontariato (Service Centre for Volunteering)

ECEC: Early Childhood Education and Care

GAL: Gruppo di Azione Locale (Local Action Group)

ISTAT: Istituto Nazionale di Statistica (National Statistic Institute)

PON: Programma Operativo Nazionale (National Operational Programme)

POR: Programma Operativo Regionale (Regional Operational Programme)

SISI: Sistema Statistico Integrato Comune di Milano (Integrated Statistical System, Milan Municipality)

SNAI: Strategia Nazionale Aree Interne (National Strategy for Inner Areas)

VET: Vocational Education and Training

Executive summary

This report summarises the findings on the constitutive relationship between territorial development and cohesion in the three localities selected for the Italian case, addressing the dimensions of inequality, urbanization and territorial cohesion. We have taken into consideration three areas (the city of Milano, the suburban town of Legnano, and the inner area Oltrepò Pavese, in Lombardia), focusing on how location matters, based on the interaction between territorial governance, territorial capital and collective efficacy. It impinges on previous reports on the individual tasks of WP4, and it reinterprets their main findings in the light of the WP as a whole. In the first part, section 1 (Introduction) and section 2 (presentation of cases), it presents the three localities selected as case studies for the subsequent analysis based on the selection criteria. For Italy a 2 stage procedure of selection has been applied. First of all, an administrative region has been selected. Then, the three localities have been chosen within the selected region.

The introduction recaps the main criteria followed to select Lombardia as the region where the case studies are located. Then the three localities are presented, along with the main reasons for their selection, and a basic characterisation of their main features using the main socio-economic and demographic indicators.

The central part of the report is focused on a thorough analysis of the empirical results, organised along the three main axes of characters of territorial capital, dimensions of collective efficacy and territorial governance arrangements. Combining the results from interviews and discourse analysis presented and discussed in D.4.4 and D.4.5, each axis is first introduced in relation to each area, and then critically appraised in a cross-area comparison.

In the second part of the discussion in sections 3,4 and 5 the report proposes some comparative conclusions, critically examining the main issues of concern in the three areas (namely territorial capital, collective efficacy and territorial governance), the main similarities and differences between them, and the (possible) relationship between the localities, which are situated within the same administrative region (Lombardia). The main lessons learned here are linked to the extremely contextual nature of the historical evolution over time of the three key variables analysed in each case: this is readable in the differences between the three localities, even if two of them are clearly connected from a geographical, functional and administrative point of view. Significant territorialised inequalities are thus emerging from fieldwork, both between and within the contexts analysed.

Looking at the main findings, the urban case, as far as urban regeneration is concerned, peripheries have been an increasingly relevant target in Milan, and the research team thus selected a number of policy documents specifically focused on peripheral areas regeneration for this part. As far as economic growth is concerned, Milan is focusing on becoming a smart city, competitive at a global scale. At the same time, it is engaged in the re-launch of the manufacturing sector that has for a long time defined the identity of its surrounding areas and that has undergone, and it is still undergoing, a significant restructuring process, and the main policy documents stem from these discursive domains.

In the sub-urban case, Legnano, recent policies within the two domains are defined through a series of governance arrangements which include the Legnano municipality, some surrounding municipalities and Città Metropolitana (Metropolitan City) and the Prefecture for the area regeneration one, and business sectors organisations at the local and supra-local scale in the

economic development ones; this contributes to the identification of policy coalitions proposing dominant discourses, which are the main focus of the analysis.

In the rural case, due to the small scale and to the specific features of the area, it did not seem useful for the analysis to separate documents according to their objectives of area regeneration and economic growth. In this case, policies and policy discourses on these topics often overlap in the same documents, which are therefore jointly analysed.

The empirical research (interviews and discourse analysis) shows that the three cases are extremely different in terms of forms of mobilisation of territorial capital, dimensions of collective efficacy and forms of territorial governance due to the different dimensions and scales, the local interpretation of the five policy areas (in particular, but not exclusively, as far as urban regeneration and economic development are concerned), and to the different connections to national and supra-national policy, also depending on the degree of dependence of localities from the policy frameworks set at other scales.

In particular, they significantly differ in terms of the identification of a specific focus within each policy area, and in terms of the presence of dedicated policy documents and connection between them, which, in turn, is connected to the presence and nature of the governance coalitions involved. As we will see, the position in terms of scale, dimension and ranking of the three localities makes them respond very differently to the challenges of globalisation (such as economic downturn in certain areas or growing inequalities in others), due to very different structures (and typologies) of territorial capital, and very different capacity to mobilise it.

Moving from a combined analysis of the way local government actors have been able to identify crucial emerging urban issues (for instance in the areas of growing spatial inequalities and local effects of the economic crisis), the conclusions reflect on how localities have been able to mobilise different forms of territorial capital, also through the involvement of diverse actors and stakeholders from community and the business sector, and to design and implement different governance arrangements, aiming at a redefinition of policy bundles.

1 Introduction

1.1 National context, purpose and main findings

In the **Italian context**, the five policy fields, considered in the COHSMO framework and discussed in this report, are mainly shaped by the multi-level institutional setting dictated by the Constitutional Law issued in 1948, which was radically changed in 2001 through a constitutional reform. The new Act introduced in 2001 (and confirmed by a national referendum) marked *the shift from a centralized to a multi-polar system of institutions*, where most of the responsibilities in social and cohesion policy, previously given to national government, shifted to regional governments.

The 2001 reform introduced the principles of *differentiation of powers, competition among regions, and subsidiarity*. The previous administrative architecture of the Republic was revised by placing the State, Regions, Provinces, Metropolitan Cities, and Cities on the same level. A functional and territorial differentiation replaced the former hierarchical relationship. The attribution of powers was based on the rule that all the functions not explicitly attributed to the State are the responsibility of the Regions. Finally, administrative competencies were attributed on the basis of the principles of proximity and subsidiarity.

According to this new Act, the State has exclusive competence over the following fields:

- public order and security, defence, justice, foreign policy, electoral rules, monetary policy
- immigration, general norms on education, social security
- protection of the environment and cultural resources.

Moreover, the State must determine the essential level of civil and social services, guarantees citizens' rights and the principle of solidarity between areas with different levels of development.

The Act leaves a vast grey area where responsibilities between the State and the regions are shared. In the field of education, for example, the State only establishes the “general rules”. For health services, the regions have a general decision-making power, while the State has to establish the essential standard levels.

The regions have legislative responsibility for significant policy areas, such as (among others):

- local development,
- social services,
- agriculture,
- housing
- general urban planning,
- vocational and professional education.
- active labour market policies
- health

The definition of municipal competences (in Italy there are 7914 municipalities in December 2019), regulated by this Act as well as by a number of other laws, are mainly in the domains of service

delivery (social services, education, waste management, ...), urban planning and local police. In some cases, for instance when municipalities are very small, they may voluntarily decide to join for the management of part or all of these competences.

Finally, the reform established not only the principle of vertical subsidiarity within the institutional levels of power, but also the one of horizontal subsidiarity between the public and private sectors.

The direct implication of such new constitutional order is that the policy fields considered in this research are mainly governed by regional governments, while the national level is still responsible for specific aspects such as the setting of national standards or the funding of programs aimed at territorial re-balancing. This institutional setting has increased territorial and regional fragmentation across the country, as most of the policy tools that are relevant for territorial rebalancing or territorial support are now under the responsibility of regional governments. Moreover, the sharing of relevant policy responsibility between the regions and the national state has prevented decision making from addressing the strong territorial differentiation existing in the country (see D3.1 for further details)

Considering specific policy fields, we shortly present the current situation as far as their institutional setting.

Active Labor Market Policy (ALMP) is a crucial but neglected policy area in the Italian welfare state, with very poor funding (only 0.4-0.5% of national GDP) and service under-development. Passive unemployment protection policies have been historically much more developed in the country. Only in the last years there has been an effort to develop such policies. In 2014 an explicit goal was providing all local area with essential ALMP services.

Responsibility for ALMP was devolved to regional governments in 2001 by the Constitutional Law. Service provision has been mainly delegated to provincial level. This high fragmentation has prevented growth and increase in quality in many regions. Only in 2014 there has been an effort to build a state-regional coordinating body (ANPAL, Agency for Active Labour Market Policies) providing a national network that should elaborate national standards and policy goals, while the management and programming responsibility is still held at regional level. This effort towards re-centralization has partially failed so far.

Though **vocational education (VET)** is a strategic field in Italy, due to the mismatch between the educational level of the population and the labour market, which contributes on the one hand to the high unemployment and results on the other in over qualification that characterize the country; nevertheless, not only is public funding very low (0.6% of national GDP), but also the responsibility of the State for such policies is very low. There are different levels of intervention in which different institutions (regions, provinces, municipalities) play the crucial role, producing a strong fragmentation in the system.

VET policies are mainly led by regional governments on their funding resources. Funding comes from regional funds as well as ESF and State funds. Goals and size of intervention mainly depend therefore on the financial and political investment of regional governments. The local actors endowed with responsibility have a large degree of autonomy. While social partners are supposed to be important stakeholders on this policy, the collaboration between schools and enterprises tend to be not particularly developed.

In this context, a territorial equity goal was explicitly defined through specific agreements signed by the central state with the regions, aimed to introduce, for instance, minimum education and training standards. Furthermore, a reform introduced in 2015 tried to introduce a closer link between vocational training and work by introducing compulsory school-to-work transition experiences especially in professional schools. We will account for such program below.

Childcare policies are split in two segments. Pre-school policies addressing children 3-5 have developed a universalistic approach, while early childcare services (children 0-2) are poorly and differently developed across the country. Funding of pre-school and standards are set at national level, while funding of early childcare services is mainly municipal while regions provide a general regulation.

As a consequence, the territorial inequality in daily services 0-2 is very high and has recently increased in spite of many attempts to reduce it. Southern regions are especially lower in funding and coverage. A large part of public services are managed by nonprofit or private organizations acting as partners of the public administration. Only recently a national program (Buona scuola) has defined the reduction of territorial inequalities in daily services for 0-2 as the main aim of this policy. Finally, a crucial reform is announced trying to overcome the split system and reduce the gap between the 3-5 pre-school system and the 0-2 childcare services system. Such plan (see below) would contribute to reduce territorial disparities only if adequately funded.

Policies aimed at **peripheral urban areas** have been developed in recent years in Italy as exceptional programs (the total funding is only 0,05% of national GDP) and therefore the funding responsibility lies with the national government. The government fixes specific aims and policy tools, while municipalities have to compete between them to obtain funds under this program. As a consequence, municipal autonomy is very high, but this brings about lack of standardization and high level of policy fragmentation.

Finally, **cohesion policy** had a restart in 2014 with a new Plan for the programming period 2014-2020, in continuity with previous programs. The main aims of such policy are to promote a smart, sustainable and inclusive growth, following the Lisbon objectives, and to reduce disparities between levels of territorial development, an issue that is at the core of COHSMO's investigation. This policy has therefore a clear territorial equalization focus. The policy is structured in a number of programmes at national and at regional level, based on both EU and national funding (National Operational Programmes on thematic areas such as Institutional Capacity Building and Metropolitan Cities; defined at national level Regional Operational Programmes defined by each Regional Government).

Since 2013, this policy area is under the responsibility of the *Agency for Territorial Cohesion*, a technical body established by Law 125, controlled by the Prime Minister's Office, which operates in partnership with other institutional (regions) and non-institutional (social and economic stakeholders, non profit organisations) actors at national level. Even though it is situated within the Prime Minister's control, the Agency is not as powerful as a Ministry, as it is mainly a technical body, which engages in strategic design activities, in connection with many other actors. It has a dedicated staff, and it both supervises and evaluates the implementation of Cohesion Policy in the country.

Local communities are involved in the program through the participation to national competitive calls. Their level of autonomy is very high once they match the requirements given by the national program. In the last years there have been some attempts to provide more coherent centrally defined

strategic goals, and stricter methodological guidelines concerning outcomes, time frames, role of partnerships, transparency, impact evaluation, and national control on implementation.

Purpose and main findings of this delivery

As stated in the guidelines for this report, the purpose of D4.6 is to gather and utilize the previous work of WP4 through making a report that combines D4.3, D4.4 and D4.5. Accordingly, the major part of D4.6 draws on existing data and analyses, and it aims at answering to the central question of how location matters with a focus on the interaction between: Territorial governance, Territorial capital and Collective efficacy. It looks at how these do interact and shape how territorial cohesion is perceived in the cases and in which ways location matters.

Looking at the lessons learned from the three areas in perspective, we can underline some basic differences that, as we have seen, can be largely explained by the economic, geographical and cultural position in the Region (and in the country), but we can also underline some commonalities, which become particularly significant if we look at the ability to build and sustain cohesive and effective governance networks and to define policy bundles, able to tackle the most complex emerging urban questions (economic restructuring, in particular after the crisis, rising inequalities, the growing gap in opportunities for different social strata, issues of inclusion and integration).

The main differences are related, as we have seen in the preceding sections, to the different dimension and ranking of the three areas, which in turn significantly influence their evolutionary dynamics, in a concentration process that is a local declination of a much more generalised global turn of growing importance of large urban regions vis-à-vis their suburban and rural hinterlands (Rodriguez-Pose, 2017). The process, as literature clearly shows, is cumulative, in that it worsens the conditions of suburban and (particularly) rural and inner areas, while metropolitan centres tend to absorb a growing quota of resources, both in terms of policy focus and in terms of presence of human capital.

Since the process tends to be self-reinforcing, it becomes particularly relevant to design and experiment policies able to fully mobilise the untapped potential in terms of different dimensions of territorial capital, in order to be able to reverse (or, at least), to contrast the trend. On the other hand, since localities are losing resources, the ability to mobilise such capitals in innovative and effective ways also tends to diminish, making exogenous intervention more and more crucial.

In the Italian cases, it appears that the three localities are in very different positions in relation to such trajectories: Milan appears to be an attractive and fast-growing metropolitan centre, not exempt from risks of sharpening the existing inequalities, Legnano copes with the increasing difficulties mainly using pre-existing resources (economic ones, social capital, knowledge), largely produced and diffused in the past, Oltrepò Pavese appears to be in a steeper decline direction, with the exogenous opportunities (such as the Inner Areas Strategy) facing increasing difficulties in mobilising territorial capital.

The similarities, on the other hand, lie in the common difficulties experienced in fully involving local stakeholders and societal actors in the design and (particularly) in the implementation of territorial cohesion policies, due to a quite traditional political attitude towards not releasing power and a diffused diffidence (below the rhetoric of participation) towards open governance settings. This is strongly connected to the dynamics and distribution of local power in rather closed networks, which make it extremely difficult to access them for new entrants, with different degrees of difficulty in the metropolitan area, which is more complex and thus more open (up to a certain

extent), in the suburban locality and in the rural one. The other common issue is the difficulty to really overcome sectorial divisions and areas of competence to fully tackle the emerging (and new) urban issues in a thoroughly coordinated way, that is connected to the structure of public administration organisation, and to the received mind-set of the most relevant urban actors (within and outside the public institutions).

1.2 Methods

Firstly, we will recall the **criteria for case study selection**, in order to introduce the reasons behind the choice to work on Lombardia and on the three localities. According to D.4.2, the case study analysis had to be based on fieldwork in three different cases in each country, responding to the following criteria:

- one city located in a *metropolitan/big* city area, where urban complexity and social inclusion problems are extremely high;
- one locality in a *rural or mountain area* of a less urbanized region, subjected to under-development and lack of resources;
- one locality located in a *dense suburbanized context*; showcasing the typical characteristics of European urbanization: strong territorial cohesion, low complexity and a medium level of resources

Moreover, in order to overcome the possible difficulties in comparability, the COHSMO team agreed that in countries with regions being actors having their own regional policies (Austria, Denmark, Italy, Poland), the case selection should include two stages:

- a. Selection of the region (usually NUTS-2) within the country
- b. Selection of localities within regions

The NUTS-2 region, in turn, should be chosen on the basis of the presence of a clear metropolitan centre within its territory and of a considerable variation of socio-economic conditions within the region itself.

In the Italian case, due to the striking territorial North-South divide in Italy (see D.3.1), there is no Italian region that can be considered representative of the country as a whole. Being constrained to choose only one region, we decided to focus on a region located in the North, the most developed and richest part of the country. Studying the strategies implemented in this area of the country gives more chances to compare with best-practices and to better identify the necessary preconditions. Moreover, in the Northern part of the country Regions show a greater internal heterogeneity, with situations characterised by higher level of economic performance, and other lagging behind, while in the South general indicators tend to be more homogenous, in that they are always below the national average.. Finally, in Northern Italy Here only three regions are characterized by the presence of a *metropolitan area*: Lombardia, Liguria and Piemonte. Other important regions such as Emilia-Romagna and Veneto are characterised by a *multicentre urban network of middle-sized*

cities, in which the largest metropolitan area (according to the ESPON definition) counts not more than 260.000 inhabitants (Verona in Veneto). The other two alternatives – Liguria and Piemonte – do not represent particularly good cases. Liguria is a small region with a peculiar economic development due to the geographical proximity to the sea of the territory, making the relationship between Genoa and its small suburban area very peculiar and difficult to disentangle. Piemonte includes Torino as metropolitan centre, which was considered for many decades as a one-company town characterized by the centrality of the automotive industry. As a consequence, the metropolitan area has developed as a typical industrial area strongly dependent on the industrial activity localization in the centre, with poor internal connections and localities characterized by weak local identity. Still today the Turin metropolitan area does not include centres with strong local and separated identity from the centre.

Lombardia represents therefore the most appropriate choice, also for the reasons listed in 1.1, and concerning the internal heterogeneity and differentiation within the Region and within its main metropolitan area, Milan. The metropolitan area of Milan is considered as a multi-centered area due to the high presence of localities with their own specific characteristics. The industrial and, more recently, post-industrial vocation of Milan has privileged a multifaceted development of its economic and urban structure, with strong, but not really hard-constraining connections between the centre and the surrounding cities. Finally, Lombardia shows a high degree of internal diversity on both social and institutional aspects (more below), making it a good case according to the guidelines provided for WP4. The choice of Lombardia as the region to focus in the COHSMO project is supported by two additional reasons: it is the most important region in the country in economic terms, but it has very high levels of institutional and urban heterogeneity, as shown by demographic and institutional indicators.

The enormous economic strength of the region is therefore challenged by this high level of internal differentiation, that contributes to prevent public social cohesion policies from developing their whole potential. At the same time, the availability of huge financial resources in the private sector and in the civil society has often complemented the public intervention, paving the way for interesting partnership cooperation and horizontal subsidiarity.

Milan is the most natural choice for the urban area given it is only metropolitan FUA of Lombardia included in the ESPON 2007 report. It is the center both of the metropolitan and of the functional area (FUA). It is clearly the most attractive urban pole at regional scale. It is also the most innovative and vibrant city of Italy, recognized also at international level (EXPO 2015). In addition, Milan is a leading-edge city in terms of local policies aimed at social inclusion.

Policy innovation promoting the economic growth and attractiveness of the city has been very important in the last years. In 2015 Milan hosted the Expo on ‘Feeding the Planet, Energy for Life’ and, since then, it has seen a strong increase in touristic flows, supported by specific municipal policies aimed at reviving and renewing the most attractive parts of the city. Large private investments have been recently channeled to develop new residential and commercial areas. Nevertheless, in spite of some interesting policy innovation, *the levels of social inequality have also increased in the city*: youth unemployment is very high; care-work conciliation is still very hard without family help; non-EU migration has hugely increased, paving the way for high segregation risks in some parts of the city, and the housing conditions of the poorer have been deteriorating in the last years, due to significant cuts in social housing programs. All these facts make Milan an interesting scenario, in which social cohesion policy and its relationship with pro-growth policy are to be studied.

Legnano is city included in the Functional Area of Milan. This city is part of a territorial corridor included between three rivers (Lambro-Seveso-Olona), intensively urbanized and with a high population density. Its suburban position within the territorial hierarchy of the region is clearly shown by its high dependency on Milan, visible in the huge daily commuting flow of students and workers to Milan and the dense infrastructural network within which the city is embedded. Nevertheless, this dependence is strongly mitigated by the centrality of Legnano for a large surrounding area, and in particular for the Alto Milanese area, which includes 23 municipalities. Its size (around 60k inhabitants), the distance from Milan (more than 30 km), and its strongly locally rooted social and economic role, have therefore contributed to make the city an interesting case of network-based suburbanization.

Finally, Oltrepò Pavese is the selected rural area. It is rather remote from the main metropolitan areas in the Lombardia Region, and it has in general a quite low level of accessibility. It includes 15 municipalities, with a total population of around 13.000 inhabitants, with a very low population density and consistent trends of depopulation and ageing. Due to its geographical position, lack of accessibility and ongoing depopulation, the area has been selected as one of the targets for the National Strategy for Inner Areas (SNAI, funded by the National Government with co-funding by the Region Lombardia). Within this policy, local stakeholders are developing a long-term plan to promote and foster tourism, strengthen local welfare services and ensure better connections between education and the job market.

Discussing the **methodological approach** to case study analysis, it is important to underline that the COHSMO Guidelines for WP4 called for *largely qualitative research methods*, with some basic quantitative research on data to characterise the contexts of analysis (partly derived from activities in WP3); the qualitative dimension, in turn, was a combination of desk research and field research, this last one implemented through in depth semi-structured interviews, with a recursive and iterative structure that proposed a succession of operational steps (from desk research to interviews on the field, and vice-versa). Mixed method research, with a different combination of the quantitative and qualitative components, has gained attention and momentum in the social sciences in the last years (Timans, Wouters, Heilbron, 2019), because its design and implementation opens up interesting possibilities to gain insight into complex phenomena, but at the same time it is open to potential mismatches between the results obtained through different techniques of inquiry. In the COHSMO Italian case, the main methodological issues that the team faced was the connection between the results of the interviews and the recurring issues in the discourse analysis (D.4.5), since the two outputs are clearly related to the same topics, but they have been obtained using different methods and templates.

In this section we firstly discuss the methodological steps that have guided the fieldwork concerning the interviews to different stakeholders in the three selected cases in Regione Lombardia (implemented in 2018 and presented in D.4.4), and secondly we will combine this with reflections on the discourse analysis and the final interviews (implemented in 2019 and partly presented in D.4.5).

As far as the implementation of the methodology for in depth interviews to different stakeholders (in the governance, business and community sectors) in the Italian cases is concerned, in order to select the possible interviewees in the three areas, the research groups started from two brainstorming sessions, the first one aimed at identifying types of actors in the three areas corresponding to the three categories mentioned in the template, the second one aimed at putting names of specific individuals (or organisations) in correspondence with each type. This second brainstorming session did not exhaust the possible lists, which on the contrary have been integrated

as the field research progressed, both after the very first introductory interviews with key informants and all along the process, by asking suggestions to the actors themselves, following a snowball method. In this case, the question to the interviewee concerned actors from the three groups (governance, community, business), dealing with the specific policy areas, and that the research team had not identified yet. As usual in the snowball method, when the same names started to emerge again and again, it was clear that the field had been extensively mapped. Moreover, due to the fact that some potentially interesting stakeholders selected in the first steps were not available, a second round of identification took place around mid-way during the interview process. Finally, the final breakdown of interviews in the three different sectors is not exactly the same in the three areas, due to the specificities of each context (e.g., in Oltrepò Pavese it has been more difficult to enter in contact with business actors). Finally, we should observe that some figures identified for the interviews are borderline between the three types of actors identified by the project guidelines (governance, community and business). In some cases the association or agency they work for doesn't fit in only one category. For them, the most appropriate track (or a mix of the three tracks available) was chosen based on the specific profile of the interviewee in order to obtain detailed and consistent information.

The contact with actors and their recruitment for the interviews has been the most complex and resource-consuming task of the research, both for the first interviews conducted in 2018 and for the interviews to key actors done in 2019, since actors in many cases did not answer to the first contact requests (the basis was a standardised email, then adapted to each actor, then followed by a phone call after a few days), or, even if they answered positively, did in many cases postpone the fixed interviews due to other engagements, in some cases more than once. In a small number of cases the actors asked for further information on the content of the interview, beyond the summary contained in the first email request.

All the interviews have been conducted face-to-face, mostly by one researcher (in a few cases by two of them, especially those in which a specific knowledge of the policy area was desirable), in the office of the interviewee, and they have been recorded, after obtaining permission; in most cases their duration has been between 60 and 90 minutes. Shortly after the interview each researcher drafted a transcript in Italian, then shared it with the whole research group. In a second phase, the three researchers responsible for the three areas have been redrafting the interview materials to prepare the structured summaries in English, following the COHSMO template. The materials referred to in this report thus derive from both the more extended and direct transcript in Italian and from the shorter one in English.

As far the subsequent step, the discourse analysis, is concerned, the documents have been identified through a selection process mainly driven by the results of the interviews (D.4.4), and verified on the basis of the analysis of the most important policy processes (D.4.3). The documents presented and discussed are therefore the ones that most significantly represent, the discourses that lie behind policies implemented in the field of urban regeneration and economic growth in the three areas, since 2012. Moreover, in order to better focus the research and interpretation activity, the team decided to take into account extraordinary policies, in the areas of urban regeneration and economic development, rather than mainstream policies in the traditional welfare areas (childcare, active labour market, vocational education and training). This is due to the fact that, as clearly shown in D.4.1, such policy areas have a clear territorial focus, and therefore the way the dominant discourses are defined is strictly related to the way in which the dimensions of territorial capital, collective efficacy and territorial governance are being constructed at the local level. Moreover, in traditional welfare areas it is more difficult to find strategic policy documents at local (municipal or supra-municipal) level, that on the contrary characterize the domains of urban (and area)

regeneration and of economic development, because when policy sectors are defined and regulated at the national level, this is the level in which the political and policy discourse takes place and informs relevant documents

The analysis specifically focused on the discourse, meaning the narrative that has supported the implementation of the policies, its structure and its recurring elements. This means, in particular, to highlight the concepts and the images, which have conveyed certain policies, and which have been used to look for consensus or simply to present the interventions. In analysing the documents, we have focused on whether and how the concept of territorial cohesion is addressed, to which extent it is explicitly targeted by the policies themselves, how it is conceptualized.

Finally, for each policy area we have identified how territorial cohesion is constructed, on the basis of the dimensions of:

- *Territorial capital*: how does the policy area identify territorial problems and territorial resources that can be mobilised.
- *Collective efficacy*: how are local communities and citizens involved
- *Territorial governance*: how is the governance of the policy area articulated (e.g. formal and informal organization, the roles, competences and tasks of collaborators/strategic actors)

After the discourse analysis phase, and on the basis of further input received through specific guidelines (task 4.12), a second round of interviews involved key actors with whom the research team had the possibility to discuss and check the appropriateness of the leading lines of interpretation of the policy discourses. Thus, the people selected and interviewed were predominantly policy makers, with some exceptions concerning experts and journalists, who have been extremely helpful for a more clear definition of the recurring themes and emerging issues, helping the research team to put them in a wider context.

2 Presentation of cases

[The guidelines give an overview of the main themes to cover for all cases if possible. Furthermore, please include the information that for the specific country, region and cases is necessary to know in order to understand the cases. Of course, we do not want overload. But, on the other hand, the reader should get a good sense of the place. In the Danish case for instance, we will include some information in this chapter on the structural reform from 2007 where municipalities were combined to make larger units and something on the ghetto legislation that was passed last year. This is both in order to set the scene but also to provide general information that we can then refer to in the subsequent chapters. Contextual information relevant to very specific places in the text can be saved for the following chapters and included where relevant. Here the purpose is to set the overall scene and provide the reader with an understanding of the place and its context.]

Italy has been traditionally characterized by a strong internal socio-economic differences between the Northern and the Southern regions. At the beginning of the 20th century, industrial development occurred mainly in the North West of the country, highly concentrated in the so called industrial triangle, which connected Turin, Genova and Milan.

In the immediate post-war period, Italy saw a period of general economic progress, the so-called “Italian miracle”. However, in the South, this positive dynamic was short-lived (limited to the 1950-60) as it relied on public investments. On the other hand, in the 1970-80s, North-East and Central

Italy continued their convergence towards the North-Western regions thanks to an economic growth led by “active industrialization” focused on the diffusion of small and medium sized firms.

The different territorial paths in terms of economic development also had a strong impact on demographic trends: Southern regions have been historically characterized by a strong flow of internal migration towards the North since the 1960s.

In the last decade, the “great depression” widened the North-South gap even further, within a more generalized decline of the Italian economic system.

Labour market structure has been traditionally characterized by a rigid configuration. Labour market “insiders” (employees, preferably with permanent contract) usually benefitted from more protections. Only in recent years, benefit systems have been reformed to attempt to provide access also to the increasing number of workers not employed in standard contracts. Access to welfare policies is generally based on a social insurance model, often connected to employment. Pre-retirement and retirement policies tended to be the main policy tools and a large portion of budget is devoted to these passive measures.

From an administrative point of view, the local government system is articulated on three tiers. The country is divided into 20 regions. 5 of them (Aosta Valley, Trentino Alto Adige, Friuli Venezia Giulia, Sicily e Sardinia) have a special statute, granting them more decision making powers. In 2001 a constitutional reform provided for the devolution of the decision making power on a series of competences (including health, labour market and vocational training) from central to regional governments, greatly increasing the role of Regions.

The second tier is represented by provinces (107). In 2014 national government proposed the abolition of the provinces and the implementation of the law creating the 11 metropolitan cities. Subsequent political changes have over-turned the plan resulting in keeping the old institutions but weakened in its decision-making capacities. The metropolitan areas were created matching the boundaries of the previous provinces encompassing the cities in question but with no clear difference in competences attributed compared to the rest of the provinces.

Finally the lowest local government level is presented by the municipalities. Currently there are 7,914 municipalities, whose size is deeply heterogeneous. Indeed, a quarter of the population live in municipalities with less than 1,000 inhabitants.

Table 1 – Basic information on Italy

		Source	Date
Number of inhabitants	60,359,546	ISTAT	01/01/19
Size in km2	302,072.8	ISTAT	2019
Name of largest city	Rome	ISTAT	01/01/19
Number of inhabitants in largest city	2,856,133	ISTAT	01/01/19
Size of largest city in km2	1,287.35	ISTAT	01/01/19
Proportion living in settlement with less than 1,000 inhabitants	24.65%	ISTAT	01/01/19

2.1 The region (1-2 pages)

Located in the Northern part of Italy, Lombardia is the most populated region in Italy with over 10 millions of inhabitants.

Historically it is one of the most developed areas of the country. If Milan was one of the main industrial centers of the country starting from the beginning of the 1900s, in the other areas of the region, districts based on intense networks of small and medium enterprises have developed.

Table 2 – Main socio-demographic features of selected region

Number of inhabitants	10,060,574	ISTAT	01/01/19
Size in km2	23,863.65	ISTAT	2019
Proportion of 0-17 years	16.5%	ISTAT	01/01/19
Proportion of 18-64 years	60.9%	ISTAT	01/01/19
Proportion of 65 years or older	22.6%	ISTAT	01/01/19
Proportion of women	51.1%	ISTAT	01/01/19
Old age dependency ratio	0.35	ISTAT	01/01/19
Net-migration	48,165	ISTAT	31/12/18
Natural population change	-23,849	ISTAT	31/12/18
Population density	421.59	ISTAT	2019
Average household disposable income	21,200	EUROSTAT	2017
Proportion of employed individuals working in the primary sector	1.3%	EUROSTAT	2018
Proportion of employed individuals working in the secondary sector (including construction)	31.3%	EUROSTAT	2018
Proportion of employed individuals working in the tertiary sector	67,4%	EUROSTAT	2018
Full-time unemployed persons in per cent of the labour force	6.0%	EUROSTAT	2018
Proportion of people living in poverty	11.1%	EUROSTAT	2018
Proportion aged 15-69 with master's degree as highest attained level of education	10.8%	ISTAT	2011
Proportion of men, aged 30-69 with primary education as highest level of education	12.3%	ISTAT	2011

Proportion of women aged 30-69 with primary education as highest level of education	15.8%	ISTAT	2011
Pre-school enrollment rate 3-5 years old (%)	94.8%	ISTAT	2014
Pre-school enrollment 0-2 years old. Places for every 100 inhabitants	25.1 (11.8 public)	ISTAT	2016
Name of largest city	Milan	ISTAT	01/01/19
Number of inhabitants in largest city	1,378,689	ISTAT	01/01/19
Size of largest city in km2	181,67	ISTAT	2019
Proportion living in settlement with less than 1,000 inhabitants	19,12	ISTAT	01/01/19

Figure 1 – Italian regions (Lombardia highlighted)



Since the 80s, under the leading role of metropolitan area of Milan, the local economy reconverted towards the tertiary sector. If one third of the workforce is still employed in the industrial sector, 67% of the labour force is currently working in the service sector.

Currently Lombardia is one of the wealthiest areas in Italy. It is the region with the second highest gross domestic product (PPS per inhabitant). Labour market outlook confirms the positive picture. Employment rate is over 67.7% in 2018 compared to an Italian national average of 58.5%. Female employment rates (59.6%; 2018) are also significantly higher than the national average (49.5). Youth unemployment has increased during the recent economic recession but it is still below the national average: for example, NEETs rate for individuals aged 15-24 years old is 10 points lower than the Italian mean value.

The attractiveness of Lombardia is also shown by demographic indicators. While the crude rate of total population change (per 1,000 inhabitants) is generally negative in Italy in 2018 (-2.0) showing the strong demographic decline of the country (-3.2 in the crude rate of natural population change), it is positive (+2.4) in Lombardia. The negative rate of natural population change (-2.4) is more than offset by migration patterns as Lombardia is attractive to immigration, both internal (+2.1) and from abroad (+3.6). In line with the national trend, the quota of over 65 people has steadily increased since the 90s. However, the current values are not significantly higher than the Italian average.

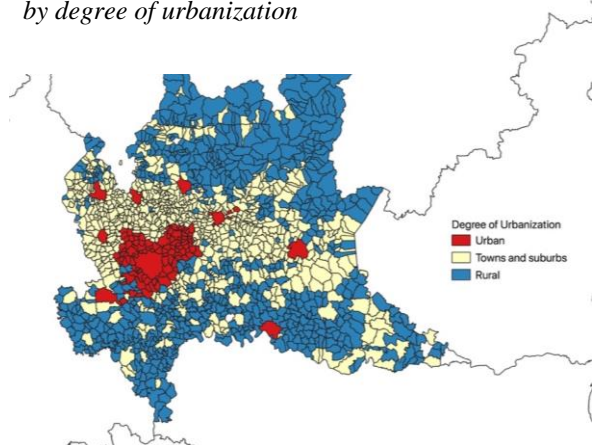
Moreover, Lombardia is also characterized by internal heterogeneity. In terms of total population change rate, the difference between the highest and lowest NUTs3 values (respectively Milan and Sondrio) is equal to 6.7 points. Natural balance is negative in all NUTs3 with the highest values observed in the rural South: Pavia (-5.8 in 2018), Cremona (-4.5) and Mantua (-4.1). On the other

hand, incoming migration is always on the positive side but with significant gaps: from +6.6 in Milan (which drives the regional average) to less than 2.5 in the mountainous North (2.0 in Sondrio and 2.5 in Bergamo). Socio-economic features show even more heterogeneity within Lombardia. If the territorial differences in total unemployment rates are more limited (rates ranging from 5 to 7%), in 2018 youth unemployment rates (calculated on 18-29 years old) ranged from 10.7% (Brescia) to 17.3% (Mantua) and 19.4% (Pavia). A 9 points gap is registered in the female employment rates between the lowest area (Bergamo: 54.8%) and the highest (Milan: 63.9%).

The significant economic strength of the region is therefore challenged by this high level of internal differentiation, which contributes to prevent public social cohesion policies from developing their full potential. At the same time, the availability of huge financial resources in the private sector and in the civil society has often complemented the public intervention, paving the way for interesting partnership cooperation and horizontal subsidiarity. The chance for social cohesion policy based on horizontal subsidiarity to be developed is significant given the relevant role played by civil society. Indeed, the third sector is well developed in Lombardia with an estimation of 166,000 workers and 813,896 volunteers in non-profit organizations according to the 2011 Census (ISTAT).

In terms of local government, the region is divided into 12 provinces with significant size differences. One third of the population live in Milan province (3,250,315 on January 2019) with further 873,935 in Monza (a province established in 2004 out of the Northern part of Milan province). The high level of institutional heterogeneity is also reflected in the high number of municipalities: 1,516 municipalities.

Figure 2 – Lombardia municipalities by degree of urbanization

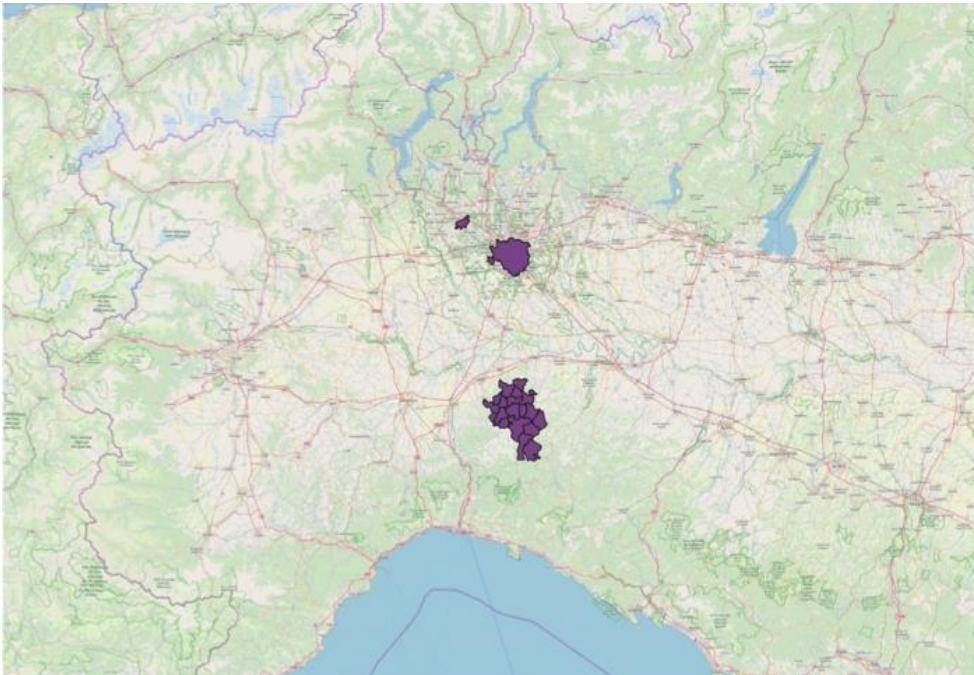


From a morphological point of view, Lombardia includes plain areas in the South, hilly areas in the central section and mountains in the North. This has an impact on the urban development of the region (see figure 2). Milan is clearly the urban centre of the region, while rural areas are present in the Alpine North (Sondrio, parts of the provinces of Bergamo, Brescia and Como) and in the south of the Po river (Mantua, Cremona, Pavia).

The three localities chosen (see figure 3 for their location) as case studies for our work are the municipality of Milan, the municipality of Legnano and the Oltrepò Pavese area.

Being the metropolitan hub of the region, Milan represents our urban case. Legnano is the suburban town chosen. It is a particularly relevant example because, on the one hand, it is in a subordinate position to Milan but, at the same time, it has strongly locally rooted social and economic role within its most immediate surrounding area. Oltrepò Pavese is the selected rural area. It groups 20 municipalities located in the Southern part of the region, with low level of accessibility. The following paragraphs will outline their main features in more detail.

Figure 3 – Selected localities for case studies (Legnano in the North, Milan in the centre, Oltrepò Pavese in the South)



2.2 The urban case

Milan is the main metropolitan centre of Northern Italy and it is located in the Western part of Lombardia region. It is well connected to other Italian towns as well as to major international cities through the railway and the airport system (one located within the boundary of the municipality with two more in the region).

The population of Milan stands at 1,378,689 inhabitants. After a drop in the early years of new century when the resident population fell below 1.3 million, there has been a general increase until 2012 followed by a sort of stabilization. Ageing trends started in the 70-80s along with de-industrialization process and lasted until 2001 (Petersen and Rimoldi, 2016). Then the new century saw an increase in the quota of young people living in Milan with the contribution of overseas immigration to influence the demographic structure of the city. This trend resulted in the quota of residents aged over 65 years decreasing from 25.1% in 2012 to 22.8% in 2019. In the same period, the old-age dependency rate also dropped from 0.40 to 0.35. Moreover, the immigration phenomenon has significantly impacted the city population. The number of foreigners has sharply increased in the last 20 years, even if a more stabilizing trend is noticeable since 2012. At the end of 2018 the number of foreigners resident in Milan was 275,818, 19.8% of the total city population.

Following the general trend of spatial organization and stratification in Southern European cities, the levels of spatial segregation in Milan are generally lower compared to other European cities (Tamaru *et al.*, 2016). However, patterns of concentration of some groups in specific areas of the city are noticeable. In particular, socio-economic segregation is the result of a long-term path started decades ago during the era of industrial boom with the concentration of the working class in the peripheral neighborhoods (where main factories were located). The de-industrialization of the last three decades has not changed the picture, with the lower class more still concentrated in the outskirts of the city. On

top of this long-standing process of socio-economic segregation, the increased influx of immigrants since the 90s added some pattern of ethnic concentration in some specific peripheral areas.

Milan is the main economic and financial centre of Northern Italy. It has developed in the post-war period as one of the leading Italian industrial cities. With the de-industrialization, since the 80s the local economy moved towards the tertiary sector. The tertiary vocation of Milan is confirmed by 2011 Census of Enterprises and Businesses: the firms located in Milan (174,136 local units reported) delivered 1,044,157 jobs. 82% of them were in the service sector. The service vocation of the city is highlighted by the employment outputs too: over 80% of the local workforce is employed in the tertiary sector. Small and medium enterprises (SMEs) play a leading role, representing 93% of the businesses present in the city (2011) and accounting for 25% of jobs (calculated on employers with less than 10 employees).

Overall, Milan's economy is multi-sectorial, without a strong specialization, but generally dominated by the advanced tertiary sector (Cucca, 2010). Sales, food service activities and support service activities are those with the highest number of workers in Milan-based businesses. Other than those connected to tourism (accommodation and food services), strategic clusters include publishing, design, fashion and financial activities. The presence of many headquarters of international companies and of the stock exchange market contributes to raise the city to the top position among Italian cities in the GaWC (Globalization and World Cities) index that identifies global cities (Milan is 12th and Rome is 62th in 2016).

The leading economic role exercised by Milan is also highlighted by the commuting flows. The strength of the functional exchanges of Milan with the surrounding municipalities results in intense flows of daily trips for study and work, which in the case of the municipality of Milan are spread over a much wider territory than other more mono-centric metropolitan areas. Between 2001 and 2011, the number of incoming commuters for work reason increased by 14.6%. On the other hand, the outcoming flows for work reasons increased by only 4.8%.

Administratively, the city has expanded its boundaries many times, and notably in 1873 and, lastly, in 1923, when the last set of surrounding municipalities was officially included in the city. The local government electoral system changed in 1993 with the introduction of mayoral direct election. Previously voters elected the city council, which in turn appointed the mayor. This nation-wide change came after a convulsive political period due to the inquiries into large corruption scandals in 1992-1993 (Bobbio, Dente, Spada, 2005), which wiped away a whole governance élite at both national and local level, opening up room for new political subjectivities, but also for a high degree of political fragmentation. Between 1993 and 2011, a series of three mayors belonging to the center-right coalition followed one another, while since 2011 centre-left mayors ruled the city.

Among large Italian cities, Milan has always had a distinct development trajectory and governance setting, characterized by a strong and effective presence of a multiplicity of diverse actors (business, third sector, community actors) in the governance arena (Balducci, Fedeli, Pasqui, 2011) and in a comparatively lesser role of Local Government in setting and actually implementing the urban agenda on many important issues (for instance welfare, integration of migrants and disadvantaged populations, interventions in the urban peripheries, promotion of economic sectors and excellence, forms of innovation in labour and production, etc.). The specific governance arrangements that involve such actors vary, depending on policy field and specific interventions. The Milanese civil society has a long tradition of civic engagement, in different forms and at different levels: from the most traditional charities and charitable NGOs aimed at the provision of welfare services, in particular to marginalized segments of the population (disabled, children, refugees, homeless, ...) to a wide variety of cultural associations promoting cultural production and enjoyment, heritage conservation, etc.

Milan is also characterized by an extremely active counter-cultural environment, which animated housing squats as well as alternative cultural centres. More recently, the city has witnessed the diffusion of community building and community strengthening associations, such as the social streets. In this way, even if the Local Government has never been fully committed to public participation as a mainstream practice (with the exception of the last few years), the city has always been strongly engaged in many fields of local political life.

Table 3 – Main socio-demographic features of the three selected case studies

	Milan	Legnano	Oltrepò Pavese	Source
Number of inhabitants	1,378,689	60,481	16,481	ISTAT 2019
Size in km ²	181.67	17.68	477.75	ISTAT 2019
Proportion of 0-17 years	15.3%	16.1%	10.3%	ISTAT 2019
Proportion of 18-64 years	61.8%	61.2%	54.8%	ISTAT 2019
Proportion of 65 years or older	22.8%	22.6%	34.9%	ISTAT 2019
Proportion of women	51.9%	51.8%	50.4%	ISTAT 2019
Old age dependency ratio	0.35	0.35	0.61	ISTAT 2019
Net-migration	15,854	454	111	ISTAT 2018
Natural population change	-3,345	-150	-280	ISTAT 2018
Population density	7,588.86	3,421.12	34.5	ISTAT 2019
Proportion of employed individuals working in the primary sector	0.86%	0.9%	11.1%	ISTAT 2011
Proportion of employed individuals working in the secondary sector	16.0%	29.4%	23.9%	ISTAT 2011
Proportion of employed individuals working in the tertiary sector	83.2%	69.7%	65.0%	ISTAT 2011
Full-time unemployed persons in per cent of the labour force	6.9%	8.3%	5.0%	ISTAT 2011

Proportion aged 15-69 with master's degree as highest attained level of education	23.2%	N/A	N/A	ISTAT 2011
Proportion of men, aged 30-69 with primary education as highest level of education	7.4%	N/A	N/A	ISTAT 2011
Proportion of women aged 30-69 with primary education as highest level of education	9.2%	N/A	N/A	ISTAT 2011
Pre-school enrollment 0-2 years old. Places for every 100 inhabitants	32 (25 public)	27 (8.9 public)	12.74 (5.8 public)	ISTAT 2016
Name of largest city	N/A	N/A	Godiasco Salice Terme	
Number of inhabitants in largest municipality	N/A	N/A	3299	
Size of largest city in km2	N/A	N/A	20,61	
Proportion living in municipalities with less than 1,000 inhabitants	N/A	N/A	45.6%	

(Note: The research group decided to show the relevant data in one table, in order to make comparisons between the three areas easier. If this choice is not clear, we can still separate them)

2.3 The suburban case

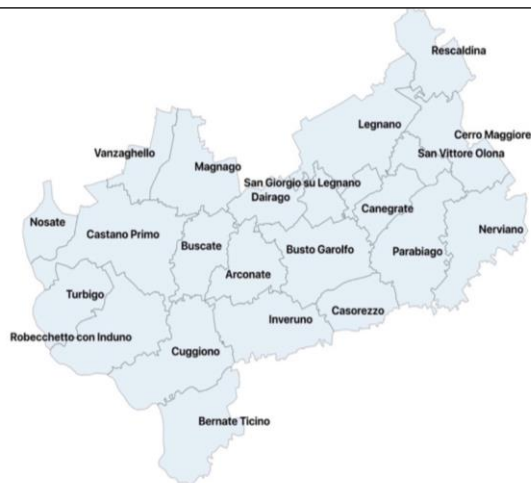
The municipality of Legnano covers an area of 17.7 square kilometres with a population of around 60,000 inhabitants and therefore a density of 3,4 people per kmq. It is located in the farthest northwest of the Lombardia region, within the Metropolitan area of Milan, about 20 km from Milan city centre. The main natural feature of the town of Legnano is the Olona River that runs through its centre and connects the three provinces of Varese, Milan, and Pavia.

The town is well connected with the rest of the region. The railway station is located in the town centre. The station is on the S5 rail line between the Busto Arsizio and Canegrate stations running from Varese through Milano to Treviglio. The S5 rail line is serviced through a partnership between Trenitalia (state railway company), Ferrovie Nord Milano Trasporti (Lombardia railway company), and Azienda Trasporti Milanesi (Milan local transport company). This partnership allows residents to travel from Legnano to Milan while utilizing the benefits of the public Milan transportation system (ATM), which make the rail line and the location popular for commuters.

Legnano is the largest and most important municipality of the so-called "Alto Milanese" area, a territory comprising more than twenty municipalities located north of Milano. Legnano's current population is only slightly higher than its population of 59,147 registered in 2010. However, the most recent trend is positive: after a slight decline since 2011, the city has seen a gradual increase of the current population. The current birth rate in Legnano is 7.6 children per 1,000 inhabitants, and the death rate is 10.1 per 1,000 inhabitants. However, the net immigration change is positive and enough to over-turn the negative natural balance resulting in an increase in the town's population. This migration rate may be a result of

Italians moving to Legnano because of the high presence of services and lower prices of housing compared to Milan and its immediately surrounding municipalities or foreigners taking up residence in the city, attracted by working opportunities mostly in the textile and constructions sectors (Tosi, Vitale, 2011).

Figure 5 – Map of Alto Milanese municipalities



The capacity to attract migrants has always been a characteristic of Legnano through the ages, due to the presence of relevant economic activities. At the end of the XIX century its population grew three times due to the inflow of inhabitants from other parts of Lombardia (Crespi, 2001). Furthermore, after WWII the town attracted a large population from the Southern regions of Italy (Tosi, Vitale, 2011).

The migration flows from abroad is a relatively new phenomena. They have increased in the last two decades. In particular, foreign presence became significant starting from 2000 as in 1995 the percentage of foreigners in Legnano was only 1%. It intensified around 2008. However, the number of foreigners in Legnano is still limited. In 2016 there were 6,925 individuals without Italian citizenship, making up 11.5% of the city's total population. The highest proportion of foreigners comes from Albania, Romania, Morocco, and Ecuador. These four nationalities totals over 40% of Legnano's foreign population (Eurolavoro, 2017). In the last ten years, the growth of foreign population has been steady but less intense than in the previous decade.

Starting from the end of the XIX century, Legnano has been a hub for the industrial development of the Metropolitan area of Milan, undergoing several transformations and profound restructurings throughout the decades while maintaining a crucial position in the textile and mechanical engineering industries at the national level (Tosi, Vitale, 2011). The city grew and thrived from the end of the XIX century until the Seventies of the XX century because of the production of filaments used in textiles. The presence of the Olona river was influential for this thriving industry, powering at an early stage the factories production.

The largest factory in the textile industry was Cotonificio Cantoni, active from 1828 to 2004. During the 1970s it was the largest cotton mill in Italy, making more than 20 billion liras (Italian national currency) and employing more than 5,000 employees in Legnano's local unit when the total population of the town was 47,000 people. Since the 1980's, the textile industry that thrived in Legnano became less prominent and made way for more local service oriented enterprises. Cotonificio Cantoni eventually closed in 2004. Nevertheless, one prominent textile industry is still present in Legnano: it is a

production offset for Dolce and Gabbana S.r.l., founded in Legnano in 1985. While its headquarters were later moved to Milan, the plants remained in Legnano.

Another historical industrial sector in Legnano is the one related to heavy machinery and energy technology, mainly represented by the Franco Tosi Meccanica. The company was founded in 1874 as Cantoni Krumm & C., and after WWII became the main producer in Italy, and one of the most important in Europe, of power generation equipment (turbines, boilers, heat exchangers, pumps etc.). During the 1970s the company was employing more than 6,000 workers in the city of Legnano. In the last thirty years, due to a global change in the power generation market, the company has been undergoing several transformations, relocating part of the industrial production in other parts of the world. In 2013 it was declared insolvent and in 2015 it was acquired by the Presezzi Group (Franco Tosi Meccanica, 2018b). However, the future of the local plant remains uncertain as the new group declared the intention to de-localise the remaining Franco Tosi Meccanica plants.

Overall, the decline in the industrial activities has been partially compensated by the growth in the construction and service provision sectors (Tosi, Vitale, 2011), even though the rate of tertiary sector growth did not fully compensate for the closures in the industrialized textile sector.

Nowadays, Legnano is still the third municipality of the Milanese Metropolitan area (ranked after Milan itself and Sesto San Giovanni) in terms of number of registered businesses. The most recent data, referring to 2016, show the presence of 5,038 active companies in Legnano (Eurolavoro 2017b), employing 19,024 workers. However, the local economy was significantly impacted, mostly in the heavy industrial sector, by the 2008 crisis that affected Italy at large. In the last three years, the decline seems to have come to a halt: data show a positive growth rate of 1,7% between 2015 and 2016 (Eurolavoro 2017b).

To sum up, the city of Legnano has commercial networks, banking services, local radio and television companies, insurance and law services. With the exception of Franco Tosi Meccanica S.p.A. and Dolce & Gabbana S.p.A., which serves a global market, the enterprises operating in Legnano serve a relatively local market. Most of the registered businesses are small and medium-sized enterprises that serve not only the local community, but also the whole Alto Milanese area. Therefore, Legnano is directly competing in terms of service provision with Milan and Busto Arsizio (Tosi, Vitale, 2011).

Industrialization, urbanization and neighborhoods' decline are strongly related in Legnano. The most important historical industries of Legnano, Cantoni and Franco Tosi, were located along the river Olona and were comprised between the railway line and the Sempione State Road. Such area soon became the city centre of Legnano, while further developments to the North East took the general name of "Oltresempione" (beyond Sempione) and those to the South West were named "Oltrestazione" (beyond railway station). In the 1991-2001 period, the central most area of Legnano lost 24.6% of its population, and another neighbourhood in the Oltresempione area, Legnarello, declined by 27.2%. While these two neighbourhoods were seeing a decline, the areas of San Paolo and Mazzafame, on the Oltrestazione side, increased their population by 30% and 16.5% respectively. A possible explanation for these patterns may be related to the growth of families and the changes in land prices within the city. In the central areas (San Magno, Legnarello, San Martino) land prices increased after former industrial plants were transformed and the areas regenerated. The areas farther from the centre (Mazzafame, San Paolo) did not see an increase as drastically in terms of land value, which may have made them more attractive for growing families (Tosi e Vitale, 2011).

Nowadays, the different neighbourhoods are characterized by a diverse amount of rented and property accommodations. Most of the privately owned dwellings are concentrated in the Contrada Legnarello, while the highest percentage of rented units is located in the Canazze area (Sant'Erasmo) and in the "Oltrestazione" territory, and in the city centre, specifically in the S.Ambrogio and S. Domenico

neighbourhoods. There are no high level of social segregation. However, according to recent studies (Tosi e Vitale, 2011), some neighborhoods are stigmatized because of the presence of social housing units, such as San Paolo and Mazzafame (San Bernardino). In addition to those neighborhoods, the Canazze area is presented as less stigmatized, but characterized by higher levels of unemployment.

Politically, since the 50s, Legnano has been generally ruled by coalitions between Christian Democrats (providing the mayors) and Socialist Party. Since the 90s, Legnano has been ruled by right wing coalitions composed by Northern League and Forza Italia, apart in the 2012-17 term when there was a Democratic Party major. Legnano has been always characterized by the valorization of its history, exemplified by the presence of the traditional inter-district race (Palio), alongside with the push towards innovation, clear from the large investment in industrial and technological activities throughout the decades. The simultaneous presence of tradition, innovation and autonomy seem to characterise Legnano's identity and to constitute one of the most relevant historical legacies of the town. This tendency can explain the presence of a sub-provincial office of Confindustria (the main representative organization of Italian industries), as well as local autonomous representatives of the main trade unions (Tosi, Vitale, 2011).

Another legacy of the industrial past of Legnano is the richness of the local civil society in terms of associations of different types. While in the past trade unions groups were the most relevant groups, recent data show a very significant increase in the number of cultural, social and sport associations (Comune di Legnano, 2018b). Many of them are very well rooted locally, even financially, without needing funding from higher levels of government.

Even if in recent years, some cultural associations seem to be trying to pursue more innovative actions, especially involving new local actors from different sectors (Segnali di Futuro, 2018), the richness of the local civil society seems to be strongly associated with the history of the town and its former glorious past. Furthermore, the local civil society, in general, seems to be highly fragmented. Forms of coordination between the different groups and associations are still quite rare, even though some collective actions mostly related to the Third Sector are emerging. The "Palio" event seems to be a powerful tool of aggregation, attracting resources and energies from the different neighborhoods and associations.

The political participation of the local civil society is seen as "silent" and "action-related". If on one hand, it is able to influence the political life of the town mostly through personal contacts and networks, on the other hand, it seems less capable to develop a public discourse and to be able to problematize different aspects of the collective life (Tosi, Vitale, 2011). Local participation seems to be more reactive than proactive (e.g. see the recent protests against the railway's line expansion or against the relocation of the Franco Tosi Meccanica S.p.A. plants). The local civil society does not seem to be able to express a conflictual "voice", able to denounce territorial inequalities and to strongly promote solutions elaborated in a public discourse (Tosi, Vitale, 2011).

2.4 The rural case

The Oltrepò Pavese area is located in the province of Pavia. The area coincides with the South-western tip of Lombardia region, located in between Piedmont, Liguria and Emilia Romagna regions. The area extends for 477 km², it includes 18 municipalities and a total of 16.481 inhabitants (2019). The size of the municipalities is very small as highlighted by the fact that 45% of the population lives in municipalities with less than 1,000 inhabitants. The two main centers are Godiasco Salice Terme and Varzi, both with a population of just over 3,000 units.

The geographical features of the territory change along the north-south axis. The Northern portion of the Oltrepò sub-region features an hilly landscape reaching 400 meters of altitude. This portion of the territory is strongly characterized by the presence of arable lands, orchards and forests (that cover a total surface of 188 km², around the 40% of the total surface). While the Southern margin is characterized by the mountainous landscape of the Northern Apennines, where the highest peak reaches the 1724 meters of altitude with Monte Lesima. Generally, the landscape of central Oltrepò is characterized by terraces and rural paths that constitute a valuable cultural heritage in Pavia's province. The area includes also protected areas of high environmental value, such as the Riserva Naturale del Monte Alpe (in Menconio municipality) and the Alpine Garden of Pietra Corva, the principal naturalistic site of the area.

The area is crossed by important infrastructural networks, taking advantage of the infrastructural intersections that link important urban poles of Pavia, Alessandria (in Piedmont) and Piacenza (in Emilia-Romagna). However, it is distant (over one hour drive) from these main urban centres and infrastructural hubs. Concerning the mobility, the area has developed through consortiums three touristic paths: the "Via del Sale" (the salt road) that connects the Alto Oltrepò with the Ligurian coast; the "Greenway" that links the rural areas to the cities of Milan, Pavia to Varzi with 112 km of path; the "Sistema Escursionistico delle Terre Alte" that is included in a greater project of 700km of pedestrian and bike routes in the mountains.

Problems related to commuting and infrastructural services are linked to the impervious orography of the territory: the natural constraints of the mountainous region and the dis-homogeneity of the internal and external accessibility network make the use of public transportation difficult for locals, that mostly use private cars for work commuting with an average of 75.3% (2011 census).

The population structure shows a strong concentration of elderlies in the area (residents with 65 years and above), with a share of 34.9% over the total resident population (12 points higher than Milan). The youngest sections of the population instead hold the lowest share with only 10% of the population aged under 18 years old. The inflow of foreign population is relatively low, representing only the 7,67% of the total resident population in 2011. Furthermore, hydrogeological risks in the area truly constitute a problem for local populations, which since the 70's have been interested by a series of landslides and soil erosion episodes.

Unsurprisingly, the natural population balance is negative. The intensity of the negative sign is stronger than Milan and Legnano, once the different sizes is taken in consideration. Moreover, outward migration trends have side effects also on a progressive retrenchment of both public and private activities present in the area. For instance, it led the closure of local schools in the area and local retail activities progressively decreased.

The area presents peculiar negative trends compared to other mountainous areas in Lombardia. The variation of number of local enterprises has decreased of 14.7% points between 2001 and 2011, while other homogeneous areas in the region have increased the number of enterprises by 5,2% in the same period. Oltrepò's economy is mainly structured on small enterprises. The agriculture sector has historically been one of the main economic activities of the area. The progressive decrease of employees in the agricultural sector is linked to specific demographic dynamics. The raising of the median age of local farmers and the overall decrease of the annual income of local farmers led to a process of retrenchment and fragmentation of agricultural activities.

The Southern portion of Oltrepò has been traditionally devoted to the arable cropping on the mountains slopes, but the progressive abandonment and neglect of the area led to a decrease of arable land and consequentially an increase of wooded area. Even if decreased in the last decades, the primary sector is still overrepresented compared to the rest of the region. The local secondary sector does not rely on industrial production, but rather artisanal activities, that also in this case, is organized mainly on small

and micro enterprises. Thus, only one enterprise counts more than 20 employees, while the 80% of the whole artisanal businesses have one or two workers.

Even if agriculture is one of key economic feature of Oltrepò, overall, only 11% of the local working population works in the primary sector. The majority is employed in the tertiary activities. However, it must be remembered that some of them does not work locally but in Pavia and Milan. Furthermore, the quota of locals employed in the service sector is weaker than in big cities like Milan.

Administratively, the 18 municipalities are organized in Mountain Community of Oltrepò Pavese. Established by the Regional administration, Mountain Community are local territorial bodies between mountain municipalities, even belonging to different provinces. The main task assigned to these bodies concerns the promotion and enhancement of mountain areas, through the management of conferred functions, and the associated management of municipal functions. This union, however, does not imply a merge or fusion of more municipalities into one, but rather it is aimed at rationalize by unifying public services into one large consortium among municipalities. The administrative make-up of the Oltrepò Community has been influenced by a series of modifications. Previously the Mountain Community included 44 municipalities, but it was reduced to 19 in 2008 and in 2019 the merger between two municipalities reduced it to the current 18. Politically, as it is often the case with small municipalities in Italy, local administrations are run by *liste civiche* (translatable in English as "Civic Lists") refers to a list of candidates in local elections – mayor and council – that participate in the elections without a direct affiliation to a political party. Usually these lists, differently from traditional parties, assume more the nature of "waves of opinions" expressed locally, rather than a specific political orientations. Historically, these lists have been present from the 50's, and they can be named in different ways, usually to emphasise local affiliations as "Together for Varzi" (from "Insieme per Varzi") or "New Horizons for Varzi" ("Varzi, Nuovi Orizzonti"), both were the lists of current administrators in Varzi.

Traditionally the area has been under several influences and political regimes, alternating the influence of ecclesiastic powers to feudal systems. The inheritance of these influences are the historical castles and the old medieval towns of Montesegale, Zavattarello and Fortugano, recognized as the most attractive historical local towns by national touristic lists. The areas immersed in the Apennine arch represent also an important point of reference for traditional folklores, especially for the repertory of traditional musical instruments made by local artisans. The whole artistic and cultural heritage thus constitutes a central interest for local actors engaged with the promotion of specific projects aimed to connect the existing museums and galleries. These elements have been central to the interests of local groups and stakeholders.

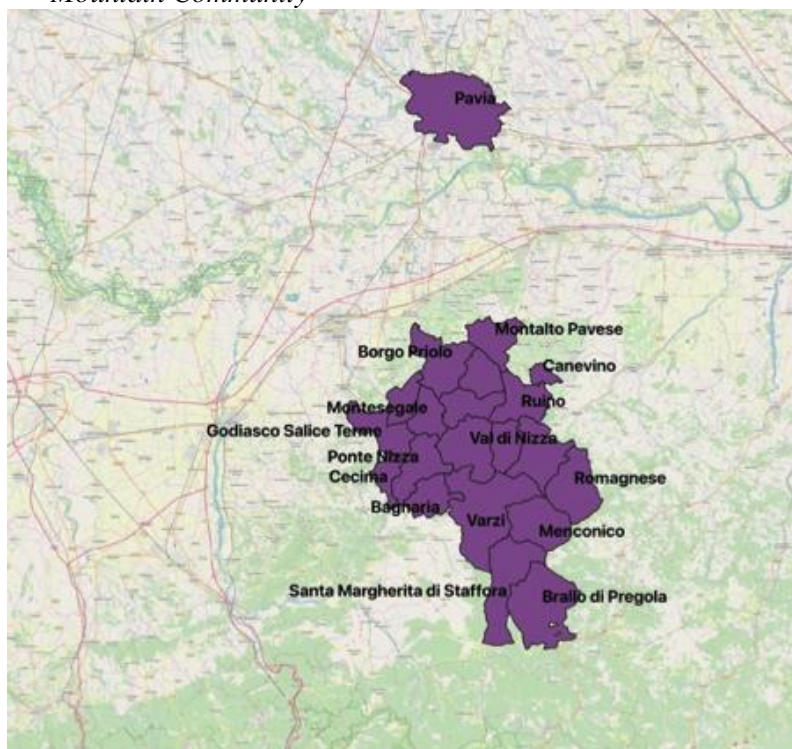
Volunteering and non-profit organisations are concentrated in the main centers of the community. In 2011 census 113 non-profit organisations were reported in Oltrepo municipalities, with the highest number of volunteers in Varzi (393 members), Brallo di Pregola (181) and Godiasco (121). The presence of such organisations is particularly important to provide specific services to the most peripheral communities in Alto Oltrepò.

The Area of Alto Oltrepò Pavese is currently interested by the National Strategy for Inner Areas (Strategia Nazionale Aree Interne – from now on SNAI project) that has been launched in 2012 by the Ministry of Territorial Cohesion. The strategy is financed through EU funds. Aimed at tackling the demographic, economic and social decline of inner areas (defined by distance from main service points), it involves different actors. The central government acts as promoter of the SNAI and constantly supervises the advancement of the projects with its specific Inner Areas' Committee. Regional administration is the formal "filter" between local communities and Central State and EU. They program and finance the actions for local development through Regional Operative Programs (POR). They are in charge of selecting the project sites and then deliver the proposal to the Central State. They

calibrate and plan the amount of resources allocated to develop the projects and specify the objectives. Municipalities and local civil society mainly manage the design implementation.

A pivotal role here is played by the Local Action Group (GAL - Gruppo di Azione Locale). GAL acts as coordinator between local stakeholders, soliciting multidimensional approaches to local development. It is composed by public and private actors, and its main objective is to manage the financial contributions to local areas delivered by the European Union and the European Agricultural Guarantee Fund (EAGF).

Figure 4 – Municipalities part of Oltrepo Pavese Mountain Community



Further initiatives were carried out in the recent past. The area has been interested by a series of projects aimed to sustain local development projects that have been strongly oriented to cultural promotion and wellbeing preservation. For instance, in the 1994-99 period Oltrepò Pavese was one of the beneficiaries of the Leader (*Liason entre actions de developpement de l'économie rurale*) II programme. The first Leader programme was by many means regarded as a ground-breaking experience in the local political-administrative system. The creation of the PSL (Piano di Sviluppo Locale; Local Development Plans) constituted an initial attempt to promote and experiment new forms of welfare provisions, especially with the measurement on local services and home care assistance.

Then, the area benefitted from the PSL Leader Plus (2002-2008), focused in the enhancement of employment opportunity and promotion of local quality of life. The PSL represented a first participatory instrument for local development in the area. Another initiative, the PIC Leared Plus Axis 2 “Project for Inter-territorial Cooperation” (2004-2008) specifically focused on the cultural and economic promotion of the territory collaborating with the neighboring provinces of Alessandria, Genoa and Piacenza.

3 Territorial capital

Overall, the chapter should focus on answering the following question: How does urbanization and inequality (demographic change, life chances) affect the mobilization of territorial capital?¹

*The chapter must be based on D4.3, D4.4 and D4.5 together with the collective topic list (task 4.10) and input from the key actor interviews (task 4.12). In section 3.2, the text is not structured along the individual cases. Instead, the aim is to move from description to analysis while at the same time elaborating on how themes/topics appear **across cases** and how they do so in similar or different ways.*

Territorial capital

In the following, we take point of departure in the conceptualisation of territorial capital as developed by Sevillo, Atkinson, and Russo (2012). However, as this analytical framework was developed with the intent of studying territorial attractiveness rather territorial cohesion specifically, a slightly different emphasis appear in the current analysis. Sevillo, Atkinson and Russo (2012) argue that territorial capital relates to the assets available in a given territory and the question of mobilizing these assets. They point to five different groups of territorial capital, here slightly adapted to our present purposes:

- Environmental capital: natural resources, landscapes and climate
- Antropic capital: man-made buildings and urban structure
- Economic capital: level of economic activity, firms and sectors, employment, clusters
- Human and social capital: education, diversity, gender and ethnicity, tolerance, networks
- Institutional capital: democratic structures, autonomy, tax structures, participative structures/inclusiveness
- Cultural capital: history, place identity, cultural inheritance

Territorial development requires a focus not only on the static stock of these assets but also on the utilization of these stocks and the political strategies involved (Camagni 2017). This is similar to the point made by Bourdieu (1990) that it is the meeting between different constellations and stocks of capital and their materialisation, institutionalisation and incorporalisation in the specific social spaces that matters. Moreover, since the present report builds on qualitative fieldwork it is the narratives of these meetings that are relayed rather than a discussion of real and intended forms of capital. Narrative data are indeed useful to understand whether and how the territorial capital is mobilized. Thus, even though we have covered different agents from different sectors aiming to map different perspectives and sets of demands, assets can lie dormant and play less of a role for the way that patterns of territorial cohesion play out in actual cases. In the COHSMO-project, territorial

¹ For further input on the operationalisation of the research questions see Appendix_V1:
<https://aaudk.sharepoint.com/sites/COHSMO/WP4/Forms/AllItems.aspx?id=%2Fsites%2FCOHSMO%2FWP4%2FD4%2E4%5FWorking%20paper%20on%20interviews%2FAppendix%5FV1%2Epdf&parent=%2Fsites%2FCOHSMO%2FWP4%2FD4%2E4%5FWorking%20paper%20on%20interviews>

cohesion has been conceptualized as the interplay between territorial capital, collective efficacy and territorial governance. This conceptualization indicates that territorial cohesion is a dynamic result of relations between assets, the political strategies for utilizing them and the webs of social relatedness generating both specific demands and emphasis on solutions. What will become clear from the analyses below is that not only is there a dynamic between potential assets and their utilization (Sevillo, Atkinson and Russo 2012), but also different relationship between the different groups of potential assets. This means that there are different sets of relations between the different groups in each of the three cases. This calls for different mobilization strategies.

3.1 Territorial problems and advantages in each case

Outline the dimensions of territorial capital in each of the three case areas.

In **Milan**, one of the main challenges mentioned by the interviewees is that of reducing inequalities within the city. The recent economic recession has contributed to a general impoverishment. However, at the same time Milan resisted better than the rest of the country and, capitalizing on the Expo experience, the city has experienced a more significant recovery.

One of the biggest risks highlighted is creating a “*two speed city*” in which not all groups and areas can benefit from the resources that Milan is able to create, thus resulting in unequal growth. This would further increase social inequalities and create a city that resembles “a giant with clay feet”. The cost of life in Milan is high, compared to other Italian cities, especially in terms of housing costs. This issue doesn’t affect only the traditionally disadvantaged groups (unemployed, large families, elderly), but also the middle class, who can feel impoverished as a result of raising costs of living, typical of period of growths.

Some of the main labour market national and global issues are also present in Milan: growing precariousness, also for high skill workers, problems in entering the labour market for young people, the raising NEET phenomenon, the mismatch between skills required in expanding sectors and professions and those detained by jobseekers.

To consolidate the positive economic outlook, one of the challenges of the city is re-enforcing its international dimension. It is the main national service pole, but compared to the 1960s Milan lost its position as the main business centre of the Mediterranean and Middle East area (to the advantage of Spain, Israel and some Arab countries) for international companies that are looking for a second location for their headquarters. In relation to this point, the level of global connection is crucial: even if overall it is considered high, it is still subject to improvements, especially in terms of direct airport connections towards Asia and rail connection towards Northern Europe.

Safety issues and criminality have not been frequently mentioned and the situation is considered better than 5-10 years ago. However, there are still some very localized critical situations in connection with some specific roads or places rather than entire neighbourhoods.

In terms of resources, one of the main advantages mentioned is the presence of layers of the society - such as citizens, business, banking foundations, third sector - ready to invest their resources with the vision of holding together the dimensions of development and solidarity. The Milanese welfare system is the result of a strong relationship between public and private, a system driven by the combination of an “operational engagement” matched by a “value engagement” symbolized by the

willingness to team up to work on these issues. Milan has huge private financial resources available in the form of a plurality of successful economic actors who can contribute to its regeneration. The foundations system can reach 150M euros of funding at provincial level. Moreover, it is the area of the country with the highest collection of 8x1000². Third sector organizations do not manage only public money but they can also generate revenues through selling services to households. The alliance between these actors can generate important answers to some problems using different sources of financing. Furthermore, it also benefits from the presence of intangible resources such as skills, knowledge, universities and research, cultural institutions. It is the capital of start-ups, if compared to other Italian cities. However, adopting a more global perspective, one business actor underlined how Milan is still behind Barcelona, Madrid and Stockholm (lack of development of private equity and venture capital are the mentioned reasons).

In conclusion, the inequality issue is the most recurring theme mentioned by different interviewees, including some business actors. Apart from this theme and other issues diffused at national and international level (NEETs, unemployment, etc.), which have been mentioned by multiple actors, the challenges they focused on are generally more related to their field of action. For example, migration has been mentioned only by governance and community actors, who have specifically dealt with it.

Moreover, some issues were looked at from different angles: a Local Government actor mentioned the labour demand-offer match focusing on the employment services, while the labour market agency focused on the employers' approach to recruitment. Also when talking about transport and communication, some included them among the resources (thinking about the internal transport system), while others highlighted the problems in terms of commuters and international connections.

As for the resources, the main theme mentioned by almost everyone is the active presence of civil society and the business world, who together with public authorities. Based on their experiences, some stressed more the role of third sector organisations, some focused on private investments, while some underlined the challenges of coordinating such a fertile ground (as will be discussed in the chapter on collective efficacy).

The informants highlight a number of problems affecting **Legnano**, specifying whether they are peculiar to that town or shared by the larger Alto Milanese territory. The most compelling issue is labour: Legnano used to be an industrial town, but the 2008 crisis had a strong impact on it and the large industries which characterized the areas declined and shut down.

Even though Legnano can still be considered a rich town in average, such transformation in the local economy had several consequences for the weakest parts of the population. Among them, the informants recall the loss of jobs and the difficulty to be re-employed due to the lack of competences, especially of 50+ men; the emergence of a “grey job market”, in which informal contracts become the rule; the nexus between unemployment and housing issues, which causes in some cases forced evictions and increasing requests for places in emergency shelters.

² A quota of income taxes that tax payers donate to specific organizations when filling their annual declaration

The rise of unemployment makes the intervention of social safety nets necessary, but public resources are scarce and there is lack of availability in the existing public housing. In addition to this, the population is ageing and the Council needs to invest more resources in elderly care. Labour is an issue also from a different point of view: according to some of the informants, there is a mismatch between qualified human capital migrating from Legnano/Alto Milanese and human capital with low qualifications entering Legnano/Alto Milanese, resulting in a lack of qualified workers in the area. All those considerations raise the issue of how to transform the local entrepreneurial potential, to avoid that other companies leave the area.

Partially related to the issue of labour, is the problem of commuting, which has been increasing in the last years. As an average, the destination of the commuters is not far (Milan is 20 km away), but the conditions of the public transport are not good, the trains are congested and often break down. This adds to the lack of efficiency of the east-west connections, mainly operated by bus lines. The north-south infrastructural axis is also perceived as a barrier in a highly urbanized territory.

Other problems mentioned by the informants are a perception of insecurity, mostly related to micro-criminality and drug dealing. Immigration was mentioned as a problem only by one informant. Other issues are the state of public housing, the management and regeneration of former industrial sites and the risk of a loss of identity. Other informants focused on the problem of provincialism and of a very individualistic culture, in a context in which personal ties can be more important than competences. Looking at the socio-sanitary sector, Local Authorities have difficulties in coordinating and sharing services. The Metropolitan government is weak and does not solve this issue.

For many stakeholders, several problems are also opportunities: Legnano is strategically located between Milan and Varese, at the heart of the Alto Milanese area, and is served by several infrastructures (Malpensa airport, railway, highways). It is also close to a lake, so it could become a base camp for tourist excursions.

The issues related to labour, productivity, flexibility can turn into opportunities too: the quality of local enterprises (SMEs) is very high and many of them are trying to transform and adapt to the international context, there is a widespread “entrepreneurial spirit” among the population of the Alto Milanese and producing is part of the DNA in Legnano; there are still some examples of manufacturing excellence in the sectors of mechanics, textile, chemicals, plastics, electro-medical, aero-spatial and shoemaking, which can count on part of their supply chain within the territory. Since it is still a very wealthy city, many entrepreneurs are investing a lot also in Corporate Social Responsibility (CSR). In addition, there are very good schools at all levels, able to promote high quality projects, without forgetting a university with a strong curriculum in economics and management located only 2 km away. The urban voids left by the large factories, which could become logistics hubs, are also considered urban regeneration opportunities.

In Legnano the quality of life is considered to be very good, due to the size of its territory, the amount of its population and the relative economic power. Many informants mention, among the advantages a large presence of entertainment activities (e.g. festivals, concerts etc.) attracting visitors from the surroundings, especially during the Palio time (a traditional festival which celebrates a famous Twelfth Century battle). Another advantage is the presence of many associations, characterized by a good level of coordination with the public administration.

Being part of the Metropolitan City of Milan, Legnano is part of a network of municipalities and it is one of the few territories in Lombardia in which a *Patto dei Sindaci* (Mayors’ Agreement) was

signed. Within the "Pact of the Alto Milanese", a "conference of mayors" has been established as a tool to coordinate the local policies of the municipalities of the Alto Milanese and to better integrate them with the policies of the province of Milan and then of the Metropolitan City with the aim of strengthening inter-municipal cooperation and territorial supervision. With the "Patto dei sindaci", the subscriber municipalities intended to put in action a new model of consultation and participation on policies and projects, planning and designing actions and activities useful for territorial development. A "Committee for local economy and labour" was also created. In Legnano there are also the local offices of the main institutions and the most important employers' associations.

All actors in **Oltrepò Pavese** identify problems as abandonment, hydrogeological risks, lack of infrastructures etc. as general issues concerning Appennine's localities nation-wide. More specifically to the area, demographic issues relate to depopulation and ageing, and territorial problems to advancement of the forest due to abandonment. All these factors are particularly relevant in commenting the economic marginalization of the area. Broadly referring to territorial development policies, some interviewees have pointed out that there has been a misconception in culture and in policy issues that considers only the Alpine Arch as "mountain". A state of abandonment which is being caused also by regional policies, that until recently have not paid enough attention to Oltrepo territory.

According to many, also the attitude of locals exacerbate the isolation condition of the area, and becomes the main factor that differentiates Alto Oltrepo from other Lombardia rural areas, which instead are more vital from an economic point of view. The winegrowing Franciacorta area (near Brescia) is taken as a model of "territorial marketing", as well as Valtellina and others. According to some, the lack of an industrial past, kept the entrepreneurial attitude low as businesses barely innovate or make networks. It is difficult to team up or conceive a territorial economy, as working opportunities are perceived to be mainly in rice basins or wineries on the plain and hilly side. People grow up with the mental attitude, or "culture", of out-ward migration.

Low urbanization, natural resources and local history and culture are considered as values to protect. These aspects are relevant especially because agri-food, slow tourism and biodiversity are the three main aspects identified as economic opportunity drivers for the area. Nevertheless, even when referring to advantages, other problems did emerge from the interviews. The lack of competitiveness is due to conflictual social attitudes and lack of business vision.

In general, all the actors referred to issues related to local politics. Firstly, referring to the general technical capacity of local administrative representatives, informants explicitly report gaps in terms of skills, competencies and not adequate professional and educational backgrounds. Secondly, they referred to specific personal attitudes of local politicians in consolidating their "electoral basin", referring especially to job opportunities (for instance placing relatives in administrative positions; providing disability pensions, etc.) that «*self-legitimize themselves in a solid mechanism*»³. As stated previously, some actors complained about the fact that local citizens are dependent from the "political line" of representatives, especially in the past.

³ The academic expert adds that this is a proof that "one territory is not just 'born' as an Inner Area, but it becomes such also due to poor policy decisions". Adding that such issues are common also in other Inner Areas selected by SNAI, referring to the so-called "enemies of Inner Areas".

Thirty years ago there has been the so-called “parochial contribution”, where specific contributions from the government have helped in pouring special funds for the area, especially after natural disasters in the ‘70-80s. High reliance on “assistenzialismo” (nanny state), that from the 1970s has been pervasive in the mindset of the locals. Even if, nowadays, political affiliations are being re-shuffled in the area, still there is a lot of confusion and there is not any particular political dominance as representatives are mainly in “Liste Civiche” (see 2.4 for more information).

The only specific difference that emerged in local discourses in the identification of problems or opportunities is that problems are perceived at different scales. Opportunities are identified quite trivially by the actors, they often show self-referential attitudes. For instance, one of the main initiatives of AttivAree (a program financed by Cariplo Banking Foundation aimed to revitalize inner areas) implemented in Oltrepò is *Oltrepò(BIO)diverso* which focused on biodiversity, an evident resource of this area. AttivAree is an intersectoral program that aims to reactivate the marginal areas of the Foundation's reference territory and to increase the attractiveness of the territory towards the residents, potential investors and urban centers of reference, leveraging the resources of the communities

The actors that are involved in AttivAree, have stressed the concept of “biodiversity” possibly as a rhetorical statement. All the actors have also referred to the problem of local politics. Business actors were particularly embittered in such matter. Also actors belonging to Local Authorities referred to politics issue, however less in depth than others, naturally.

The issue of local politics often leads to more general discussions regarding the “social capital” of the area, meaning however different things. Firstly, the hardship of doing effective political activity in small towns. Some public representatives admitted that as towns are very small, the candidates for municipal positions are people that are known to locals or that simply have a good will to be active and participate to administrative activities. Therefore, the competence of local politicians is generally perceived as quite weak, referring to curricula or political qualifications.

Secondly, they have stressed the problems of local politics from a social and cultural perspective. Some actors were referring to a “parasitic attitude” in governing local development policies and programmes through the decades, talking about clientelism or patronage and opportunistic behaviours, oriented to redistribute resources to the usual suspects and established operators, without innovating neither processes nor projects. Moreover, according to business actors, the intrusion of politics in entrepreneurial networks is overwhelming.

3.2 Mobilisation of territorial capital across cases

Discuss and analyse the national particularities of how territorial capital is mobilised based on relevant topics such as: life chances, access to welfare services, scale, inter- and intra-regional relations, population growth, segregation, identity and history of place, migratory patterns, the role of economic growth and austerity politics.

Introduction: territorial capital and local identity across the three areas

Firstly, in order to critically discuss the mobilisation of territorial capital, it is useful to provide a final summary of the presence, dynamic and type of territorial capital in the three areas, as derived from the previous section. We propose the following analytical table, that impinges on Servillo et al. (2011), for a first characterisation.

Type of territorial capital	Milan	Legnano	Oltrepò Pavese
Environmental	++	++	+++++
Anthropic	++++	++++	++
Economic	+++++	++++	++
Human & Social	+++++	++++	+
Institutional	++++	++++	+
Cultural	+++++	+++	+

The levels of territorial capital approximately defined in the table are to be meant as a first overview, which is quite static (while from empirical work insight was gained about the dynamics of territorial capital in the three areas) and mono-dimensional, while of course cross-fertilisation between different capital domains is a crucial issue. The focus on the different dimensions of territorial capital, or some combination of these, as a potentially crucial assets for local development has become a recurring rhetoric in the Italian economic, political and planning debate in the last twenty years. This is in line with what has happened in many other contexts across the EU, as Servillo et al. underline

emphasis on the endogenous characteristics of place is to a certain extent an ‘article of faith’ – attempting to square the cohesion circle by arguing that all places have the potential to grow/develop if only the right policy mix and associated forms of mobilization of assets can be achieved (Servillo, Atkinson, Russo, 2012, p. 354)

Moreover, in order to critically discuss the mobilisation of territorial capital in its various dimensions (life chances, access to welfare services, scale, inter- and intra-regional relations, population growth, segregation, identity and history of place, migratory patterns, the role of economic growth and austerity politics) in the Italian cases, it is important to underline that, since all three belong to the same region (Lombardia), it is impossible to generalise to the national level some features which emerged from the previous deliverables within WP4.

Not only are the two extraordinary policy areas (area regeneration and economic development) interpreted in very different ways across the country, but even the more mainstream welfare policy areas (childcare, VET, ALMPs) differ very significantly between the different Italian regions (or macro-regions), and, within regions, between provinces and municipalities. Therefore, in the next paragraphs we will critically discuss some emerging patterns that are significant looking at Lombardia, but we will not be able to generalise such conclusions in a discourse concerning the national level.

Moreover, as it clearly emerges from the various WP4 deliverables for Italy, the three cases, which have been analysed, are extremely different in terms not only of scale, geographical location, development dynamics, but also in terms of all the variables relevant to define and characterise territorial capital and its mobilisation for policy design and implementation. In particular, while some common elements connect Milano and Legnano (even if the face of strong and significant differences), Oltrepo' Pavese stands on its own as a largely incomparable case.

The main difference that we can read, and that emerged quite clearly from the interviews (both the first round and the second round) is that in Oltrepo' Pavese local actors have some difficulties in fully grasping the emerging dimensions of territorial capital, and therefore they are not able to really mobilise it for cohesion oriented policies. This gap is possibly due to the marginal and fragile nature of this area, which is not only shrinking and de-populating, but also internally not homogenous, fragmented even at the small scale. It appears that even very local assets and opportunities are best recognised and mobilised by external actors, be they from the national level, as in the Inner Areas Strategies (SNAI) process, or the regional one, as in the AttivAree project. Oltrepò, therefore, does not have just one identity, but it has many.

To summarize, some identities refer to specific aspects within the area (as its geographical features and specificities, culture, monuments, etc.), other identities rely more on how the area looks like when compared with the outside (province of Pavia, Lombardia region, the rest of the country). Many actors recognize that the area has important vocations, however the lack of good investments deflates local engagement and development ambitions.

Looking at the other two areas, Milano and Legnano, almost all the interviewees agree that in both places there is a rich and diversified territorial capital, and that local actors are traditionally, and still today, quite capable of mobilising it. The main difference lies in the overall outlook: while in Milan, which is interpreted and described as a vital, vibrant and dynamic city, territorial capital is being mobilised in order to enhance and multiply the existing possibilities (in terms for instance of life chances, access to services, etc.), in Legnano the dominating discourses underline the 'remedial' nature of territorial capital mobilisation, which tries to respond to the long crisis which followed the de-industrialisation process, and that worsened after 2008. In this latter case, apparently the very strong discourses on local identity, linked to the very important industrial and productive vocation of the area, appear to be a rhetorical device that allows actors to hold on to a positive narrative in times of increasing uncertainty.

In both cases, discourses about a supposed ‘shared identity’ enter therefore in the public debate, but their use is frequently a resource in the hands of some actors, who try to maintain traditional power niches in the face of possible new entrants. The so called ‘ambrosiana’ identity in Milan (a word recalling the importance of archbishop Ambrogio in shaping the city’s religious and civic identity), refers to a very effective and pragmatic attitude that historically brings together Local Authorities, private interests, third sector organisations and civil society in devising and implementing policies, programmes and initiatives traditionally based on philanthropy, but more recently, more in general, on a shared idea of solidarity. This is perceived, still today, as a very strong element of territorial capital (that positively reverberates also on the collective efficacy dimension, as we will see in the following paragraphs): in the face of austerity policies and shrinking public budgets, local actors are able to generate territorial capital resources, external to the public administration, but deeply rooted in the city.

While Milan’s identity is multifaceted and changing, Legnano seems to have a more stable and long-standing identity coming from its industrial past. The entrepreneurial spirit of Legnano and its inhabitants is the distinctive feature of the city, although de-industrialization and the financial crisis have changed the local industrial fabric.

Life chances

In terms of life chances, Milan is experiencing a relatively positive moment, in which the main economic outputs are above the national average. Milan has managed to build on the Expo experience and to attract international investments and generate employment and new opportunities of growth and transformation. In general, therefore, Milan is judged as a city that can offer opportunities to its citizens:

it is the only Italian city where there is a real labour market, where you can find a good job even without personal connections. Meritocracy may be less present than in other European cities but compared to Italian cities it is, given the general picture of the Italian system characterized by familism, clan culture and corruption (president of a third sector association working in Milan and the metropolitan area)

At the same time, in Milan, in the opinion of different interviewees, what appears to be lacking is a clear perception that strategic decisions have to be taken quite soon, in order to reduce the impact of increasing inequalities and of their spatial effects in terms of opportunities and segregation processes. More precisely, different interviewees highlight that while, on the part of the ruling élite (both within and outside the Municipal government), there is the perception that the ‘two speed’ city may be a risk in the medium and long term, there is scarce ability or commitment towards direct action to fill the growing gap between those benefiting from the dynamic turn of the city and those who are excluded from them.

The Mayor is aware of the growing gaps, as the Peripheries Plan process shows, but there is no specific, analytically based awareness of how the city is evolving, because the underlying rhetoric in public discourse is: development, development, development; these gaps can only be filled by the public hand, not by societal self-organisation, which is ultimately an unintentional neo-liberal strategy (policy maker, k-informant, Milan).

The difficult development of the so called ‘Peripheries Plan’, discussed in D.4.5, which was aimed at tackling long standing problems in marginal and multi-problematic neighbourhoods, but ended up working on very few initiatives, is a good example of this trend. More in general, the life chances of the more disadvantaged segments of the population are very much dependent on public policies and public intervention, and in particular on social services, which tend to work in a very sectorial way. In fact, best-practices implemented at a local scale hardly manage to be connected with other initiatives, to create a network and to be extended outside of the specific sector of services in which they have been developed at first.

In Legnano, looking at the opportunities and the general well-being of citizens, the interviewees perceive the city as a liveable one, with a good quality of life, and where the service provision is good and spread equally on the territory. It seems to be a wealthy city, even though there are a few cases of people in difficulty. Opportunities need to be searched and built. Looking at income levels, Legnano ranks at the top the municipalities of the metropolitan area of Milan. One of the problems of the citizens in Legnano, and in Alto Milanese more in general, is that they are not well aware of the services offered by the different organizations and institutions in their territory.

Summing up, in Legnano the question of life chances is apparently double-edged: while in the opinion of most interviewees the city is still quite rich, in comparative terms, at the same time the lines of social division are deepening, and the conditions of the weakest bracket of the population are worsening, with a negative outlook, especially in terms of jobs loss.

In Oltrepò Pavese the situation is enormously serious, as far as life chances are concerned: as we already highlighted, the combination of geographical and orographic features on the one side, and of the legacy of very low levels of economic opportunities on the other conjures a picture of isolation, fragmentation and out-migration. Even if in principle the area is not far from larger or even major centres (less than 60 km from Pavia and less than 100 km from Milan), the difficult orography and the low performance of public transport makes it remote, even in the eyes of Oltrepò inhabitants. On this point, all actors agree on two facts. First, that opportunities for wellbeing are present, but not enough exploited, especially referring to the agri-food and touristic sectors. Second, that local quality of life is good, however the lack of services is a serious issue. As pointed out by some local politicians, the income level of the area is quite high, and such situation detracts the possibility to access specific funds to support the very poor delivery of services.

Access to welfare services

Milan and Legnano are more similar in the way they are actually able to mobilise their own territorial capital. The Milanese welfare built on the “ambrosiana” identity, previously recalled, is a combination of factual and values engagement. The partnership between public and private actors is a distinctive feature of the metropolis and results in a significant amount of financial resources dedicated to the implementation of services. This system of service provision confirms a pragmatic approach consistent with the history of the city. Some interviewees, though, outline the risk that organizations managing outsourced services tend to become just managers, thus losing their role in the identification of emerging social problems and in the design of possible projects to solve them, a role of social promotion more in general. By law, associations of social promotion are constituted in order to carry out activities of social utility in favour of associates or third parties, without profit aims. The difference compared to volunteering organizations is that they can pay a wage to their associates. In addition, a stable ‘control room’ seems to be needed in order to give the direction and increase the overall efficacy of private organizations’ intervention. According to interviewees, this role should be played by public authorities.

The 'professionalised' social enterprise sector is very closed, with a quite traditional service provision mind-set, and not particularly open to take up innovation challenges. On the other hand, philanthropy is very present in Milan, but it is extremely fragmented, and actors in this field have difficulties in coordinating with public policies (policy maker, k-informant, Milan).

Due to this lack of coordination, many actions also seem to remain at an experimental level, not exploiting all the potential and moving from an experiment to the next, with scarce opportunities to consolidate the results in institutionalised routines. This is also due to the time constraints that usually characterize projects implemented by these organizations.

Despite such risks, the strong presence of the third sector plays an important role in broadening the range of services offered. Thanks to a fairly consolidated tradition of service provision, Milan is able to guarantee citizens a considerable choice. The first Institute for Social Assistance was in fact established in Milan in the 1920s. Between 1944 and 1947 the first schools for social assistance opened up in the city. In the post-war period, Milan has had a Socialist-led coalition ruling the municipal government until the 1980s and this helped to consolidate this tradition.

Moreover, during the austerity years, Milan has tried to reduce budget cuts (compared to the rest of the country) in terms of services and, specifically, social services managed and financed by the Municipality. This choice was also determined by the political orientation of the administration. The option of cutting less in Milan was also made possible by the substantial resources that the city is able to generate through the strong resourcefulness of the various active players (philanthropy, business, foundations, third sector). Therefore it is connected with the ability to attract external resources or generate internal resources not coming from public funding. Localities more dependent on State transfers have a lower capacity to resist cuts from the central levels in times of crisis.

More in detail, childcare services have a good coverage in Milan. The city is one of the few in which the provision of 3-5 childcare services directly managed by the Municipality is still high (while in the rest of the country the service is mainly supplied by the State, as described in D.4.1). Employment services are more standardized and follow the regional set-up. Public services struggle to engage entrepreneurs in order to ensure labour demand-supply match.

Looking at Legnano, although it is still a rich city, if compared to the Italian or even the regional average, the weakest bracket of the population has significantly suffered from the recent transformations. The major issue in Legnano is related to the lack of jobs: it is considered the most relevant problem for all the Alto Milanese territory, particularly affecting men over 50. The quality of VET and ALMP is not considered good, especially because of the lack of coordination between the institutions dealing with employment and training. In fact, beside AFOL/Ovest (a public body at metropolitan city level) there is a host of different public and private agencies, including those related to the church, working in the same field.

Thus, services (VET and ALMP) exist but follow different paths, with a risk of wasting resources and confusing possible beneficiaries. As ECEC is concerned, Legnano ensures a 25.6% coverage of the 0-2 children population. This percentage is still far from the European guidelines, but it is high above the national average (11.9%, as explained in D.4.1).

In general, service provision is not a topic particularly considered or mentioned by k-interviewees. Legnano is basically a wealthy city and the wealthy population dominates the discourse about identity: the typical Legnano inhabitant is a self-made entrepreneur, not depending on welfare but

capable to overcome times of crisis with his/her own resources, strengths and abilities. Criticalities are translated into opportunities: abandoned industrial areas can become logistic hubs, the position of Legnano can be seen as strategic because it is served by several infrastructures (Malpensa airport, railway, highways). The creation of an industrial cluster is often seen as a way to efficiently mobilize territorial capital. On this purpose, the local civil society is very active and has a long-standing collaboration with local and supra-local public actors (Patto dei Sindaci, Confindustria Alto-Milanese). This network represents a significant advantage for Legnano, but it is more connected to the entrepreneurial culture than to the scope of providing services. Moreover this culture of entrepreneurship, based on individual will and skills, seem to put the role of public services in the background. The effort of this network is more directed to create industrial clusters driving local firms into the European sphere of interest. It has also to be noted that this rhetoric about the entrepreneurial spirit of Legnano inhabitants is conveyed through narratives mostly held by the wealthy minority.

This narrative of the Legnano entrepreneurs is conveyed by the same people over time. They are the wealthiest people in Legnano, sharing the same interests. They are a family, not relatives, more a family bound by interests. It has not changed, it has always been like that (LGC8, suburban)

Supra-local authorities such as Metropolitan City have brought into some municipalities of Alto Milanese, including Legnano, some initiatives addressing the neglected parts of cities, usually not included into this rhetorical narrative. Local organizations have been activated and embedded into a network with municipalities and Città Metropolitana, to foster regeneration programs for peripheral areas. Here the territorial capital has been mobilized to foster urban regeneration and provide services (such as job training) from an external institutional actor (the Metropolitan City).

The imprinting of the Metropolitan City has been significant from the beginning, we gave the guidelines on the basis of which projects could be selected. There has been a preliminary phase of meeting with municipalities before the selection. Afterwards we have reshaped, aggregated, adjusted the projects...the main idea was creating replicable patterns (LPA9, suburban)

To conclude, while the coverage of services is considered adequate in both cases (Milan and Legnano), on the other hand it is noted in both cases that some categories of traditional target users are privileged (i.e. the elderly, low income families...), as it occurs at national level. Changing the priorities and targeting different users is considered a politically thorny choice and, as a result, new emerging social risks are usually not taken into consideration in structuring service provision.

As already mentioned above, Oltrepo' Pavese is a quite distinctive case, detached from the other two. Demographic issues (depopulation and ageing) and territorial problems (abandonment, hydrogeological risks, lack of infrastructure...) make the mobilisation of territorial capital a tricky issue, especially if compared with the other two cases. The marginalization and the fragmentation of the area contribute to significantly slow down economic growth. These features are strongly rooted in the identity of the territory, which is fragmented and isolated. The population in this area identifies itself in little and isolated communities, not in as part of the wider area of Oltrepo', which includes also the plain and the hills.

Inhabitants here do not recognize themselves in the wider Oltrepo' Pavese. We are speaking of identity rooted in valleys. And usually one valley is in competition

with the next one, or at least they do not get along very well. Each valley cares about its own interests (OLC6, rural)

The idea of a territorial economy is not embedded in the area itself, but it is usually brought into the area by national programs, through projects and strategies designed and implemented by external actors, very often coming from the metropolitan area. These actors play an impressive role in mobilizing the territorial capital, but they also face a considerable resistance from the local actors (first of all Mayors). What is needed to implement this kind of intervention is a cultural shift in order to evaluate the territorial resources.

We organized seminars, meeting, dissemination activities...well only one Mayor attended them and participated to the project and it is an anomaly, because he is very young and apparently he does not care of being voted again ⁴(OLPA6, rural)

We are trying to make Oltrepo' known for its territorial bio-diversity, meaning the forest, the variety of agricultural products, the animals as well as the local history, the tradition. Local authorities seem into it right now, but, at the same time, they are making arrangements to host the enduro motorcycle championship next year, that of course clashes with the goal of promoting and respecting bio-diversity (OLC6, rural)

Projects implemented by external actors always suffer from time constraints, while cultural change takes longer than few years. A critical issue that has been raised by several actors is also the relationship between the rural and the metropolitan area: while it is clear the contribution that the metropolitan area brings to the rural one, in terms of tourism on the one hand and possibility of jobs, more in general by bringing resources (financial, social, human), on the other, the position of the rural context with respect to the metropolitan one still has to be better clarified and disentangled.

In addition, the lack of an industrial past make it difficult to spread an entrepreneurial spirit among the inhabitants, who have grown up with the mental attitude of out-ward migration. Because of the scarce cooperation among diverse communities and the lack of a business vision, the existing capital, mostly represented by natural and cultural resources, is not fully exploited. The territorial resources are more clearly identified and more effectively promoted by external actors than by local ones.

A clear example of this process is the SNAI program, the National Strategy for Inner Areas, which started as an extraordinary or additional policy, which in Oltrepò Pavese ends up delivering also services usually belonging to mainstream policy areas (such as VET or ALMP). Mainstream policies alone do not seem able to answer to the needs of the population inhabiting this territory; they seem unable to grasp the peculiarity of the territory and to adapt to its fragmentation. In other words, the policy instruments thought at national or regional scale fail in front of the marginalization and the fragmentation of inner areas. This failure of the mainstream welfare policies result in a serious difficulty in accessing services in Oltrepo' Pavese. Many social services, in fact, are located in the largest centres located in the plain or in the hills area (Voghera and Varzi).

⁴ Here the k-informant is quite ironic. He means that the mayor attends the meetings regardless the risk of losing votes in the next elections, since the cultural attitude of this area does not boost participation to new born and external networks.

Most of the municipalities, due to their small size, do not have in-house operators and are not well connected to these two towns. Not only the whole territory is isolated from the outside, but also the inner communities are detached one from each other. Extraordinary policy programs addressing growth and territorial cohesion manage to bring dedicated and locally based services in some areas. Being these interventions linked to specific and fixed-term programs, they suffer from time and resource constraints.

As shown, efforts aimed at mobilizing territorial capital come from external actors, while local ones tend to exacerbate isolation and immobility. In particular, the personal attitude of local politicians in consolidating their "electoral basin" results to be the first obstacle in the way of growth and cohesion.

Social and spatial segregation

As previously mentioned, Milan shows relatively high levels of inequalities, but they do not lead to strong cases of territorial segregation. As far as this city is concerned, scholars speak more about a centre-periphery dichotomy, with an incredibly homogeneous city centre in terms of the socio-economic composition of households, and a much more heterogeneous periphery. Segregation is found at very micro-scale, sometimes overlapping with social housing neighbourhoods. Legnano shows similar patterns of segregation.

The distribution of disadvantaged populations is so heterogeneous that it is impossible to speak about ghettos. Nevertheless, these areas share a scarce or inadequate provision of services, a serious lack of social and economic resources, an inadequate maintenance of the buildings and the public spaces, the proliferation of illegal activities. These areas are characterized by the presence of third sector activities, which try to facilitate the access to services for local inhabitants.

Although Milan shows lower levels of segregation, if compared to other European cities, the issue of inequality is still present and well recognized by policy makers. From a spatial point of view, inequalities in Milan are represented by a centre-periphery dynamic, with the wealthy population strongly concentrated in the city centre and a more heterogeneous distribution in the periphery. Since the 1990s, some patterns of ethnic concentration can be found in some areas but again with very low levels of segregation (e.g. in Via Padova or Via Imbonati in the Northern part of the city, or Corvetto in the South).

On the contrary, Oltrepo' Pavese is not internally socially segregated or divided, since differences in age and income are present, but not particularly visible nor concentrated in specific areas, apart from the remotest villages on the mountains, in which a gradient in terms of age is quite visible, as explained in D.4.3. In the upper part the income levels are slightly lower than in the plain area, due to the isolation of the territory, but also due to the lack of workforce. Overall, while the area is not particularly segregated internally, it is significantly segregated in respect to its outer context, for instance in relation to the rest of the Province of Pavia and the rest of the Region.

Economic growth in the face of austerity

The discourses about economic growth are quite different in the three localities, as it clearly emerges from both the interviews and the discourse analysis on policy documents. In Milan the economic outlook is extremely positive and dynamic, with positive indicators in terms of income,

job creation, productivity, innovation, etc., across different economic sectors (in particular the creative and cultural industries and finance, but also in some manufacturing sectors, such as health and pharmacy, or food), and this is mirrored in the significant in-migration: it is one of the few large Italian cities in which the younger age groups have been increasing in the last few years, thus inverting a long standing demographic trend. If this positive dynamic is coupled with a strong local authority organisation, with a tradition of solid provision of welfare services, it clearly appears that overall the city has been quite resilient to periods of economic crisis, and to the austerity measures and budgetary cuts that have followed.

Legnano is a more fragile context, in that the quite traditional, even if relatively robust, industrial structure has been more prone to closures and de-localisation strategies in the face of the crisis, two phenomena that have very negatively impacted on the labour market and therefore generated social security issues, not fully tackled in time of increasing budgetary austerity, in particular as far as transfers from the central government are diminishing. The city, as many actors observed, remain nevertheless quite wealthy in comparison to similar situations.

Oltrepò Pavese is the weakest context among the three, because it has a long standing history of economic under-performance due to the isolation, fragmentation and shrinking population. In this context, while the reliance on endogenous resources is very difficult in general, the crisis and the austerity measures enacted by the national government have very negatively impacted on an already difficult situation. This is the reason why only very targeted extraordinary policies, almost fully based on the mobilisation of exogenous resources, appear to be potentially promising in triggering local transformation and in opening up possible development paths.

3.3 Conclusion

Approx. 1-2 pages.

Since the definition of territorial capital in COHSMO is quite broad, and it entails different dimensions, the combination of such dimensions across the three different territories produces very characteristic and somewhat unique arrangements, and thus it is not easy to compare territorial capital overall, both across our three cases, and with other contexts within Lombardia or in the rest of the country. For instance, the way discourses about local identity are produced, reproduced and mobilised, as rhetorical devices to drive attention to specific topics and to shape possible development paths, very differently interacts, in the three areas, with economic development trajectories and the evolution of life chances for different segment of the population.

One very important aspect, that was underlined at the beginning, is the ability of local actors to fully recognise, name and mobilise different dimension of territorial capital towards territorial cohesion policies, able to tackle the most pressing problems in terms of inequalities, life chances, etc.

In this, the three cases offer three distinct paradigms: in Milan the creation, and continuous regeneration of very diverse dimensions of territorial capital make discourses about local identity almost superfluous. Apparently, the city shows a very distinct ability to transform a wide variety of resources into ‘usable’ territorial capital, which can be easily and quickly mobilised to enhance the opportunity structures towards innovation and development, but also to respond to pressing social problems. On the other hand, the increasingly visible ‘two speed city’ opens up a gap, potentially risky in the long run, between different life chances and opportunities for different citizens, living in different parts of the city. A very relevant, and certainly increasing, knowledge gap seems to

characterise different social groups that move at different speed, and that do not identify themselves in the same discursive threads. This gap does not translate spatially in segregation patterns comparable to those that can be found in other European countries, particularly in Northern and Western Europe, but rather in a clear distinction between the city centre (almost entirely inhabited by upper class) and peripheries showing scattered patches of segregation at street or block-level.

In Legnano it is quite the reverse: the recurring discourses about a (supposedly unitary, unique and shared) local identity, linked to the industrial past, are continuously mobilised, as a rhetorical device able to work as a sort of a collective anchor in times of uncertainty and crisis. At the same time, the recurring mention of local identity does confirm the dominance of a closed group of actors with similar, converging interests, and does contribute to preventing newcomers from fully participating in determining future strategic directions for development: thus, the city risks to close on itself, rather than open up to the new and difficult challenges coming from the outside (the Milan urban region firstly, but also the European and global level).

Finally, in Oltrepò Pavese, as we already underlined, the combination of some structural factors, the general lack of policy competence and the strong presence of parochial interests blurs even a shared idea of what a local identity could be, and a possible mobilisation of such a concept, even as a rhetorical device, to probe the possibility to build local coalitions able to define or propose possible innovative development paths. Paradoxically, in this case even the local identity discourse appears to be brought from the outside, and thus to be somewhat ‘imposed’ on the area by external actors, located at national or at regional level.

4 Collective efficacy

In this chapter, we will focus on the role of the “soft” social relatedness to place trying to unravel if local social relations/social relatedness to place plays a role in the utilization of territorial capital. This interrelation can take many forms and have many variations but the important focus is to investigate how local social relations works with or against the mobilization of territorial capital. In order to capture these interrelations we use Robert Sampsons concept “Collective Efficacy” which is defined as the “... link between mutual trust, shared expectations among residents and willingness to intervene and interact and dependent on patterns of social interaction, social organization and social control. (Sampson et al. 1997).

Face-to-face interactions among residents of a location may stimulate social ties among residents that support collective action in the pursuit of public or collective goals. These shared expectations and mutual trust among residents promote a sense of cohesion or belonging, which Sampson (2011) calls collective efficacy. This aspect of face-to-face interaction is better understood in small units where people recognize each other than in large, anonymous units. According to Sampson, the root of the collective efficacy of a location is the intersection of practices, social meanings and their spatial context (Sampson 2011:230). Robert Sampson is critical of the way Coleman defines social capital as primarily a resource that is realized through social relationships (Coleman 1988) and argues that: “Social networks foster the conditions under which collective efficacy may flourish, but they are not sufficient for the exercise of social cohesion and social control (Sampson 2011). Networks have to be activated in order to be meaningful” (Sampson et al. 1997).

In this sampsonian perspective, location can be defined by the social features, the variably interacting population and the institutions of a common place. This definition sets the stage for a varied and differentiated conception of place that is NOT just a matter of individual experiences or collective aggregates of social characteristics such as income or education. Rather, place is largely a matter of how these social features interact with the environmental, social and institutional capital in the place. The capacity of collective efficacy to not only serve as a shield against structural changes to local places but also to impact on the territorial development depends on how local social ties coalesce and make connections to non-profit organisations and the horizontal and vertical ties with institutions, organisations and local decision makers (Sampson 2012). This means that network-density, attachment to place, civic participation, disorder, organizational density, identity, and capacity for collective action are variable and analytically separable from structural variables and possible consequences. Moreover, it means that when we deploy the concept of collective efficacy we argue that collective action in pursuit of public goods and territorial development cannot be read as simple measures of the organizational density and the levels of participation in relation to these organizations. Consequently, when analyzing the role of social ties for territorial development we have to take into account the effects of daily routine activities and the spatial organisation of services and facilities such as schools, shopping, bars, public transportation, tourist facilities, residential areas etc., which permits a variety of social interactions and social behavior (Sampson 2011:234)

*Collective Efficacy is **composite measure** of*

- *activity patterns/routines*
- *organizational infrastructure*
- *social networks*

- *segregation/resource stratification*

4.1 Level of collective efficacy in each case

Among large Italian cities, **Milan** has always had a distinct development trajectory and governance setting, characterised by a strong and effective presence of a multiplicity of diverse actors in the governance area (Balducci, Fedeli and Pasqui 2011) and in a comparatively lesser role of Local Government in setting and actually implementing the urban agenda on many important issues (for instance welfare, integration of migrants and disadvantaged populations, urban peripheries, promotion of economic sectors and excellence, forms of innovation in labor and production). Civil society has always played a very important role in providing services and in leading some fields that were neglected by the municipality.

The long tradition of civic engagement of the city has taken different forms and has developed at different levels. As collective efficacy is conceived by Sampson (Sampson et al. 1997), as the “...link between mutual trust, shared expectations among residents and willingness to intervene and interact and dependent on patterns of social interaction, social organization and social control”, Milan shows high levels still today. The city counts an impressive number of associations and organizations working on diverse issues and assuming a varied set of forms. They can be city wide and countrywide, these last ones still maintaining their roots in the city while working also at a national scale. Milan can also count trade unions, political parties, religion-based associations as ACLI⁵, associations with a recreational scope such as ARCI⁶. Peripheries or problematic areas show a more developed and diffused organizational life. In the multifaced and multidimensional identity of the city, solidarity plays an important role (see D4.4). The “welfare Ambrosiano” model is based on a strong emphasis of the role of subsidiarity, including the horizontal one, with the involvement of a mix of actors: public actors, market, no profit social companies (often acting as service providers through contracting from the local authorities) and philanthropy. Then, the Milanese welfare is the result of a strong relationship between public and private actors, a system driven by the combination of a *practical engagement* matched by a *value engagement*, symbolized by the willingness to team up to work on these issues. The pragmatic attitude of the city mixed up with the values and tradition of solidarity result in innovative and sometimes unexpected partnerships. This model is also sustained by huge private financial resources that actors owning them are willing to use for regenerating the city. The foundation system, for instance, can reach 150 millions of euros of financing at provincial level. It is also the area of the country showing the highest collection of 8x1000 (a quota of taxes that payers choose to donate to specific contribution as they fill in their annual declaration).

Other data showing the significance of the third sector are those related to volunteering: according to the last Census (Istat Censimento delle Istituzioni No-Profit 2011), 7,4% of inhabitants of Città Metropolitana (the Metropolitan Region) operates as volunteer in some association or organization. Among the 9.520 organizations counted by the Census, the largest share are associations (84.8%), 7.3% are foundations and 4% are social cooperatives. The remaining ones have other juridical status.

⁵ ACLI is the Christian Association of Italian Workers

⁶ ARCI stands for Italian Cultural Recreational Association. It has a long tradition being founded in the 50 and now counting more than 4.000 cultural centres all over the country. It is linked to left wing parties and trade unions.

In addition, data shows that 1/5 of the associations enrolled in the records of Lombardia region are located within Milan and its province. Also, the form of participation is shifting towards more flexible and temporary patterns, rather than long-term trust-based relationship, as it used to happen in the past. This is confirmed also by our evidences from interviews, as reported below.

As their diffusion and success is concerned, sport-related associations are now living a prosperous moment, while intellectual and political participation is decreasing. Organizations having a social scope are quite numerous. They are often also service providers through outsourcing from the Municipality. While they play a pivotal role in answering the demand of social service that is quite high in a city like Milan, at the same time they risk to become only service providers and to lose their role of social promotion. Finally, environmental organizations are not gathering so many followers especially if compared to similar organizations based in suburban and rural areas in the same region.

Moreover, two kind of grassroots associations can be identified in Milan: a) those that arise to address specific issues perceived as problematic by a quite numerous groups of citizen. These organizations are usually very effective as their goal is clear and specific, but they tend to disappear as the problem is solved; b) organizations focused on one specific neighbourhood. They aim at dealing with all the issues affecting the neighbourhood and they are usually long lasting.

Scholars have noticed that citizen groups engaged in open debates about the urban agenda and neighbourhood quality of life are increasingly present and vocal in the city (Pacchi 2008). In the past the city was interested by an extremely active counter-cultural environment, which animated housing squats as well as alternative cultural centres. More recently community building and community strengthening associations have been flourished.

The municipality is aware of the pivotal role of third sector and civil society in filling gaps and providing answers to the population that the local government is not able to give. The Social Policies department gives great visibility to the third sector. Some single actors such as ACLI, AUSER (Association for active aging), ANTEAS (National Association of Volunteering and Social Promotion, close to trade union CISL), are very visible and able to influence the agenda. There are also many small organizations, but they run the risk of disappearing, especially if a turn towards more structuration in the third sector will be endorsed in the future.

One of the main resources of the city is the development of a strong relationship between third sector, Church and philanthropy world, that make some of these actors quite powerful in the urban agenda developed at municipal level. The alliance between these actors can generate important answers to some problems, using different sources of financing, in particular in the field of housing, fight against school dropout and in the health system. Third sector organizations, in fact, can derive their financial resources not from public funding, but also through providing users with some services on payment.

In order to foster collaboration between civil society actors and municipalities, the Third Sector Forum was created at regional level in 1996 to take the challenge of fostering co-design interventions. The main outcome of this collaboration has been the development of the new Welfare Plan of the city, drafted by the Municipality, the Social Policy Department, together with the Forum: ten thematic tables with third sector and municipality representatives are currently working on it.

At municipal scale in 2013 Fondazione Triulza was created. It brings together 63 organizations and it promotes research and dialogue in order to foster social innovation. Fondazione Triulza has been also in charge of representing the civil society at EXPO 2015, managing the “Civil Society Pavilion”.

As mentioned before, Milan has seen a flourishing of small organizations, arisen directly from citizens. These are smaller organizations but still important in picturing the collective efficacy scenario of the city.

Being segregation an important feature in affecting collective efficacy, Milan is not considered a segregated city overall. Some neighbourhoods show patterns of cumulative disadvantages but the degrees of socio-spatial exclusion and marginalization are far restrained if compared to other European cities. Some areas count a significant presence of migrants but this hardly translates into segregation and, when it does, it is usually commercial rather than residential. As already mentioned, in general Southern European cities, even if they tend to be more socially polarised than Northern and Western European ones, tend to be less segregated in space, as is discussed in literature about (Vaughan and Arbaci, 2011), Barcelona, Athens and other large Southern European cities.

Milan is a rather polarized city with a city centre which is very homogeneous in terms of population composition and very diverse and fragmented peripheries, where we can find some spot segregation dynamic at very micro scales (such as the street level for instance). The city, more than presenting ghettos or segregated neighbourhoods, shows a centre-periphery juxtaposition, with wealthy families concentrating in the city centre and a more mixed socio-economic and ethnic composition in the surroundings neighbourhoods, with some blocks presenting higher degrees of disadvantage.

Legnano, the sub-urban case, shows an impressively rich local civil society. While, in the past, trade unions were more relevant, recent data show a very significant increase in cultural, social and sport associations (Comune di Legnano 2018b).

According to the statistics provided by the Municipality of Legnano, the city counts:

- 18 veterans' associations
- 57 cultural associations (7 of which are promoted by foreign immigrant groups)
- 21 trade union and labour groups
- 55 social and volunteering associations
- 78 sport groups
- 7 groups with various goals and natures, comprising neighbourhood based associations
- 8 districts (contrade) that organize and participate yearly to the most important historical and cultural event of the city, the Palio

Many of these organizations are very well rooted locally and with no need of funding from higher levels of government. In addition to that, Legnano has also a local tv, radio and some newspaper (Tosi and Vitale 2011). Apart from this legacy from the past, a mapping of the associations (Segnali di Futuro 2018) shows also some innovative trends especially among cultural organizations that

have been able to involve local actors from different sectors and impact the local civil society at a larger scale. Social and volunteering associations target different groups of vulnerable population, such as immigrants, elderly, disabled, refugees, homeless.

The *Casa del Volontariato* (House of Volunteering) makes an attempt to bring together various NGOs and social cooperatives. Associations' work is usually based on some citizen's good will, often working on something very specific. Nevertheless, some community organizations belong to larger networks working at multiple territorial scales, such as Caritas (the Charitable Arm of the Italian Bishops' Conference). This association is country-wide and has a relevant amount of financial and social power. In Legnano, Caritas has three front offices addressing low-income workers, migrants, citizens having psychiatric issues and elderlies. Another important actor is Fondazione Ticino Olona, a community branch of Fondazione Cariplo (a bank foundation based in Milan, but operating at regional and national scale). These two mentioned organizations are quite well rooted in the local context and they are almost self-sustained, because they are directly founded by the Church, in the first case, and by the bank, in the second case.

Famiglia Legnanese (a cultural association founded in 1951) is engaging in defending and promoting local traditions, aggregating mainly entrepreneurs. Such association has a clear class connotation and collect resources destined to public services. *Famiglia Legnanese* is particularly active in promoting the *Palio*, a yearly event celebrating the historical commemoration of a 1176 battle (in which the citizens of Legnano prevented the Emperor from conquering Northern Italy). That event is considered the most relevant attraction in the city, a common passion for the citizens and an occasion for social cohesion. Local tradition appears to be very important also at collective efficacy level. Often participation is in fact linked to the identity of Legnano population. They are gathered together on the basis of a shared entrepreneurial spirit.

Firms are significant actors in community life. Many of them sponsor sport teams rooted in the territory and some of them pursue also some social goals through social responsibility programs. Some examples are a small firm has contributing to the refurbishment of the municipal library, a start-up engaged in investing in the local community through fellowships or Confindustria Alto-Milanese alongside with Eurolavoro promoting an initiative to requalify unemployed workers.

Oltrepo' Pavese shows several community organizations, mostly located in municipal structures (rooms in local town halls or public buildings). Associations work on several topics, mostly related to culture and promoting local history, identity and folklore. K-informants signalled some attempts to gather all these actors in a larger and more structured entity, but it did not work. These actors are spread all over the territory, with higher concentration in Varzi and Stradella, the most populated municipalities. Very relevant actors in the territory are the *Comunità Montana* (Mountain Community) and *GAL* (the former *Local Action Group*, now Foundation for the development of Oltrepo' Pavese), founded in 1997. It is a private-public foundation recognized by the Region since 2011. It is a point of reference on the territory and an incubator of regional and EU funds. The civil society, considering the overall marginalization of the territory, is quite alive also in this case. We can count new and traditional operators, voluntary groups and third sector representatives. They are usually particularly engaged in providing local welfare services, answering a demand that the municipalities are not able to satisfy, such as childcare, elderly assistance and, more recently, inclusive programmes for refugees arriving in Italy. On this purpose, the kind and the management of services aimed at integrating immigrants is strictly connected to the reception structure of the asylum seekers. The hosting system in Italy works on two primary levels: initial reception, that refers to "hotspot" structures to manage the initial period of stay of the foreigners in the nation; then a secondary reception in the SPRAR system (System for Protection for Asylum seekers and

Refugees). The latter one in substance assigns thresholds of refugees in all Italian cities, that will eventually provide a place for the refugees and asylum seekers to be hosted. Most of these spaces are today hotels, and in the Oltrepo Pavese the Hotel of Varzi is the main assembly point for refugees of the area. Despite this presence of civil society actors, the community struggle to mobilize the resources because of the spread parochialism. In addition, resources in the area and implementation of welfare services are often mobilized and promoted by external actors, coming from Milan (such as Fondazione Cariplo) which brings financial resources and skills on the territory and tries to create a network between the different realities already existing. This initiatives very often clash with the cultural attitude of Oltrepo' Pavese.

4.2 Innovative community practices and collaborations in territorial development across cases

The three cases share high levels of participation of citizens, but they all suffer from the issue of fragmentation, even if at diverse degrees and with different impacts. All the three cases are in fact characterized by a quite consistent, number of associations, impressive in the case of Milan and Legnano. The three cases share the following features, that will be discussed in detail in this paragraph:

- 1) There is a serious issue of fragmentation that hinder the actual capacity of intervention
- 2) There is a lack of coordination
- 3) Grassroots associations are flourishing
- 4) Participation has changed in the last years in term of modalities but also in terms of the citizens profile
- 5) Political participation seems to suffer from a decrease

All the three cases show these features, but they occur to a diverse extent and with different degrees of intensity, having of course diverse impacts.

In Milan, civic organizations and associations are countless. They have diverse priorities in terms of topic, but even when they have similar missions, they usually adopt diverse approach in order to differentiate themselves from each other, looking for their own identity and defending their own originality. This spread attitude lead to competition rather than cooperation. In addition, because of the limited size of these organizations, many actions remain at an experimental level and organizations seem to move from an experiment to another.

This creates a great instability and hinders the attempt of coordinating diverse actors, strategies and actions. Several k-informants advocate for the role of local administration in systematizing and evaluating the initiatives populating the city in order to distinguish what is permanent from what is temporary. Nevertheless, a structured coordination, according to some k-interviewees, could lead to controversial results, suffocating the small-sized organizations and their street-level actions that in the last years produced a set of very interesting initiatives. In fact, despite these difficulties, some results have proven the efficacy especially of grassroots initiatives. Here is a list of the most relevant ones:

- a) “Parco delle cave”, a park in a peripheral neighbourhood (Baggio), that has gone from being a place almost inaccessible due to the presence of drug-related activities in the 80s to a meeting point for families thanks to a “surveillance” activity led by pensioners, citizens and organizations.
- b) The so called “Comitato delle sedie” (Chairs Committees) that has targeted a street with prostitution problems. Citizens started to sit in the streets to protect their road. They have not solved the problem since prostitutes have been simply pushed to a couple of streets away, but it has represented an occasion of social engagement for inhabitants
- c) The “Bella Milano” initiative, a project developed by a retired manager and supported by the City Administration. It has involved migrants and unemployed citizens in fixing material problems in the streets and outside buildings

As can be noticed, these projects are implemented at a very small scale (park, streets, neighbourhoods at the largest). This confirms a trend in civil society in the last years: the rise of citizen groups around one specific issue strongly localized in a small context, usually destined to disappear once the issue is solved, and the area renovated or refurbished. This is also the signal of a shift in the kind of engagement people are willing to handle: they do not gather on long-term project or on the basis on some shared values, as it used to happen in the past. On the contrary they are more willing to engage in the name of very practical goals, that usually are directly linked to their personal interest (i.e. better quality of life in the street where they live). Because of this nature of the grassroots initiatives, they tend to be hard to replicate, not only because they are context-dependent but also because the promoters and participants do not have an interest in sharing or duplicating their experience.

However, there are some exceptions: a successful example of this kind of initiatives that has been also exported and replicated, is the *social street* project. It is an initiative, born in Bologna (a city in central Italy), due to the awareness of the impoverishment of social ties. The purpose of social streets is to promote socialization between neighbours resident in the same street in order to build relationship, to interchange needs, to share expertise and knowledge, to implement common interest projects, with common benefits deriving from a closer social interaction. A social street is not pursuing any political, ideological and religious view. It aims at bringing people together on the basis of a strictly spatial criterion, proximity between residents. The tool for the strengthening of social ties is a Facebook page associated to each street/neighbourhood. The project has attracted the interest of several scholars who have indicated it as successful and it has also been replicated in different parts of the world, because of it is easily repeatable. In Milan, more than 80 streets or neighbourhoods have joined the project. This initiative is an example of the new face of participation: the role given to a social network as a gathering instrument and the final scope, that is strictly practical, not linked to any ideological perspective.

Another relevant actor in civil society (especially in Milan and Legnano) is the entrepreneurial world, especially in the private/public partnerships that have been having some success in these last years. The two worlds are not separated any more in fact, on the contrary they tend to cooperate to implement projects with an important social dimension. The public/private partnership seems the empirical translation of the two faces making the Milanese identity: business and solidarity.

In the case of enterprises association, the participation is elitist by definition: actors are brought together by very specific interests firstly and only afterwards they decide to dedicate their strengths and resources to a social mission. Despite an increasing in participation, the vitality of this kind of

associationism is not at its maximum. By the way, Milanese associative life between enterprises is much more active if compared to other cities and regions in Italy.

An example of this cooperation is the work and the role of Assolombarda, an association collecting enterprises operating in the province of Milan, Lodi and Monza-Brianza. It belongs to Confindustria, the main representative association of entrepreneurs in Italy, and it is the largest one. As its statute affirms, it expresses and protects the interests of about 6000 enterprises. It is an historical association, that finds its roots in the beginning of 1900 and its consolidation just after the II World War. The last president, in charge from 2017, has formalized the relationship between the volunteering world and industrial enterprises. This cooperation has been put at the centre of the Assolombarda agenda, foreseeing an engagement in civil society and a social mission.

One of the modalities adopted to give shape to this intention has been the constitution of an advisory board for the social responsibility of the enterprise, that is an organism collecting diverse personalities from the Milanese industrial world...This board has started to work lately following three priorities: young, women and culture (MIB1, urban)

One empirical example of this civil engagement has been the participation of Assolombarda to Convivio 2018 with the project “un capo vale due volte (a clothing item is worth twice): Assolombarda was involved in selling clothes to be donated to a church and an association working in a peripheral neighbourhood, while the proceeds have been donated to a national scale association (Anlaids) engaged in the prevention and information about Aids.

Another example of how the enterprises tend to take on a social responsibility is given by the activities implemented through foundations or Onlus. One experience that can be considered as a best practice, given its success, it is the social restaurant found in Giambellino neighborhood, Ruben. This area has always been in the spotlight for the accumulation of social and economic disadvantage linked also to the concentration of public housing, hosting a bracket of population particularly vulnerable, including unemployed, immigrants, people with mental health issues, families under the surveillance and assistance of social services. The restaurant has been promoted and is managed by the Pellegrini Onlus, a foundation founded and supported by Pellegrini group, a firm specialized in providing canteen-related services to enterprises. This restaurant has a very explicit philanthropic scope, providing a meal in a well-finished space for free or for a symbolic price (1 euro) to people living in the neighbourhood and signaled by social services as in-need. It does not only provide a meal, but also a cozy and well-finished space that wants to differentiate itself from the traditional social canteen.

The role of the enterprises seems particularly relevant in the field of urban regeneration.

It is one of the strategic themes of our President (ref. Assolombarda). We have a strategic management of the urban regeneration at 360 degrees, both as monitoring the urban processes and being aware of the opportunities in terms of spaces potentially to be regenerated through big projects (MIB1, urban)

Milan recently is experimenting a multi-stakeholder's collaboration, with the city administration taking a leadership role in defining the development policies of the city. Leadership is a quite tricky issue and it affects the power relations within these partnerships, creating also mechanisms of inclusion/exclusion so that some organizations feel like they are participating to a general improvement of the city, even if through small interventions or projects, and others feel neglected

and isolated. Leadership usually depends on the capability of attracting funding. Very relevant actors, affecting the urban agenda, are organizations financed by banks for instance, such as Cariplo Foundation, whose main founder is Intesa Sanpaolo Bank.

Counting on a consistent amount of funding means having the capability of implementing large-scale project, such as *La Città intorno* (The city all around). This is an example of how the private/public partnership usually works in the city. The project is financed by Cariplo Foundation (a private partner) but it is developed consulting the municipality (public actor) and trying to involve the community on the ground. This project is a good example of what participation means nowadays in a city like Milan. It is an initiative that aims to improve the quality of life of neighborhoods around the city center through four steps: increasing and strengthening the services in the neighbourhoods targeted, creating a physical space with the function of a hub (polyfunctional centre where inhabitants can meet. Dialogue, accessing services, participating to cultural initiatives...), enforcing the economy at neighborhood scale (helping small commercial activities, promoting lab...), fostering community protagonist. Quite interestingly, we notice that the scale addressed is neither the neighbourhood, nor the whole city, but a set of chosen areas (neighbourhoods) specifically targeted. The project itself declare to act on a medium scale. Moreover, participation is a priority but it is a goal rather than the mean through which the project is elaborated and implemented. These are the innovative traits of a part of the Milanese civil society, basically that part that has access to adequate financial resources.

Another part of the civil society, the most of it, suffers from what is considered by k-informants an old-fashioned way of participating: letters, meeting, petitions. K-informants indicate the need of introducing more modern ways of engagement, since the current ones are likely to keep young people at a distance, usually more at their ease with other tools, such as social networks. This issue has led to a slight decrease of participation in grassroots initiatives in the last years, linked of course to a turnover problem. Migrant association, in countertrend, are recently enlarging, achieving also a higher degree of structuration and organization. Nevertheless, an intercultural approach is reported as missing in both Italian and migrant organizations, so that they are not able to foster an integration process. In addition, it is very difficult to find migrants in leading position in Italian associations and vice-versa. An exception is represented by some church related organizations that count the presence of some migrants (mainly from South America and the Philippines).

The overall fragmentation that is reported as a flaw in the civil society structure of Milan is linked to individualism and, especially, to protagonism. These two characteristics make coordination very tricky. As mentioned before, the Third Sector Forum represents the main coordination channel that organize specific tables as well, for instance about infancy, handicaps or housing, during which local government meets the main associations working in these fields. The coordination is higher among those actors working in social fields according to the law 328 (of 2000) that require to develop area plans, including all the organizations active in that area. Unfortunately, it takes so long to elaborate these plans (more than two years), that once they are finished, they are outdated.

Milan in general is described as a city in movement where the dimensions of economic development and solidarity are both present. There is not a clear consensus about citizen mobilization capability, also because it is greatly diversified in terms of sizes, interests, objectives and the like. Interviewees, on one hand, highlight the ability to promote initiatives, the constant race towards innovation. On the other hand, sometimes it seems that the hyper-activism that characterize Milan also in this field does not lead to effective actions, resulting in dispersion and hiding some tensions that make cooperation and synergy between all the actors quite impossible. However it has to be said that also the call for more cooperation is not shared by everybody- Some k-informant fear

that forcing these cooperation between third sector actors would lead to a serious unbalance of powers given to funding (more serious than the current one) and at the same time would threaten the survival of the smallest organization that nevertheless today have a significant impact on a very local scale.

In **Legnano** as well, the third sector, suffers from a “protagonism” issue that triggers competition rather than cooperation. This fragmentation seems to concern especially volunteering organization and associations engaged in social issues (such as providing welfare services, addressing integration...). A positive feedback regards instead the interaction between local business and voluntary local organizations, especially when sporting societies are involved. Moreover, some local entrepreneurs support non-profit organizations, especially those working with disabled, through donations. Many firms have CSR programs, but a lack of established programmes of cooperation is signalled: collaboration sometimes arises only on some specific projects.

As it happens in the metropolitan case, best achievements in terms of civic engagement are obtained apparently at street level, especially when neighbourhood related issues are involved. Thus, mobilization seems working when individual interests are embedded in terms of quality of life, more than when universal rights or more abstract values are mobilized.

In the sub-urban case, the issue of mobilization of interests among community actors and stakeholders in the area is quite controversial. K-informants in fact have diverging opinions. Some of them highlight how opinion leaders are easily mobilized, while the mass is not responding. Others underline the ability of the third sector to mobilize the population. And others again have the impression that participation is not diffused as expected and it is strictly linked to personal interests. This divergence in opinions can be due to the fact that civil society is quite diversified, composed by different actors having diverse aims, instruments, agendas and the like. At the same time, k-informants, beyond having a privileged view, they however have a partial view depending on the sector they operate. The engagement of citizens, for instance, depends greatly on the issue in which they gather: some topics attract citizens more than others. In Legnano, mobilization of the population occurs especially on those issues that are specific and contingent: recent examples are actions taken against the creation of a new waste treatment facility, protest against the delays in public transports...). The three recurrent topics about participation, that we can find also in Milan even if less constantly, are the following

- a. It is difficult to mobilize the younger population
- b. It is difficult to mobilize citizens around general, not context-related, issues
- c. It is hard to activate the population on long-term projects

These issues affecting participation seem to draw on an individualistic approach, typical of the modern society, that tends to privilege the functional aspects rather than the sharing of a system of values. Quite interestingly, k-informants indicate this individualism, apart from being a general feature of our time, is also as a peculiarity of Legnano, another legacy from the industrial past, from the idea of the self-made men.

In addition, some organizations/associations have an established collaboration with the public administration and aim to preserve it without arising issues or topics that are not aligned with public administration's interests. This strong cooperation with the local administration, on one hand, can lead to a higher level of collective efficacy, but on the other hand can hinder any local debate or

alternative orientation. This cooperation with the local administration does not seem to imply a better coordination.

Political participation as well is quite silent and action-related (Tosi and Vitale 2011). Civil society seems able to influence the political life through personal contacts when personal interest are at stake, but it is not able to develop a public discourse, to problematize different aspects of collective life. The rich articulation of the local civil society is not able to express a conflictual voice, to denounce territorial inequality and to promote solutions, but it is rather reactive. Recent protests have been for instance raised against the railways' line expansion or against the relocation of the Franco Tosi Meccanica S.p.A plants).

Nevertheless, an attempt to coordinate organizations is made by Casa del Volontariato. This organization groups some associations and organizes thematic tables on specific issues. Moreover, Casa del Volontariato with its members from Legnano has participated to the "generative welfare" pathway, in an attempt to create a supra-local network: thematic tables on which public and social private met to discuss specific issues, an initiative led by CSV (Service Centre for the Volunteering), based in Milan. Despite these initiatives are useful on a wider sense, they do not have a great impact on a local scale.

Legnano follows the trend of Milan in the flourishing of grassroots short-term initiatives, that despite their limited spatial and temporal impact, are quite successful. Here some examples of Committees that have been considerably active around some specific issues:

- Canteen Group was born because of a rise in the canteen fees. Once the fees have been decreased until previous amount the Committee has disappeared
- A citizen group has been established when the courthouse has been closed, especially because of the loss of the judge of peace. This function has been restored and the Committee has been closed
- A citizen group for the Roma-issue: the left-wing coalition proposed a project for integration and cohesion, planning of giving an area to this population. People living close to the chosen area gathered in a committee and protested. The project was not implemented and has been given to other actors who have pushed the Roma population in an area close to the cemetery
- "Yes to the library, but no waste" Group: this committee is very recent and hinders the plan of building a new library in the Parco Falcone Borsellino, suggesting to build it in one of the several dismissed areas.

Civil society seems to be much more organized and willing to cooperate on job-related issues. If this is in some way true also for Milan, in Legnano is a very distinctive feature, linked to the legacy from the past about the role of Legnano in the industrial arena. As informants noticed, despite the de-localization and the transformations that have involved the Legnanese firms, several historical firms are still working in the territory. They are usually in the same sector they were before the crisis (i.e. textile, metal engineering...), but they have changed the production (from the good itself to accessories or branding for instance). While this transformation has meant a lot in terms of impact on the labour force (i.e. unemployment), the way Legnano depicts itself has not changed: it is still an industrial city and entrepreneurs hold still a considerable symbolic power. The most important networks for citizens are in fact those between community organizations and

entrepreneurs. Unions tend to collaborate among each others and as well as with associations of entrepreneurs, insisting especially on VET, active labour market and legality.

When the entrepreneurial world is involved, citizens appear more willing to gather in long-lasting participation, in the name of the past glory in the industrial world. Confindustria Alto Milanese has built partnerships with associations promoting training or helping with school-job transition or implementing company welfare. For instance, alongside with an association (Irene) based in Milan, engaged in promoting gender balance: Confindustria Alto- Milanese has implemented a project in local enterprises for fostering work-life balance.

Famiglia Legnanese is a peculiar example of this kind of participation. It is an elitist association, since it collects entrepreneurs. This association represents the strong connection between the identity of Legnano and its industrial industry. The double mission of the association is in fact representing and protecting entrepreneurs and defending Legnano identity. They are in fact very active in promoting the yearly Palio. In addition, they have a considerable political power, affecting urban agenda.

While in Legnano, coherently with the results of D.4.4, the identity related to the very strong industrial past is the trigger to enhance the participation of citizens and other local stakeholders towards the common objective of economic revitalization, in **Oltrepo' Pavese** there is a visible difficulty in involving local actors, even if the small dimension of municipalities could in principle make the connection with Local Government more direct and easier (D.4.5 p. 31).

As the other two contexts, associative activities in Oltrepo pavese are hindered by a territorial protagonism and protectionism. The fragmentation is much prominent compared to the urban and sub-urban case, because of the serious territorial fragmentation, that separates also physically the municipalities and strengthen an already existing separation. Here fragmentation has historical roots, based on competition between municipalities. Being a poor and marginalized area, competition is currently due to the struggle to attract financial resources, regardless the ability to use them and usually without a structural and long-term plan.

The success and efficiency of the associations rooted in the rural area is greatly affected by this fragmentation since they result to be isolated and marginalized, then counting on even more limited resources. The cultural and historical tendency to parochialism does not help to create networks of cooperation and dialogue. Even the few more structured and influent actors existing on the territory, such as Fondazione Oltrepo', or the external actors implementing projects in the area, such as Cariplo Foundation, struggle to bring together the local organizations. Fondazione Oltrepo' Pavese, because of its knowledge of the territory, appears to be quite effective in mobilizing actors, but this never led to a long-term cooperation and to overcome fragmentation. The main obstacle is identified in the municipalities themselves, which do not seem able to focus on common interests, to share resources and to engage in long-term projects with other realities. Their priority to obtain financial resources creates controversial situation, such as the participation to projects with opposite goals. For instance, some municipalities have participated to a project aiming at valorizing the biodiversity of the territory conceived as a richness in terms of territorial capital, at the same time they have agreed in hosting the *enduro* motorbikes championship which will attract many sponsors (financial inflows), but at the same time will ruin the ecological balance of the area, that is exactly what the former project aims at preserving. Local mayors are not always able to distinguish innovators and to appreciate experimental paths. The possibility of participating is formally recognized and encouraged in some programs (as in SNAI), but mainly in the programming phase, rather than in the implementation of the interventions.

Also, in this territory, mobilization is easy when specific issues are on the table, such as the construction of the incineration plant. These initiatives have been effective in stopping the construction, but they are weightless, and do not have any impact in changing the mindset of the institutional actors, that seem the real obstacle to development in this rural area. It has to be said, however, that institutional meetings through roundtables are organized currently on specific issues, but in these cases citizens are quite passive, so they hardly can be recognized as a step towards collective efficacy.

However, some best practices can be identified. They are mostly directed to enhancing the access to services or sustaining economical activities. Innovative issues, such as energy renovation, still remain an unexplored field.

- “Maggiordomo rurale” (rural butler): domestic assistance services, implemented by Oltrepo’ bio-diverso (D.4.5)
- Taxibus, a transportation service for elderly and disabled for implementing access to services, and bibliobus, an itinerant library stopping once a week in municipalities not having a library (Leader program 2000-2006)
- Operators assisting to sustain agricultural activities and farming

The rural case is peculiar because of the narrative about the territorial capital and, therefore, about the collective efficacy. Territorial capital seems to be, in fact, mostly mobilized by external actors working at supra-municipal scale (Fondazione Cariplo, SNAI) and few representative local actors (Fondazione Oltrepo’ Pavese). Not only local actors hardly mobilize it, but sometimes they struggle to recognize it, due to the historical parochialism characterizing these areas. As k-informants witness, the familial networks still count here: a k-informant compares the power of blood ties to those that regulates the political forces in Southern Italy (“It does not even look like the Lombardia region here”).

In empirical terms, this means that some projects are stopped or hindered by some municipalities or other influential actors because the organism that is promoting them at local scale is led by a relative of some political competitors. Several k-informants involved in projects as external counsellors highlight how Mayors are the main opponents to the growth and the development of the territory.

There is a considerable clash between how the territory is perceived by locals and how it is perceived by external actors who work on it, both in terms of resources and modalities of participation. Oltrepo’ Pavese is sometimes described as similar to Langhe⁷. Another quite interesting controversial issue is the way these initiatives are narrated and the way they are implemented. Being them often designed by external actors, especially foundations, they benefit from a quite effective communication strategy. Then, as a k informant, has highlighted, some initiatives (such as the rural butler) have been described as innovative and change-makers by media, with an impact that they have not actually had. Usually this initiative are very slow, they are short-term and affecting a very small bracket of the population.

⁷ A rural area that have been developed in the last years thanks to a process of soft and controlled touristification.

Not only are parochialism and clientelism two main obstacles to the implementation of innovative projects aiming at relaunching the territory by preserving its ecological and cultural characteristics, but also external actors are sometime unable to deal with the dynamics spread in this territory. In a way, organisations or associations not rooted in the territory tend to be scared or disoriented by behaviours, practices or attitudes embedded in this territory. They often react by stepping back meaning orienting their resources somewhere else. This raises a participation issue: on one side, as Barca (Barca, 2009) has argued, initiatives should be rooted in the locality in order to grasp the inner mechanisms and being able to deal with them. On the other hand, in this case, local organisation has not the strength neither the capability of implementing any project, since they are stuck in competition and in the negative dynamics mentioned before. As a result, an external agent is needed in order to trigger initiatives and to enforce participation. This agent often belongs to very different context (in this case, for instance, to an urban one) and they don't have the tool to deal with very local issues. This generates a set of set-backs, obstacles and waste of resources in implementing the projects. This tension has been interpreted in the Italian policy debate as potentially leading to more centralised (technocratic) intervention, in the face of extended bottom-up experimentation in the last twenty years.

4.3 Conclusion

A general liveability of the third sector characterizes the three localities to diverse extents, according to their dimensions. Civil society is composed by several actors acting on very diverse fields and having different methodologies. While this diversity can be considered a richness, on the other side it often reaches the drift of protagonism, meaning that these third sector actors are usually not willing to, more or less partially, renounce to their originality in order to cooperate. This prevents most of the actors from collaborating for the common good of the three areas. In the rural case, the issue of protagonism is flanked by the problem of clientelism, so that blood ties regulate the potential alliances and the functioning of networks. Because of these aspects, fragmentation is the k-words in describing the third sector panorama for the three localities.

Another cross-case feature is the new face of participation. Grass-roots initiatives are flourishing in all the three cases. This movements have also the same features: they imply street-level interventions, they have usually very empirical and small-scaled purpose, they are personal interest related (i.e. the inhabitant who will directly benefit from the transformations implemented are also those who create the Committee), they do not mobilise shared values. In some cases, even with a very slow rhythm, the use of new instruments (such as social networks) to bring people together peaks out.

All the three cases are finally facing a turn-over issue: the volunteers or citizens who participate to this initiative are increasingly elderly and they are not being replaced by young people (as it used to happen in the past).

The urban and sub-urban cases are characterized by a very relevant presence of the entrepreneurial or business actors in the civil society world. They own a considerable leadership because they have privileged relationships with bank or other funding institutions. In the sub-urban case, they also have a strong symbolic power since Legnano builds its own identity on its industrial past. Because of their financial power and their relationship with the administration (private/public partnership) they are the actors who are more able and likely to mobilize the territorial capital of the urban and sub-urban context.

Oltrepo' Pavese, while sharing all the previous features on a smallest scale, is characterized by a clash between the narrative of the territory and the effective use of its potential. Attempts to mobilize territorial capital come mostly from actors not located in the territory or at a wider scale (regional or national). Being the areas fragmented in several small municipalities the intervention from external actors is the only way to access to significant financial resources. This means implementing projects having a supra?-municipal territorial target, where municipalities are historically opponents. In this case, collective efficacy is almost inexistent.

5 Territorial governance

*Overall, the chapter should focus on answering the following questions: **How can territorial governance, collaboration and coordination utilize collective efficacy and the mobilization of territorial capital? How are the sectors childcare, ALM, urban regeneration, VET and growth involved?**⁸*

*The chapter must be based on D4.3, D4.4 and D4.5 together with the collective topic list (task 4.10) and input from the key actor interviews (task 4.12). In section 5.2 and 5.3, the text is not structured along the individual cases. Instead, the aim is to move from description to analysis while at the same time elaborating on how themes/topics appear **across cases** and how they do so in similar or different ways.*

In this chapter, we will investigate the role of territorial governance in mobilizing territorial capital (chapter 3) and in utilizing the effects of collective efficacy as outlined in chapter 4. We will analyse how the ‘capacity to act’ depends on strategic forms of policy coordination (Sevillo, Atkinson and Russo 2012). Policy coordination refers here both to the formation of policy bundles generating synergy between policy areas, such as labour market and regeneration policies, and in some instances different forms of coordination fora. Strategic policy coordination refers, moreover, to the different forms of collaborative governance (Healey 1997) which not only provide ‘local ownership’ to new initiatives to promote territorially cohesive and more equal local communities, but also to policy innovations. In some instances, networked forms of collaborative government have turned into urban regimes (Stone 1989, Stone 2015), coalescing collaborations and forms of inclusion, while in other instances more agile and ad hoc forms of partnership emerge and play decisive roles in delivering more or less cohesive forms of territorial governance (Atkinson, Tallon and Williams 2019).

Policies on territorial cohesion are often connected either to the idea of legitimizing growth or to the development of more balanced welfare services. This makes it imperative, in the following, to analyse the policy discourses pertaining to territorial cohesion at different scales of government, and the narratives of what is conceived to be ‘good territorial governance’ by different stakeholders (business, civic community actors, policy actors). Below we do this by including elements of the policy analysis from the three case areas and the interview material from different stakeholders.

Thus, a central argument of the chapter is, that for territorial governance to utilize the shield capacities of local collective efficacy it needs to facilitate processes that ensure local communities have a say, which is not reduced to tokenism, and that bottom-up initiatives have a possibility for being involved in local development. This is not to say, that territorial governance is reduced to a question of ‘rolling back’ the state and governing through local communities (Rose 2000). Rather we need to investigate which forms of ‘rolling out’ of local, regional and national territorial governance that might serve as conditions for cohesive development (Allmendinger and Haughton 2013, Jessop 2002).

⁸ For further input on the operationalisation of the research questions see Appendix_V1:

<https://aaudk.sharepoint.com/sites/COHSMO/WP4/Forms/AllItems.aspx?id=%2Fsites%2FCOHSMO%2FWP4%2FD4%2E4%5FWorking%20paper%20on%20interviews%2FAppendix%5FV1%2Epdf&parent=%2Fsites%2FCOHSMO%2FWP4%2FD4%2E4%5FWorking%20paper%20on%20interviews>

In Denmark, spatial planning is caught between a move towards neoliberal entrepreneurial planning (Allmendinger 2016) focused on stimulating growth and a tradition for planning that is enrolled in social welfarist logic favouring comprehensive planning that mitigates the effects of growth strategies with the aim to secure balanced development and territorial cohesion (Olesen 2012). On the one hand, there is an increasing focus on involving business actors and entrepreneurs in the development of both urban and rural areas. This involves both the enrolment of such actors in soft spaces of regional governance aiming to foster the attraction of businesses or lobby for infrastructural development (Haughton and Allmendinger 2010, Allmendinger and Haughton 2009) and the institutionalised use of public-private partnerships and BIDs in developing urban areas (Richner and Olesen 2019). On the other hand, soft spaces of strategic planning have to co-exist and interact with both a strong autonomy of local municipality planning and centralist tendencies. The political legitimacy of the local autonomy rests on collaborative ideals, universal access to services and intra-municipal balanced development (Galland 2012, Olesen 2012). By centralist tendencies, we are referring to increasing predispositions to strong centralist meta-governance of welfare in the direction of targeted and sanctioning welfare (Fallov and Blad 2018, Fallov 2013). However, even if tendencies of sanctioning welfare are emerging it is important to remember, that Denmark is characterised by a social investment approach, which emphasise the combination of flows with strong buffers and stocks. That is, there is a strong tradition for integrating active labour market policies with other policy areas, and that activation rests on top of universal access to services and relatively high levels of social security (Kersbergen and Kraft 2017). In the chapter below, we will analyse how the social investment approach interacts with territorial governance by drawing out the strategic territorial strategies related to regeneration, growth, VET, ALMP and childcare.

This ambivalent identity of spatial planning is visible in the discourses analysed in the pages below. However, it is our argument that this schizophrenic identity of Danish spatial development is a particular “local variety” of neoliberal governance (Brenner and Theodore 2002) in which local development discourses aim to achieve legitimacy precisely because growth and welfare in the form of liveability and inclusion of the most marginal groups are coupled. It could be argued that this coupling of welfare and growth agendas is a characteristic of the Danish “spatial imaginary” (Jessop and Sum 2013) and emerges as national and local responses to increasing the competition between regions and urban areas. Moreover, this aim to integrate growth and welfare is consistent across urban and rural development strategies, albeit finding different forms of expression. In rural areas, there is a coupling of deregulation and increasing strategic regulation aiming to achieve innovative and sustainable development based on public-private networks and partnerships. In urban areas, the boundaries between comprehensive planning and soft spaces promoting growth are becoming increasingly fuzzy, but is sought kept in check through regulation of corporate and civil social responsibility.

In the Danish cases, we find that local territorial governance plays a key role in mobilising local communities, distributing funding, and bringing partners to the table in order to generate ‘common frames of reference’ (Magalhães et al 2002). We will return to this in section 5.2. Meanwhile, local territorial governance is enmeshed in different meta-governance frameworks (regional, national and supra-national) that direct priorities, funding streams and policy coordination (see section 5.3). Below, we begin by outlining the characteristics of territorial governance for each of our urban, suburban and local cases.

5.1 Characteristics of territorial governance in each case

Outline the main characteristics of territorial governance practices in each of the three cases.

Approx. 6 pages.

While there is in general the expectation that network-based and inclusive forms of territorial governance may contribute to increase the effectiveness of local development and regeneration policies and to strengthen the cohesion dimension (see *infra*, paragraph 5.2), in the Italian case there is no evidence that this happens, even when consistent efforts towards more integrated forms of urban and regional governance, based on long-lasting involvement of networks of different actors are made.

In this section we will summarise some findings emerging from the analysis of the three Italian localities, while a more interpretative perspective will be offered in the next paragraphs (5.2 and 5.3).

As far as welfare policies are concerned, in **Milan** the most important recent initiative that has seen the involvement of organizations in new governance arrangements is the co-programming of the new Welfare Development Plan by the city administration and the Third Sector Forum. As the third sector in Milan is very large and active (over 230,000 volunteers), the administration had to decide with whom to deal with. The Forum of the Third Sector is the main identified interlocutor. It is a network including the majority of third sector organizations operating in the city.

There is a main general consultation table and then thematic tables focusing on specific areas of social intervention, among them the most relevant ones are:

- disabilities,
- child care,
- home care,
- temporary social residence,
- immigration,
- gender violence

The level of structuring of these tables is heterogeneous. In some cases, they are quite structured, with steering committees on the organization of the management of services (like for home care services) while other tables are more on a general level. Some of the tables meet more frequently than others. For the development of the new Welfare Plan, 11 tables have been working since September 2017 with the original aim to finish the work by the end of 2018. Their involvement in policy making is mainly on policy implementation guidelines. On the implementation itself, their involvement it is more limited, because these organizations are often also the providers of these services and therefore the dialogue with them on this level is different and should be separated. Indeed, it is not easy to be involved in the management and in the programming at the same time:

You must know how to distinguish the two roles. I'll give an example [XXX organization] overall has a budget of 50 Meuros, 600-700,000 are through contracts with the Municipality. When I sit there, I do not have big problems or worries about

my organization, because even if I have a furious quarrel and lose a contract, I do not do damage my organization. I am sufficiently free to be there and to represent even those who have other real interests, but it is not convenient that they present them in first person (community actor C2)

If the more formal relationship is with the Forum as the representative body of Third Sector, given the Forum doesn't cover the entire organizational worlds of the city, in parallel the municipal administration has developed an open dialogue also with other key associations, such as Caritas Ambrosiana.

As for citizenship involvement, not mediated by organizations or associations, there have been some experiments of participatory budgeting. Citizens were allowed to vote on their preferred projects and some of them have been funded by the Municipality. Moreover, some open meetings are organized in target neighbourhoods to “*listen to residents' voices*”. However, also on the Periphery Plan, the direct local involvement of citizens was not the main priority. Only in a second phase the promoters aimed at structuring a system of citizen involvement:

in the past it was done with the Neighbourhood Labs (Laboratori di Quartiere). But they were on public housing districts and on very defined projects, the keyword was support. Now it must be valorisation, self-promotion (MIPA3, urban)

Regarding the prospects on future involvement, the views are different. Some are positive that even with changes in the administrations ruling the city, these efforts won't be lost. Others are more cautious and fear that changes in the political scene may lead to changes. One community-based actor complained that Local Authorities have always promoted citizen involvement, using different mechanisms to this end, but in the end every time the outcomes have been lower than (his) expectations in terms of being listened to. Therefore, his hopes for the future are limited.

The municipal administration is seen by many as the driving force in pursuing development strategies. Besides it, those called by an interviewee “*active actors of the city*” (MIPA4) play an important role as well. They include the third sector, the business world (“*entrepreneurs have a good sense of social responsibility*”, C2) and the philanthropy (the big foundations which can “*express a leadership that comes from the ability to fund, we cannot hide behind this thing, but also from the skills put in place and the flexibility they can put into the field*”, MIPA1). This results into a multi-stakeholders' collaboration. However, at the same time, some complained that the public institutions

did not shine in terms of coordination.....and despite improvements, the coordination role is still a bit fragile in the sense that there is so much effort though many times I see overlaps and lack of communication that do not help to achieve efficiency (MIC2, urban)

An example cited is how the problems in the peripheries are addressed. A Peripheries Plan has been underway in 2017-18, however, some interviewees expressed doubts in calling it effectively a “*coordinated plan*”. They generally agree that the administration is trying to involve different actors and listen to them but some complained about how they then use this feedback:

everyone listens, but then there are no particularly reliable measurement systems that lead to select strategies to reach the objectives, especially the integrated

objectives.... I would like that the consultation tables were well thought out before starting, maybe wasting time in thinking before, but then really involving everyone
(MIC2, urban)

In terms of services provided and their adaptability to local scenarios, there is a needed flexibility. Service providers try to make services less bureaucratic, more adherent to local needs. For private providers it is easier than for the public bodies because they can rely on voluntary work. The biggest barrier in achieving more flexibility in service provision and in adapting it to area-based needs is the lack of resources. Further barriers mentioned are a certain rigidity of the public administration bureaucracy and tools (for example public calls), that are not always the most adequate ones to give appropriate answers and, finally, the need to better train operators.

The public-private partnerships have indeed generated some improvements. This is usually translated in adding new services in some specific neighbourhoods, usually through pilot experiments funded by public authorities and then carried on or managed by third sector organisations: for example, taking an under-used building or open space (like a square), which is then given by the Municipality to an association, who then works in coordination with local government departments to re-activate it, offering initiatives and services to the community. In some other cases, third sector organizations have also started to develop new services aimed at specific targets regarding emerging problems (for example towards Aids patients in the '90s) on the request of public bodies when these weren't ready to deal with it.

Place-based interventions are generally seen as positive. The accent is placed on “people taking home what they need”. One aspect underlined is that place-based interventions help to understand how different the specific territories are. The social infrastructure on the ground is a key aspect to consider in order to plan interventions. In some neighbourhoods some interventions don't work because they don't have the pre-conditions to be successful. On this aspect, area-based intervention allows to plan tailor-made actions, considering the actual conditions on the ground.

Sustained cooperation between public authorities and community and local organizations is the most expressed hope for the future. At the same time, the possibility that a change of political majority may mean a change in approach is one of the fears expressed. The prospects in terms of private investments are considered good. One of the fears, expressed by many interviewees, is that the current growth will not benefit the whole city, polarizing it even further. The relationship between Milan and the surrounding municipalities is another aspect to pay attention to, as the growth experienced by Milan is not necessarily felt also in its suburbs creating periphery-centre tensions at a metropolitan level.

The first discussion point concerning **Legnano** is about the way governance collaboration and coordination use collective efficacy and territorial capital to solve territorial problems. Asked about their involvement in public governance and policies, some community actors state that they take part in meetings with the social services department of the Municipality about housing, welfare, labour policies, elderly and children care, parks preservation, contrast to illegal practices, noticing that when the resources are scarce, the Third sector is very useful to the public administration. The representative of one of the community groups stressed that they are a non-political association but they have been created in 1955 and they have mostly been on same wavelength of the Councils. They have been involved in recent times by the Cultural, Welfare and Sport department of the Municipality.

Looking at the formal rights of citizens and NGO's when participating in governance/policy development/implementation, most of the informants confirm that they don't have any special right to take part to formal decisions through voting, apart when electing the Mayor. There are the specific committees on different issues (e.g. environment, welfare etc.) and as NGOs they have a right to vote, but the outcome of such voting remains consultative, and final decisions remain in the hands of the Council. Two informants stressed that the left-wing coalition that ruled the city in the previous mandate promoted the *Bilancio Partecipativo* (Participatory Budgeting), but it was considered a failure. In general, community actors are not particularly positive about their ability to have an impact in the present and an influence in the future on area development policies, because they think this will largely depend on the approach of different political majorities.

Another relevant point of investigation is about the area-base approach and its ability to deliver services of improved quality for the citizens of Legnano. According to an informant, despite the scarcity of resources, Legnano invested in welfare services for disabled and elderly people, managing to keep a balance among different needs and emerging issues. Many associations were involved. More in general, in Legnano and Alto Milanese there have been many synergies between unions, the public administration and the third sector, especially around welfare, and this positively impacts the final service provision. Concerning environment quality, typical issues such as pollution or transport policies are supra-local, but sometimes there is lack of coordination among Local Authorities: maybe one Municipality does a piece of intervention (e.g. a bicycle path), but the Municipality close by does not complete network.

Asked about the driving actors in Legnano, many informants agreed on the importance of the Council, some on that of the entrepreneurs' association and on some members of certain community groups with strong ties with regional and national governing bodies. We will come back to that multi-level governance dimension in 5.3. One informant stresses that there is a gap between those who can promote innovative actions and those who have the power to actually implement them. There are young interesting entrepreneurs who count less than the old ones who still keep the power. On the other hand, the Unions are a driving actor, especially as far as labour policies are concerned.

One leading issue, in discussing the mobilisation of territorial capital through local governance arrangements, is whether and how place-based, territorial characteristics are made part of territorial governance and policies, and through which processes of production and use of knowledge. Regarding the use of local knowledge in policy processes, some informants think that it is fundamental to know the problems of the city and to understand which are the priorities for public investment. This is particularly evident in some spatial transformation projects (concerning both buildings and public spaces), while for social and active labour market policies there is a different perception: some informants feel that the current consideration of the local specificities is quite scarce, since the collected information often differs from political intentions. Informants highlight that welfare policies so far aren't place-based, but rather people-based, and that, in order to avoid the creation of ghettos for the poorest, it is necessary to have a specific knowledge leading to place-based interventions.

The knowledge about the local context is gathered by a variety of actors: the entrepreneurs, the Third sector associations and the unions. The technical offices of the Council and their consultants are also fundamental for the collection of information. An interviewee makes the example of the *Integration machine* project (included in the National Policy for Peripheries), which stemmed from an in-depth knowledge of the context by Third sector associations.

Another relevant source of knowledge is the Observatory of the AFOL Ovest/Eurolavoro agency (Training and Labour Agency at the metropolitan level), which conducts studies about demography, economy, current state of the policies, future priorities. At the scale of the Alto Milanese area, the *Patto dei Sindaci* tries to collect information in order to build and share a more comprehensive knowledge base.

Regarding the driving policy areas and their level of coordination, some informants state that the largest public investments are concentrated in the welfare and public works sectors, but it cannot be said that an individual policy area alone is driving the development. Several interviewees agree that one of the biggest challenges for different organisations is to work as teams and across sectors, that the current level of coordination is scarce, hence there should be a better collaboration, especially among some sectors such as Welfare and Urban Planning, particularly regarding housing issues. An informant says coordination should become compulsory in order to really happen (G5).

Reflecting about the mechanisms used to coordinate actors, stakeholders and institutions, some informants mention the role of the *Patto dei Sindaci* (Mayors' Pact) at the scale of the Alto Milanese area, which has a more significant impact in comparison with the Metropolitan City of Milan. The dialogue among different municipalities still needs to be improved though.

Looking at the functioning of the Legnano Municipality itself, several actors state that the council meetings are the moment in which the different sectors interact and collaborate. Moreover, one interviewee highlights the recent creation of a Municipal Steering Committee to coordinate the different policy sectors and the introduction of the figure of the Director of the Organizational Management. A good mechanism and occasion of dialogue and exchange are also the training courses for the employees of the Council (G6). Some tables of consultations have also been introduced as mechanisms for the public administration to interact in a stable way with Third sector associations (G5).

The advantages citizens may gain from coordinated efforts, are generally assessed by the interviewees as improvement in the quality of life, since they receive a better service. Looking at the *Patto dei Sindaci* for the Alto Milanese, for example, 23 municipalities collaborate about infrastructures, transport policies and welfare, sharing common guidelines. Another example is the unified welfare agency for the territory of Alto Milanese: in this case the advantage is that the citizens of a larger territory can have equal access to services and directly reach the front office of many institutions and organizations in one place (one-stop shop). Apart from this pilot initiative, nowadays the access to services is still quite fragmented. Another advantage of coordination would lie in a more efficient use of resources, without waste, and with an effective coverage also of the weakest strata of the population.

Regarding the leading actor coordinating the efforts on place-based interventions, the Mayor of Legnano ? plays a leading role, then there is, more in general, the party which has the majority in the Council, followed by the management and technical offices. According to governance actors from other municipalities of the Alto Milanese area, the President of the *Patto dei Sindaci* plays a significant role as the institutional guide in the territory, even though it is not easy to keep together the 23 municipalities and especially Legnano, which has a strong political, economic and demographic weight in the area and tends to take the lead or to withdraw from the collaboration when it is convenient. The industrial entrepreneurs' association tends also to take the lead, while on active labour market policies and VET the public agency created by the Metropolitan city of Milan has an important voice.

The involvement of local actors in public governance and policies in **Alto Oltrepò** is managed mainly through thematic meetings, focus groups and workshops with local stakeholders. In the case of SNAI, the involvement has been promoted through public roundtables and more restricted ones, depending of sectorial interests. All the representatives of local authorities were involved, through the direction of the Comunità Montana, and some private actors were invited by the administrators. Also the Region has been particularly close and active in the roundtables phase. However, the opportunity for future influence or impact on development strategies seems to be influenced by the general climate of mistrust towards those in charge in local governments. This affects both community and business actors who took the distance from these initiatives

The SNAI Project deals with a service integration approach. In a small mountain municipality such as Romagnese they have maintained only the primary school with pluri-classes and they offer specific services to drive pupils to schools.

For the AttivAree project, the Fondazione has gathered a number of operators, but not local authorities. They work with *Finis Terrae* and *La Svegliata* social cooperatives and *Auster* on projects aimed at elderly people, and with *Iolas*, an NGO that manages a butterfly park, for the nature conservation part. These organizations are mainly managed by young people, which are engaged in social assistance and welfare services, financially supported by European Funds. They focus mainly on elderly care and recently they are engaged in inclusive programmes for migrants⁹, whose presence in the area is an emerging issue.

The *maggiordomo rurale* (rural butler) is an example of a domestic assistance service implemented by the project Oltrepò Biodiverso. This experiment has emerged also from past experiences of door-to-door services, such as the Taxibus and Bibliobus, experimented in previous Leader programmes. The project of *maggiordomo rurale* employs two people, who drive around the territory with a van and assist locals. In this way it merges both social and physical needs, overcoming problems of mobility or accessibility to services, especially for medicine purchases.

This project has been mentioned by several actors, even by those who were not directly involved in it. Thus it has been extensively discussed and supported, also by local and national media, highlighting the way in which such model of care directly comes from the acknowledgement of the difficulty for specific groups (mainly elderly people) to conduct everyday activities as grocery shopping and housekeeping. However, depending on specific requests, the *maggiordomo rurale* helps also to drive pupils to school, whenever families need it.

Expectations for the future are diverse. Community actors perceive with a positive attitude the presence of different programmes in the area, and the main problem is not the lack of financial support, as the area is heavily subsidised by funds (around 30 Meuros in the current programming), but in the way these resources are distributed among actors and stakeholders. Plus, there is a general problem that once these programmes do end, some services – as the *maggiordomo rurale* – will eventually start to be paid by locals, a critical point that was raised by local users.

⁹ Actor 13 introduces issues on migration policies in Italy. The hosting system in Italy works on two primary levels: initial reception, that refers to “hotspot” structures to manage the first period of stay of the migrants in the country; then a secondary reception in the SPRAR system (System for PRotection for Asylum seekers and Refugees). The latter one distributes quotas of migrants to all Italian cities, which will eventually provide a place for the refugees and asylum seekers to be hosted. Most of these spaces are today hotels, and in the Oltrepò Pavese the Hotel of Varzi is the main assembly point for migrants of the area.

The knowledge about the territory is essential for many of the interviewees. Specifically, they acknowledge that the Oltrepò territory, by itself, needs to be known due to its peculiar geographical and territorial characteristics. In the SNAI programme¹⁰ for instance, indexes of peripherality, altitude, and other spatial features are essential to the definition of the policy itself. Plus, other considerations regarding the provision of public services per capita, demographic structure and income are also essential factors to take part to other European Programmes and to have access to targeted funding¹¹. On a more qualitative perspective of local knowledge, some actors say that a territorial marketing culture is still lacking, although it is essential for the operability of the development policies investing the area in the long run. Some actors stated that there are several websites, Facebook groups etc., however there is neither negotiation nor strategy on future visions for Alto Oltrepò; however, these less structured means of communication can reach people also outside the area. Nevertheless, actors agree that roundtables and meetings are seen as a priority for every programme, because they facilitate a deeper investigation into local conditions and provide feedbacks, useful to understand local interests and needs more directly and concretely.

Levels of coordination between governance levels are different in relation to specific projects. Once again there are different schemes and approaches in SNAI and AttivAree. As far as SNAI is concerned, local administrations have had a longstanding cooperation with the Mountain Community, especially for the delivery and management of local services and assistance to local population, while today they work also with the Regional authorities for Aree Interne Project. As for AttivAree, being it a formalised partnership, the coordination with operators is direct, depending on specific themes. On the institutional side, AttivAree has an on-going interaction with the Chamber of commerce, at the provincial level.

The administrators that were involved in the SNAI project think that public roundtables and meetings were particularly successful. The first public hearing had around 200 participants and 8 sectorial tables were established afterwards. According to some public authorities such roundtables were ground-breaking for the local administrators, and they hopes that such initiatives will continue over time. Not only to be more conscious and close to local actors' needs, but also to infuse an image of cohesion into local politics.

Other public representatives – even though involved either in SNAI or AttivAree – stated that it is difficult to consolidate the results of such experiments in coordination, especially when talking about funding. Some stakeholders are not involved, not due to specific entry restrictions, but more to forms of self-isolation, aimed at deliberately avoiding any form of association with local politics.

¹⁰ In SNAI there are 3 axes: education, transport and healthcare, that have been established at national level based on specific indexes identified by the State

¹¹ A positive example comes from the experience of the *Salame di Varzi* consortium, which in the last 30 years has contributed to innovate and create income to the operators that have joined it, however they are very few. They had access to two PSR fundings mainly used for communication and promotion. Recently there have been ASSET programmes managed by the Mountain Community. These funds were useful to local SMEs to buy machineries. and a series of coordinated actions with Fondazione Sviluppo Oltrepò, Touring club, etc.

5.2 Coordination of territorial governance across cases

Discuss and analyse the relations between policy sectors, policy bundles of involvement and key governance actors. The analysis should consider topics such as the case specific potentials for joining up policy sectors, the case specific dilemmas involved in existing policy bundles and how different sectors (childcare, VET, ALM, regeneration, economic growth) are involved, supply of welfare services, different actors' influence, different government alliances and interlocking networks, involvement of business and community.

In this paragraph we will be looking in particular at 'strategic forms of policy coordination' (Servillo, Atkinson and Russo 2012), which may improve the overall quality of policy making in the different sectors (childcare, VET, ALM, regeneration, economic growth), and across sectors. In general, there is an expectation that innovative forms of governance, able to bring together actors from different sectors (business, community, public sector) and to work across policy areas, may be more appropriate to tackle the inevitably complex urban and territorial problems that characterise the late modernity (Denters, Rose, 2005).

At the same time, and more specifically, the rise of the attention towards a place-based dimension in EU policies (Barca, 2009), led to a stronger focus on space and on its complex co-evolutionary trajectories (Palermo, 2009) as a possible asset to better respond to emerging global challenges, in particular as far as disparities and (social, economic and territorial) cohesion are concerned: 'In principle, the territorial dimension is crucial to understand and valorise the quality of development processes, that is to interpret in practice the declared principles of sustainability and cohesion' (Palermo, 2009, p. 35). In practice, the degree of spatialisation of different policies is quite uneven, and in many cases there are just experiments, rather than established policy processes.

In the three analysed cases, in general, *forms of multi-stakeholder governance arrangements are quite diffused*, even if their effectiveness in more precisely targeting complex problems of inequalities and cohesion is questionable. We will discuss the matter firstly re-interpreting some examples from the three cases (initiatives, programmes or policies already described in the preceding paragraphs), to try to understand their degree of policy coordination, and we will then discuss the issue in more general terms, looking at the three cases, but keeping the Italian situation more in general in the background.

One exemplary case from the point of view of policy coordination and the construction of policy bundles is the *Piano Periferie* (Peripheries Plan) issued by the Municipality of Milan in 2016, and more in general the different programmes and policies targeting the same problem areas at municipal, metropolitan and national level started since 2016 (introduced and described in D.4.1 and D.4.3). The idea to characterise urban problems in terms of a spatial connotation ('periphery'), dense of implicit and explicit connections with themes of isolation, deprivation, disadvantage, etc. is a good example of how different policy areas can be gathered into policy bundles, and on how such policy bundles may be spatialised to produce place-based policy proposals.

Since the beginning of the mandate of Mayor Beppe Sala, initiated in 2016, the Municipality started to specifically focus its attention on the question of urban peripheries (Comune di Milano, 2016). It is important to underline that in that phase, the Municipality of Milan was not alone in framing in this way emerging urban problems: as we mentioned in D.4.1, at national level the theme was tackled through the *Programma nazionale periferie* (National Policy for Peripheries); Milan responded to the national call for projects with a proposal concerning the Adriano neighbourhood (*Interventi di Rigenerazione Urbana nel quartiere Adriano*), in the North-Eastern periphery, a

project which was not selected in the first round, but only in the second one, and which is currently underway. In the same phase, the Municipality launched two calls for proposals (one in 2017 and one in 2018) for the animation of peripheral areas through innovative social cohesion and community projects (see D.4.3). Moreover, in 2018 the project *Hub for Inclusive Innovation* (then re-named *Neighbourhoods' School*) was started, funded by EU Funds through the NOP Metro 2014-2020, aimed at place-based integrated regeneration projects in the fourteen Italian Metropolitan Cities. Finally, in the same period, Fondazione Cariplo launched two social cohesion programmes for the peripheries: *La Città Intorno* (the City Around) and *QuBi*.

In the subsequent months, the *Piano Periferie* started to encounter a number of obstacles, even if in principle it was one of the leading priorities in the Mayor's agenda, and thus the responsible office was institutionally located in the Mayor's Cabinet: one is the mismatch between the level of discourses (how the Plan was introduced and presented into the urban debate), and the actual conditions and possibilities of intervention; the second one, even more serious, was the fact that while the Plan called for fully integrated interventions, across policy areas, the strategic, financial and cognitive resources to implement it were in fact controlled by different Deputy Mayors and Departments (such as Welfare, Housing, Spatial Planning and Education).

Concerning the first issue, the mismatch became more and more visible: while the first attempts at proposing areas for public action were largely in the domain of (already funded) public works, the communication of the Plan focused more and more on integrated approaches, and it called for bottom-up involvement and participation, both elements that resulted quite at odds with the original technocratic nature of the document. The adjustment of this mismatch was certainly not helped by the decision of the Municipality to change the main focus from the highly politically-loaded term *peripheries* to the more neutral notion of *neighbourhoods* in 2018. This definition shift has been extremely relevant in defining the final direction taken by the Plan.

For the second issue, the gap between the declared intentions and the actual implementation capacity became wider as the Plan progressed. In particular, in the moment in which there was the re-focusing towards the theme of neighbourhoods, the Plan lost its (already not significant) ability to have an impact on some recognised urban issues, and it transformed itself in a discussion arena on the evolution of localities within the city, with a level of involvement of different actors (local groups, university, businesses), but with a scarce grip on internal processes, which were in the hands of the already mentioned, and sectorially structured, Departments.

A completely different case is the response to the call of the National Programme for Peripheries that concerned the Legnano Municipality: in that case, introduced and discussed in D.4.5, the policy design and construction of the *Integration Machine* project, within the framework of the *Metropolitan welfare and urban regeneration* programme, under the aegis of the Metropolitan City, but with a significant input from the different localities involved.

The main aims of the project are:

- the regeneration of abandoned areas,
- the exchange of knowledge and relations,
- the enhancement of the participation of the local civil society,
- the creation of low-cost housing,
- the promotion of aggregation spaces and the education and training for the younger generations (Città Metropolitana di Milano, 2016).

In this case, a technical and political steering committee, articulated at metropolitan and at local level, ensured that the project was maintained on track, while dealing with different policy areas and local and supra-local stakeholders. Such result is also related to the ability that Legnano has shown in the last few years of conducting integrated policies, also because in Legnano it cannot be said that an individual policy area is driving the development.

Another interesting case is the SNAI Inner Areas programme in Alto Oltrepò Pavese, in which the overall national policy objective to reduce local inequalities, focusing on providing adequate access to local public services (in particular, education, healthcare, transport) (D.4.1), has been locally implemented in a difficult context.

As discussed in the previous sections, long-standing vicious circles are negatively affecting the mobilisation of territorial capital in general, in particular as far as the economic, human and institutional dimensions are concerned, and thus the ability to tackle local problems. Since the area is more and more depopulated, and local actors are more and more isolated, trust seems to decrease and thus any type of collective endeavour becomes difficult and meets many obstacles. Thus, innovative governance arrangements, put in place to imagine shared development projects, are mainly designed and proposed by supra-local actors, rather than started locally. In turn, these conditions trigger and reinforce oppositional and opportunistic coalitions, rather than bringing about open and forward-looking networks, and they make the match between exogenous and endogenous resources quite complex.

In this context, SNAI channels EU Funds through National and Regional Authorities that then works with local governance actors (mayors and other political representatives) and communities. In the area there is another on-going integrated policy process, *AttivAree*, (already described in the introduction to the Oltrepò Pavese area) promoted and funded by Fondazione Cariplo, which works with more cross-cutting coalitions (involving business and civil society organisations), and with a more distinct bottom-up approach.

Examining the development of the case, cooperation between business actors, community organisations and institutions often appears to follow selective paths, in some cases influenced by personal connections rather than shared policy goals, and different local development programmes appear to work with different coalitions, not always able to build effective relationships: the result is a risks of division and conflict that characterise the area. Moreover, in the absence of clear local leadership and shared strategic vision for the future, exogenous programmes trigger opportunistic behaviours, strengthening existing coalitions and reinforcing conflictual attitudes. K-informants are very sceptics about the possibility of a solution to this fragmentation, apart from assessing the need of a strong leadership, but there is neither consensus nor clarity on which profile or authority should be in charge of this leading position.

These cases are relevant for our interpretative framework in that even place-based, integrated policies fail to effectively tackle cohesion issues, due to the persistence of quite traditional political arrangements that do not take place under public scrutiny, and ultimately to power games among strong actors, which make policy networks quite close to new entrants (this is very clear in the Oltrepò case, but it also influences policy debate and definition in Legnano). On the other hand, the very rigid sectorial organisation of local and regional authorities in Italy hinders the possibility of effectively constructing innovative policy bundles to tackle complex emerging urban questions.

Looking at the Italian cases more in general in terms of the relationship between different policy domains, the three cases are extremely different in terms of discourse patterns, focus and attention,

because, due to the different dimensions and scales, the local interpretation of urban regeneration and economic development themes are completely different.

In particular, they significantly differ under two aspects:

- identification or not of a specific focus within each policy area, and therefore dominance of particular discourses;
- presence or not of dedicated policy documents and connection between them (in turn, connected to the presence and nature of supporting coalitions).

For the first point, the scale of the Milan urban area is such that not only urban regeneration and economic development pertain to different decision making threads and processes (different governance/government structures, different departments, etc.), but we had to choose specific policy interpretations of such areas, in order to be able to pin down specific documents, and specific arguments, for our analysis (thus the focus on the Peripheries Plan and related interventions on the one hand, and on the Smart City and Urban Manufacturing on the other).

The picture emerging from the sum of many different policy sectors and orientations within the urban regeneration ‘cluster’ would otherwise have produced a very contradictory discourse, quite difficult to analyse. As explained in the Introduction to this document, the choice has been made to identify the area regeneration discourses with locally or nationally designed programs and policies for peripheral areas, which have represented a very relevant discursive domain in the political and public debate in Italy in the last few years. For the economic growth dimension, a unifying focus is less clear, and therefore the three localities build different discursive threads around this theme.

In this case, the dominant discourses in the two areas appear as quite distinct, since policies for the peripheries focus on social cohesion and inclusion discourses, while the economic development ones revolve around competitiveness, even if, as underlined in D.4.4, the political approach that the political majority proposes in general revolves around a combination of the two discourses, summarised by the *Innovate to Include* slogan (*Innovare per includere*).

In the suburban case, the two areas are quite distinct, especially because the main policies are promoted by different coalitions of local (and supra-local) actors, mainly public in the first case, and mainly private in the second one (economic growth being a domain in which the strategic role of local firms associations and networks is extremely relevant). Nevertheless, some surprising similarities, revolving around the concept of local identity and entrepreneurial spirit, characterise the dominant discourses in the two areas.

In the rural case, in turn, the situation is completely different: due to the relatively small scale and to the peculiarities of the area (depopulation, ageing, economic stagnation, accessibility problems, increased environmental risk), the most relevant policy documents in the areas of interest for Cohsmo are prepared on the basis of exogenous trigger (an external demand), such as the SNAI policy or the Fondazione Cariplo calls, and they have to comply with such demands. Both in the case of the SNAI and the Fondazione Sviluppo Oltrepò Pavese documents, this implies for instance that the two issues are integrated into one and the same policy document, to comply with the funding source requests.

5.3 Relation to other scales of government

Discuss and analyse relations to regional, national and EU-governance bodies. Consider if and how regional governance and EU funding supports policy focus on balanced development and social cohesion and outline any examples of dilemmas in aligning the central focus on entrepreneurial development and infrastructure of EU-funding and regional development strategies with the needs of local communities.

Approx. 5-8 pages.

In order to deal with questions of scale, taking into account the complexity and internal differentiation of the three examined areas, we propose to use an interpretative scheme that connects the origin of the capital mobilised in local policies on one axis and the fact that policies themselves are mainstream (such as welfare policies, like childcare, ALM, VET) or extraordinary policies (such as urban regeneration and economic development). This will enable us to move from the characterisation of the national level (derived from D.4.1), to the specific identification of territorial capital and its mobilisation in each territory (also based on D.4.4 and D.4.5).

Looking at different dimensions of territorial capital, we hypothesise that some of them are more clearly defined as *endogenous*, generated and mobilised locally, while other are *exogenous*, which means that they are generated elsewhere (e.g. at higher territorial levels) and brought to the area via policies (Pichierri, 2002). Endogenous and exogenous are not empirically verifiable dimensions, they are rather analytical categories, which nevertheless are extremely useful to clarify the relationship between each area and its (regional and national) context. The case of welfare policies helps us to more clearly illustrate the categories: policies such as childcare (3-5) are defined and largely funded at national level, but then they may become local resources, only depending on the ability of local actors to use them.

While in Milan and Legnano there is a strong mix of endogenous and exogenous dimensions of territorial capital, and this is visible across all policy areas, Oltrepo' Pavese is a somewhat extreme case if we analyse it in the light of exogenous or endogenous resources: apparently all the existing resources, since they are not appropriately perceived and put into use by local actors, seem to become fully usable resources only in the moment in which some external actor (for instance national and regional SNAI 'control rooms' in the case of the Inner Area Strategy, or Fondazione Cariplo and its consultants in the case of AttivAree) recognises, names and mobilises it. Paradoxically, in this way, also local, endogenous resources become exogenous ones, in that they are being recognised and 'activated' only through the intervention of external actors.

In the following table we propose a way to summarise how the different policy areas examined mobilised local or supra-local territorial capital resources in the different cases. Very often, as noted, resources do not derive from just one territorial scale, but they are *prevalently* generated there; in other cases, resources become 'usable' territorial capital only when they are recognised and appropriated by some actors.

	Endogenous capital	Exogenous capital
Mainstream policies	ALP Milan, Legnano	ECEC Milan, Legnano

Extraordinary policies

Urban regeneration Milan Economic development and innovation, Milan	Urban regeneration Legnano Local development Oltrepo' Pavese Welfare services Oltrepo' Pavese

The complex links between local discourses on urban regeneration and economic development and the regional, national, and EU ones is linked to the policy framework and funding sources that characterize each distinct policy in each area.

As we have seen in D.4.1, the policy frameworks in the field of area regeneration and economic development are quite different and therefore they contribute to defining quite diverse dominant discourses. In the first case, the main structure, approach and institutional framework for urban regeneration in Italy have been defined between the end of the 1990s and the beginning of the 2000s, when a very strong focus on the integration of different policy domains shaped the approach of both national and local level. Policy integration can be understood on different levels (integration of policy domains, of governance structures, of policy tools, of funding sources, of technical competences and expertise, etc), and the elaboration of these different meanings has been at the centre of policy discourses since then.

In the three cases discussed in this report, the integration rhetoric still plays a very influential role: the *Integration Machine* project in Legnano highlights this dominance already in its title, but both the Lorenteggio renewal plan in Milan and the Inner Areas strategy in Oltrepò, as discussed, are clearly based on the same discourse.

For the economic development area, the accent on area-based, rather than people-based policies has been a dominant discourse, as well, since the inception of the so-called New Programming phase in the mid 1990s (as discussed in D.2.2). This in turn is connected to an understanding of local contexts as peculiar combinations of co-evolving social and economic structures (Palermo, 2009), influenced by spatial and geographical features, and characterized by some degree of path dependency. This conception clearly influences economic policy documents in Oltrepò Pavese and Legnano (in particular as far as the emergence and mobilization of latent resources are concerned), while in the Milan case the dominant rhetoric seems to be more detached from these national discourses, and to be based on a more local interpretation of the evolutionary trajectory of the context.

If we look at funding sources (EU, national, regional, other) that enable the implementation of the different policies, they in turn influence the emerging discourses and forms of rhetoric employed, because policy documents have to comply to the requirements and underlying rhetoric of each funding programme (this is clearly visible for instance in the case of Oltrepò Pavese and its relation with the National Inner Areas Strategy).

5.4 Conclusion

The territorial governance dimension appears as a crucial field to understand the relationships between the leading variables within the COHSMO framework. In the Italian case, in particular, it is important to underline that the trends described above can be put in relation with the shifting forms that governance arrangements are taking to face emerging challenges.

Milan is currently living a positive phase, compared the national picture, in terms of economic dynamic, attractiveness of qualified human capital, etc. One of its major resources is the active community and organizational life that has always characterized it. Public-private partnerships are common. Nevertheless, in the face of growing complexity, there are *quite low levels of vertical and horizontal coordination*, which lead to a very high risk of fragmentation. Frequently, actors are ready to be engaged and invest in the city, but a common vision or strategy seems to be missing, thus triggering a further risk of incrementalism. A scarce coordination appears to characterise this context, both at horizontal level (public-private) and on the vertical axis, in a multi-level governance dimension. For the horizontal dimension, it emerges that while private (both for profit and no-profit) organisations are very present and engaged for the city, not always this corresponds to an effective match with public actors, at local or supra-local level. Conversely, in the case of public services, they are frequently contracted out to third sector organisation overly dependent on public funding, which makes them potentially vulnerable, without the possibility to fully participate to the definition of the services themselves

However, a better coordination between all these actors is needed to improve collective efficacy. This guiding role has to be played by the local administration, especially given it has built a good working relationship with third sector and other local stakeholders. A better coordination with other governance levels can also be achieved, since at the moment this appears to be a weakness, in particular as far as regeneration and growth policies they are concerned. On the lower levels, *municipi* (Districts) should be empowered and valorized because they don't seem to serve a particular purpose, even in terms of being a bridge between city administration and the local society. In Milan, many actors underline that there is. As far as the vertical axis is concerned, in turn, the relationship with the district level (*municipi*) is not particularly relevant, also because they play a largely symbolic role, having very few responsibilities and resources (both in terms of funding and of personnel). On the other hand, since the Città Metropolitana level is still in search of a clear role and a clear governance structure, the relationship with the central municipality is still quite ambiguous (even if they share in principle the same Mayor). On some policy areas there is a connection with the Regional Government and with the National one, but it is not always effective, also given the different political coalition currently in power at the different levels.

In Legnano, the *ability to play a role in horizontal and multi-level governance arrangements* has proven crucial in order to guarantee the effectiveness in the delivery of public services and to provide a sense of a common purpose at supra-local level; in this case coordination results in positive effects, at least as long as the fragile equilibrium works, as the relationship with other municipalities in Mayor's Agreement shows, and as it emerges also from the strong relationship with Città Metropolitana. As a matter of fact, the Mayor's Agreement for the Alto Milanese appears to be the most significant innovation in terms of governance and policy coordination in the last few years has been, in which 23 municipalities cooperate about infrastructures, transport policies and welfare, sharing common guidelines. This experiment has been particularly important looking not only to the Alto Milanese area, but also in a wider perspective: the Mayor's agreement, developed bottom-up around a shared feeling of a need to work on a larger scale, has in fact anticipated the subdivision of Città Metropolitana in seven of territorial units, formed by a number

of neighbouring municipalities sharing similar problems and aiming at tackling them by strengthening forms of cooperation.

In Oltrepò, on the contrary, efforts at building innovative governance arrangements in order to imagine shared development projects, mainly requested by supra-local actors, in a territory devoid of a tradition of bottom-up coordination, are triggering *a risk of further division into closed, oppositional and opportunistic coalitions*, rather than bringing about open and forward-looking networks. In this context the territorial governance is very negatively influenced by some contextual factors, already discussed in the previous sections and mainly related to scarce collective efficacy, lack of trust in local institutions and isolation of many local actors. The two local development programmes currently underway (the Inner Areas Policy SNAI promoted by the National and Regional Governments and AttivAree promoted by a private Foundation) are structuring at the moment the governance arrangements in place; but while they certainly encourage and support local and supra-local networking, they are not exempt from the risks of division and conflict that characterise the area, since they appear to work with different coalitions, not always able to build effective relationships.

Finally, *looking across the three cases, the governance landscapes that emerge are very different*, all three characterised by continuous readjustments to the internal and external conditions and challenges that they meet over time. In the case of territorial governance, thus, even more than in the case of territorial capital and collective efficacy, the dynamic of change and the path dependency become crucial to better understand its structure and articulation, also in relation to the influence of the other variables. The striking differences can be traced back to the contextual differences between the three areas: while Milan is the central core of a thriving metropolitan region, competing on global networks with the most important urban regions in Europe and beyond, and thus it attracts and concentrates a lot of population and activities, Legnano lives in its orbit, trying to maintain a solid development path and local identity, and Oltrepò Pavese struggles to counter the shrinkage of its population, economic activities and public services in the face of increasing concentration of all those in the most dynamic metropolitan areas.

6 Discussion and conclusion

Sum up the main findings and emphasise the importance of how location matters (e.g. focus on how territorial governance, territorial capital and collective efficacy interact and how they shape how and in which ways location matters).

Approx. 10 pages.

These conclusions are articulated around three main points: a critical discussion of the main findings from each case (Milan, Legnano, Oltrepò Pavese), covering the three themes: territorial capital, collective efficacy and territorial governance; some reflections about the main differences and similarities across cases; and final considerations about whether there are any relations between the three cases, localised in the same region.

Concerning territorial capital, a quite different picture emerges from fieldwork in the three localities. In Milan actors converge in underlying the relevance of growing inequalities in the development of the city: after the crisis, which has been particularly long and heavy in Italy, the city demonstrated a significant level of resilience, but the development model is exacerbating existing inequalities and creating new ones. Such inequalities are visible both in the social sphere, as for instance in the increasing differences between high skilled and low skilled workers, but also in the spatial one, with a growing polarisation between affluent areas and more vulnerable and disadvantaged ones, with some notable differences in terms for instance to access to quality housing and good education opportunities. At the same time, the city is attractive for high-skilled workforce coming from outside (in particular from the rest of the country), and, increasingly, for tourists, and both phenomena contribute to making the overall picture even more unbalanced.

In the suburban case, the main issue revolves around labour, its historical development and its recent transformations, because Legnano has long been an industrial city, and the de-industrialisation processes and consequent job loss hit it hard. This has effects firstly on mobility: daily commuting towards the main city, Milan, and long-term migration to other places; and secondly on the qualification level of the workforce, which is decreasing. There seems to be a relocation of high skilled workers and of the most qualified young people towards Milan, while those migrating into the area tend to be low-skilled workers. This coupling of job losses with increased mobility is particularly significant in the light of the COHSMO framework, because it makes the connection between economic growth and spatialisation of the effects very explicitly.

In the rural case, there is a shared concern that the area is peripheral and marginal vis-à-vis the most developed and dynamic areas in the region; this is due to geographical distance, but also to a depopulation trend that creates a vicious circle in terms of attractiveness of the area for both economic activities and inhabitants, and this condition is getting worse, so that the differences between the most developed parts of Lombardia and an area such as the Alto Oltrepò are increasing. At the same time, the area is not (yet) fully recognised as a touristic attraction, as similar mountain areas in the region already are.

As far the advantages are concerned, again they concern different assets and resources. In Milan, there is widespread agreement that the city is extremely dynamic, that it had the ability to positively respond after the end of the economic crisis, also thanks to its highly differentiated production profile (finance, design, fashion, media and publishing, manufacturing, food, ...), to the presence of

higher education institutions and to its very strong global connections, that are becoming increasingly important and, according to some actors, should be potentiated.

The main strengths of Legnano are identified in its entrepreneurial potential, rooted in the industrial tradition, the overall wealth and the good level of quality of life. For the first one, even if the de-industrialisation process has been very strong, there are still some productive specialisations (in particular mechanics, textile, chemicals, plastics, electro-medical, aero-spatial and shoemaking), which may play the role of a springboard for future development. At the same time the area is strategically located North-West of Milan, between the metropolitan core and an important axis that connects it with Switzerland and Northern Europe.

In the rural area, the main assets are the quality of the environment, the rural and forest landscape and some agricultural productions very much rooted in the area. The quality of the rural environment might become a stronger asset if it would be promoted more effectively, but it is already triggering a niche, yet interesting phenomenon of ‘rural return’, animated by highly educated people migrating from urban areas in search of a better quality of life and of a better connection with slower life rhythms.

In terms of collective efficacy, again a relatively differentiated picture emerges from the three cases. In both Milan and Legnano, albeit a bit differently, actors agree on the relevance of existing networks and on the importance of the agency of quite many stakeholders (from business to third sector, from charities to citizens groups, etc.) who are engaged for the common good and on the role they play in supporting development and contributing to quality of life. In particular, Milan is recognised as a very active city, in which quite many different actors engage themselves and are ready to invest for the city, but also as a place of high fragmentation, in which it is difficult to discern a common, strategic vision, or a framework able to coordinate all the individual efforts. This risk of fragmentation is visible across the sectors, and the main policy initiatives in the domains of urban regeneration and economic growth (as shown in particular in 5.2 and 5.3) clearly show its influence.

Legnano shares some elements with Milan, in particular as far as the agency of a variety of actors is involved (with a significant role played by Catholic-inspired organisations), but it seems to have a clearer identity, as visible for instance in the relevance of the *palio* tournament, frequently mentioned in the interviews. The *Palio* competition not only mobilises a lot of resources and energies in the city for its preparation and deployment, but it also becomes an occasion to enhance the relational network of the actors and to offer them opportunities that go beyond the competition itself. As it always happens when some historical, symbolic event is put at the centre of public discourses around identity, there is a risk of over-representation of its importance of identity, and that such identity discourse shows in fact a picture of Legnano that lies mainly in the past and looks backward, with a risk of a regressive, rather than a progressive attitude towards identity discourses.

In Oltrepò, on the contrary, from both the interviews and the analysis of leading policy documents, it is possible to read the isolation, division and in some cases even the conflictual and oppositional relations between different actors, in a sparsely populated territory. This in turn results in a multifaceted idea of local identity, which is differently articulated if the area is considered per se, and if it is read in relation and in comparison with similar areas in the Region and beyond. In this last case, the identity of Oltrepò becomes blurred: not fully recognised as a mountain region, because it does

not lie in the Alps, and seen as a cross-roads among four Regions (Lombardia, Piemonte, Emilia Romagna and Liguria), but in fact isolated and remote from all of them.

Finally, looking at territorial governance, the governance landscapes that emerge are very different, all three characterised by continuous readjustments to the internal and external conditions and challenges that they meet over time. In the case of territorial governance, thus, even more than in the case of territorial capital and collective efficacy, the dynamic of change and the path dependency become crucial to better understand its structure and articulation, also in relation to the influence of the other variables.

In Milan, there appears to be a scarce coordination both at horizontal level (in the public-private relationship) and on the vertical axis, in a multi-level governance dimension. For the horizontal dimension, it emerges that while private (both for profit and no-profit) organisations are very present and engaged for the city, not always this corresponds to an effective match with public actors, at local or supra-local level. Conversely, in the case of public services, they are frequently contracted out to third sector organisation overly dependent on public funding, which makes them potentially vulnerable, without the possibility to fully participate to the definition of the services themselves.

As far as the vertical axis is concerned, in turn, the relationship with the District level (*municipi*) is not particularly relevant, also because they play a largely symbolic role, having very few responsibilities and resources (in terms of funding, personnel, and competences). At the same time, the policy coordination and the possibility to connect different domain in coherent and effective policy bundles appears as underdeveloped, due to the traditional organisation and mind-set of Local Authorities (in particular the Municipality) and to a fragmented and, in some cases, occasional relationship with external networks of stakeholders.

On the other hand, since the Città Metropolitana level is still in search of a clear role and a clear governance structure, the relationship with the central municipality is still quite ambiguous (even if they share in principle the same Mayor). On some policy areas there is a connection with the Regional Government and with the National one, but it is not always effective, also given the different political coalition currently in power at the different levels (centre-left in the City of Milan; centre-right at Regional level; a populist government at national level).

In Legnano the ability to work effectively in a multi-level governance context is more developed, and it appears in the most significant innovation in terms of governance and policy coordination in the last few years, the Patto dei Sindaci (Mayor's Agreement) for the Alto Milanese, in which 23 municipalities cooperate and take shared decisions concerning infrastructures, transport policies and welfare, sharing common guidelines. This experiment has been particularly important looking not only to the Alto Milanese area, but also in a wider perspective: according to some actors, as a matter of fact, the Mayor's agreement, developed bottom-up around a shared feeling of a need to work on a larger scale, has in fact anticipated the subdivision of Città Metropolitana in seven of territorial units, formed by a number of neighbouring municipalities sharing similar problems and aiming at tackling them by strengthening forms of cooperation. Moreover, it is also thanks to the effectiveness of this already existing network that Legnano has been able to propose a project (Integration Machine) within the larger project framework, successfully candidated by Città Metropolitana to the National Call for Peripheries in 2016.

Finally, in the Oltrepò rural area territorial governance is very negatively influenced by some contextual factors, already discussed in the previous sections and mainly related to scarce collective

efficacy, lack of trust in local institutions and isolation of many local actors. The two local development programmes currently underway (the Inner Areas Policy SNAI promoted by the National and Regional Governments and AttivAree promoted by a private Foundation) are structuring at the moment the governance arrangements in place; but while they certainly encourage and support local and supra-local networking, they are not exempt from the risks of division and conflict that characterise the area, since they appear to work with different coalitions, not always able to build effective relationships.

Overall, as we have seen, the picture emerging from the three localities is very different, and this can be traced back to the contextual differences between the three: while Milan is the central core of a thriving metropolitan region of 3 Million inhabitants, competing on global networks with the most important urban regions in Europe and beyond, and thus it attracts and concentrates a lot of population and activities, Legnano lives in its orbit, trying to maintain a solid development path and local identity, and Oltrepò Pavese struggles to counter the shrinkage of its population, economic activities and public services in the face of increasing concentration of all those in the most dynamic metropolitan areas.

While Alto Oltrepò Pavese is clearly isolated from the other two contexts, Milan and Legnano are strongly connected, from a physical, functional and administrative point of view: they are located less than 30 km apart, there is a sustained commuting flow from Legnano to Milan, and they are both part of the Città Metropolitana, a second-order administrative unit, formally chaired by the Mayor of Milan. Nevertheless, as we have clearly seen discussing the governance dimension, Between Milan and Alto Oltrepò, on the contrary, there is a distance of about 100 km, significantly worsened by the state of the road connections and by the difficulties connected to the Oltrepò orography. Moreover, from an administrative point of view, this area is part of the Province of Pavia.

Reflecting on the main drivers of policy definition in the three localities, we can say that the degree of dependence on discourses defined at other scales and governance tiers appear of utmost importance to understand local policy discourses: as we have seen, only the urban case shows a really peculiar combination of arguments, translated into very specific forms of policy discourse (focus on peripheral areas, recurring reference to a unique welfare mix, locally defined approach to territorial cohesion, in the connection between innovation and inclusion at the urban level). This in turn can be traced back to the importance of Milan and of its emerging governance coalitions (across the public-private spectrum) in the definition of its own policy trajectories.

Legnano is an intermediate case: while the accent on the distinguishing features of a shared local identity (independence, resilience, entrepreneurial attitude) is crucial in the construction of certain policy discourses, still the influence of dominant discourses derived from other government tiers is quite relevant: for instance, the rhetoric of integration, as proposed by Città Metropolitana and locally appropriated in the *Integration Machine* perspective, plays a determinant role.

Oltrepò Pavese is located at the other end of the spectrum: due to the small scale and persistent lack of endogenous resources (in terms of social capital, capacity, etc.), the leading policy documents for this area are structured along the discursive lines developed at national and regional level, and local documents quite exactly mirror their dominant rhetoric, in particular as far as the mobilisation of latent resources and untapped local potential is concerned.

Finally, looking at the *lessons learned from the three areas in perspective*, we can underline some basic differences that, as we have seen, can be largely explained by the economic, geographical and

cultural position in the Region (and in the country), but we can also underline some commonalities, which become particularly significant if we look at the ability to build and sustain cohesive and effective governance networks and to define policy bundles, able to tackle the most complex emerging urban questions (economic restructuring, in particular after the crisis, rising inequalities, the growing gap in opportunities for different social strata, issues of inclusion and integration).

The main differences are related, as we have seen in the preceding sections, to the different dimension and ranking of the three areas, which in turn significantly influence their evolutionary dynamics, in a concentration process that is a local declination of a much more generalised global turn of growing importance of large urban regions vis-à-vis their suburban and rural hinterlands (Rodriguez-Pose, 2017). The process, as literature clearly shows, is cumulative, in that it worsens the conditions of suburban and (particularly) rural and inner areas, while metropolitan centres tend to absorb a growing quota of resources, both in terms of policy focus and in terms of presence of human capital.

Since the process tends to be self-reinforcing, it becomes particularly relevant to design and experiment policies able to fully mobilise the untapped potential in terms of different dimensions of territorial capital, in order to be able to reverse (or, at least), to contrast the trend. On the other hand, since localities are losing resources, the ability to mobilise such capitals in innovative and effective ways also tends to diminish, making exogenous intervention more and more crucial.

In the Italian cases, it appears that the three localities are in very different positions in relation to such trajectories: Milan appears to be an attractive and fast-growing metropolitan centre, not exempt from risks of sharpening the existing inequalities, Legnano copes with the increasing difficulties mainly using pre-existing resources (economic ones, social capital, knowledge), largely produced and diffused in the past, Oltrepò Pavese appears to be in a steeper decline direction, with the exogenous opportunities (such as the Inner Areas Strategy) facing increasing difficulties in mobilising territorial capital.

The similarities, on the other hand, lie in the common difficulties experienced in fully involving local stakeholders and societal actors in the design and (particularly) in the implementation of territorial cohesion policies, due to a quite traditional political attitude towards not releasing power and a diffused diffidence (below the rhetoric of participation) towards open governance settings. This is strongly connected to the dynamics and distribution of local power in rather closed networks, which make it extremely difficult to access them for new entrants, with different degrees of difficulty in the metropolitan area, which is more complex and thus more open (up to a certain extent), in the suburban locality and in the rural one. The other common issue is the difficulty to really overcome sectorial divisions and areas of competence to fully tackle the emerging (and new) urban issues in a thoroughly coordinated way, that is connected to the structure of public administration organisation, and to the received mind-set of the most relevant urban actors (within and outside the public institutions).

Appendix 1

Interview ID	locality	location type	sector	respondent/organization information
LGPA1	Legnano	suburban	governance	elected politician (municipal level)
LGPA2	Legnano	suburban	governance	elected politician (municipal level)
LGPA3	Legnano	suburban	governance	cabinet member
LGPA4	Legnano	suburban	governance	elected politician (municipal level)
LGPA5	Legnano	suburban	governance	cabinet member
LGPA6	Legnano	suburban	governance	service manager
LGPA7	Legnano	suburban	governance	service manager
LGPA8	Legnano	suburban	governance	cabinet member
LCPA9	Legnano	suburban	governance	metropolitan city
LCPA10	Legnano	suburban	governance	metropolitan city
LGC1	Legnano	suburban	community	local newspaper
LGC2	Legnano	suburban	community	environmental association
LGC3	Legnano	suburban	community	no-profit organisation
LGC4	Legnano	suburban	community	NGO
LGC5	Legnano	suburban	community	cultural association
LGC6	Legnano	suburban	community	foundation
LGC7	Legnano	suburban	community	workers' union
LGC8	Legnano	suburban	community	academic
LGB1	Legnano	suburban	business	entrepreneurs' association
LGB2	Legnano	suburban	business	entrepreneurs' association
LGB3	Legnano	suburban	business	entrepreneur
LGB4	Legnano	suburban	business	entrepreneur
OLPA1	Oltrepo' Pavese	rural	governance	technician for the development of inner areas (regional level)
OLC1	Oltrepo' Pavese	rural	community	academic expert and consultant
OLC2	Oltrepo' Pavese	rural	business	artisan association
OLB1	Oltrepo' Pavese	rural	business	manager
OLPA2	Oltrepo' Pavese	rural	governance	politician
OLB2	Oltrepo' Pavese	rural	business	foundation
OLB3	Oltrepo' Pavese	rural	business	manager
OLB4	Oltrepo' Pavese	rural	business	local entrepreneurs consortia
OLBC3	Oltrepo' Pavese	rural	community	foundation
OLB5	Oltrepo' Pavese	rural	business	chamber of commerce
OLPA3	Oltrepo' Pavese	rural	governance	foundation
OLPA4	Oltrepo' Pavese	rural	governance	elected politician (municipal level)
OLC4	Oltrepo' Pavese	rural	community	onlus
OLPA5	Oltrepo' Pavese	rural	governance	elected politician (municipal level)
OLC5	Oltrepo' Pavese	rural	community	environmental association

OLPA6	Oltrepo' Pavese	rural	governance	expert and consultant
OLC6	Oltrepo' Pavese	rural	community	expert and consultant
OLB6	Oltrepo' Pavese	rural	business	project counsultant and evaluator
MIPA1	Milan	urban	governance	cabinet member of municipality
MIPA2	Milan	urban	governance	service manager (municipal level)
MIPA3	Milan	urban	governance	service manager (municipal level)
MIPA4	Milan	urban	governance	service manager (municipal level)
MIPA5	Milan	urban	governance	agency for training, counseling and employment
MIPA6	Milan	urban	governance	service manager (municipal level)
MIPA7	Milan	urban	governance	cabinet member of the municipality
MIPA8	Milan	urban	governance	service manager (metropolitan city)
MIPA9	Milan	urban	governance	municipal councillor
MIPA10	Milan	urban	governance	centre for mediation to employment
MIC1	Milan	urban	community	foundation
MIC2	Milan	urban	community	christian association of italian workers
MIC3	Milan	urban	community	charity organisation
MIC4	Milan	urban	community	coordination of associations
MIC5	Milan	urban	community	environmental association
MIB1	Milan	urban	business	entrepreneurs' association
MIB2	Milan	urban	business	counseling and start-up incubator
MIB3	Milan	urban	business	member of various administration councils
MIB4	Milan	urban	business	association of cooperatives
MIB5	Milan	urban	business	chamber of commerce
MIC6	Milan	urban	community	Volunteer association of local public agencies engaged in planning
MIC7	Milan	urban	community	Journalist
MIPA11	Milan	urban	governance	City planning department
MIPA12	Milan	urban	governance	Social emergencies department

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Project no.: 727058

Project full title: Inequality, urbanization and Territorial Cohesion: Developing the European Social Model of economic growth and democratic capacity

Project Acronym: COHSMO (Former Hans Thor Andersen)

Deliverable no.: D4.6

Title of the deliverable: Report on policy analysis - Lithuania

Contractual Date of Delivery to the CEC:	31.12.2019
Actual Date of Delivery to the CEC:	20.12.2019, 01.07.2020
Organisation name of lead contractor for this deliverable:	Aalborg University (AAU) Uniwersytet Warszawski (UW)
Author(s):	Artūras Tereškinas, Aušra Maslauskaitė, Jurga Bučaitė-Vilkė, Viktorija Baranauskienė, Ieva Dryžaitė
Participants(s):	P1, P2, P3, P4, P5, P6, P7
Work package contributing to the deliverable:	WP4
Nature:	RE
Dissemination level:	PU
Version:	1.0
Total number of pages:	104
Start date of project:	01.05.2017
Duration of project:	54 months

Abstract:

The report seeks to answer the questions on how location matters considering the interaction between the conceptions of territorial governance, territorial capital and collective efficacy in different municipal cases, what is the role of welfare and growth policies (child care, labour market, regeneration, VET and growth strategies) in defining place-based policy approaches and strategies. We use the empirical data (qualitative interviews with local stakeholders and key policy documents analysis) from three case studies in Lithuania: Kaunas city municipality, suburban Kaunas district municipality and rural Pakruojis district municipality that represent the diversity of territorial development approaches both considering territorial capital, territorial efficacy and local governance arrangements. The report discusses the particularities of how territorial capital is

mobilised based on relevant issues such as intra-regional connections, economic development issues, social polarisation and life chances, demographic change, territorial identity across the cases. The collective initiatives are concentrated on a very territorial level and mostly focuses on the public services delivery and local quality of life. Referring to territorial governance the report identifies the main differences across the cases focusing on participation, coordination and conception of the territory.

Keyword list: territorial cohesion, territorial capital, place-based approach, collective efficacy, territorial governance, Lithuania.

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Abbreviations

Early childcare and education (ECEC).

Vocational training (VET)

Executive summary

The D.4.6. report seeks to answer the questions on how location matters considering the interaction between the conceptions of territorial governance, territorial capital and collective efficacy in different municipalities, what is the role of welfare and growth policies (child care (ECEC), labour market, regeneration, VET and economic growth strategies) in defining place-based policy approaches and strategies. The contextual socio-economic and demographic trends in different urban and peripheral regions as well as national territorial cohesion policies define the framework for investigating the hypothesis on how the location matters in terms of social well-being and growth policies and the context of territorial cohesion. We focus on the Lithuanian cases studies in urban, rural and suburban municipalities trying to grasp the relationship between territorial socio-economic context and territorial cohesion policy strategies implemented at the local level. We also explore how the different aspects of territorial cohesion are targeted in local growth and well-being policies by expanding different practices, innovative projects, entrepreneurship and local collaborations. The report is based on the empirical data (qualitative interviews with local stakeholders and key policy documents analysis) from three case studies in Lithuania: Kaunas city municipality (urban), suburban Kaunas district municipality and rural Pakruojis district municipality. The localities have their internal similarities and differences that are described thoroughly in project methodological guidelines (see COHSMO Deliverable 4.2., 4.3.). Previous project deliverables D.3.1. and D.3.2 demonstrate that the localities represent the variety of social-demographic, economic and spatial development patterns. The main differences of the selected municipalities lay in their demographic, social and economic indicators and collaborative potential to implement territorially driven growth policies in terms of local strategies, development initiatives, ad-hos projects or partnerships.

The report D.4.6. is structured in four analytical chapters. The introduction and the second chapter focus on the description of the overall socio-economic and demographic situation of selected rural, urban and suburban localities. The indicators of demography, education, employment, local economy, spatial segregation and disparities and other characteristics are present to define the distinctions between the cases.

The third chapter analyzes the conception of territorial capital in and across the cases emphasizing the relationship between the territorial capital dimensions and analyzed policies. The academic discourse on territorial capital refers to the complex understanding on how locality matters in different contexts in relation to important territorial resources (local policies and institutions, services provision, local engagement, and bottom-up community collaborations and initiatives) (Cox 1998; Cox, Mair 1988). Looking from the territorial capital perspective, the analyzed localities have different access to territorial assets and resources and differently define their disadvantages. In urban and suburban cases, the territorial advantage is based on economic production and economic competitiveness factors; contrary, the rural case emphasizes the competitiveness in territorial identity, trust and viable local communities.

The fourth chapter provides the collective efficacy analysis in each of the cases and across the policies. Collective efficacy is perceived as an intersection of different local practices that help to integrate different local policies for local economic and social growth. The level of collective efficacy demonstrate the different approaches used by local stakeholders in perceiving territorial capital and collective capacities. The empirical analysis demonstrates that in all cases the localities depend on development and empowerment of interpersonal trust and social networks on territorial level. The exception is rural locality of Pakruojis district municipality that is defined as an example of dense and inter-connected organizational networks in peripheral areas and strong effects of neighbourhoods. The analysis reveals that the collective territorial elaborations and initiatives mostly refers to the public services delivery and local quality of life.

The fifth part emphasize the different characteristics of territorial governance in the localities asking how the local capacities helps for policy integration using different collaborative mechanisms, for example, networking approach or bottom-up initiatives by local stakeholders. A comprehensive overview of territorial governance dimensions across analyzed cases is provided in terms of different policies (VET, ECEC, active labor market, urban regeneration and economic growth). In all localities, vertical and horizontal coordination networks are important as an interest's negotiation and decision-making mechanisms. The involvement of stakeholders and public/private partnerships is necessary for the design and implementation of the territorial governance process. The relational dimension of territorial governance refers to the level of hierarchical arrangements between central authorities and municipalities in implementing different policies. From the one side, horizontal inter-institutional and neighbouring networks combines the territorial strategies providing a formal basis for negotiations, consultancy and deliberations. Although the local communities' organizations are active in small-scale interventions, their voice in developing the territorial strategies is unarticulated.

Finally, the summary is provided to define the main characteristics of territorial governance, territorial capital and collective efficacy in different municipalities in relation to analyzed policy domains (childcare (ECEC), labour market, regeneration, VET and economic growth strategies).

1 Introduction

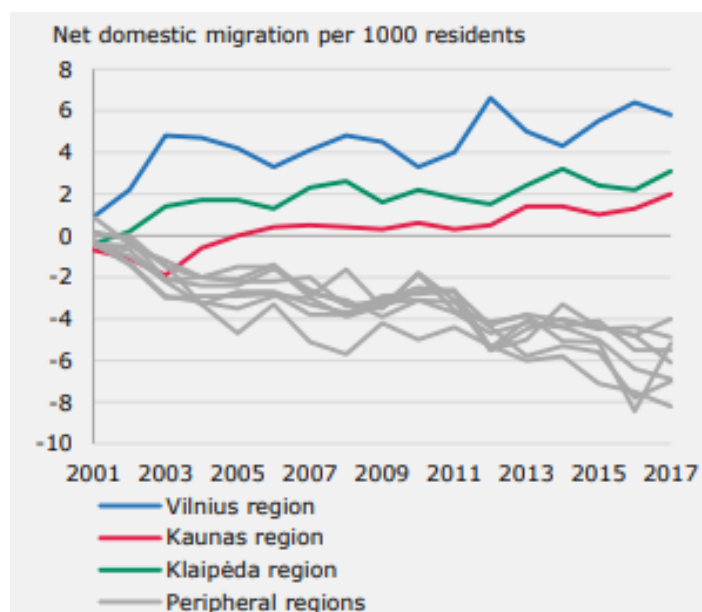
1.1 National context, purpose and main findings

The main goal of the report D.4.6. is to summarize the findings on the assessment of different policy domains and multi-level governance in selected localities. Hereby we focus on the Lithuanian cases studies in urban, rural and suburban municipalities trying to grasp the relationship between territorial socio-economic context and territorial cohesion policy strategies implemented at the local level. We also explore how the different aspects of territorial cohesion are targeted in local growth and well-being policies by expanding different practices, innovative projects, entrepreneurship and local collaborations.

The national and regional context. Looking at the national context, Lithuania is a single NUTS-2 level country with a population of 2.794 million in 2019. The administrative system of the country is defined by 60 LAU-1 level municipalities with the average size of 39 thousand inhabitants in each of the municipality. In 2016 the Government formed two larger non-administrative regions corresponding to NUTS-2 system (the Capital Region and the Central-Western Lithuania Region without any governing bodies) to avoid losing EU financial assistance in the upcoming EU financial perspective for 2017-2027. To this respect Vilnius region has already exceeded 75 per cent of the EU average GDP per capita, however, leaving the other lagging regions behind. In 2019 the average GDP per head has reached 75 per cent of the EU average. The total population rate drops annually on average over 0,2 percent. More specifically, from 1990 the population of the country declined about 1.3 per cent annually which caused remarkable social and economic changes in the regions. The main drivers of the population decline are high migration rates and negative natural growth. One of the reasons is related to the country accession period to the EU, that was completed on the 1st of May in 2004. The membership in the EU has also forced the intensive outer-migration rates of the country (Statistics Lithuania, 2018). The unfavorable demographic and emigration trends and decrease in investment and exports during the crisis of 2008 influenced the significant slowdown in economic growth of the country from approximately 5 per cent in the pre-crisis period to 2.5 per cent in 2015. Despite international trade embargo the Bank of Lithuania declares that in 2019 the national GDP growth stood at 2,7 % marking the relatively stable reading in the last five years.

Looking at demographic trends the situation in Lithuanian regions differs. Although fertility and mortality rates are quite similar in all country regions, migration differs significantly. Net international emigration rate in 2012-2017 was 5.2 emigrants per 1,000 inhabitants in Vilnius region and 8.5 emigrants – in other Lithuania regions. The rate of domestic migration differs across regions even more. The number of persons arriving to major urban regions of Kaunas, Klaipėda and Vilnius was higher than those departing, differing by 3.1 migrants per 1,000 residents. The situation in peripheral regions was opposite and the indicator was -5.0 migrants (Statistics Lithuania, 2019). For the last two decades, the differences of domestic migration among regions increased significantly that caused the significant loss of population in the peripheral regions of Šiauliai, Tauragė, Utena, Marijampolė. Telšiai (see 1 Figure).

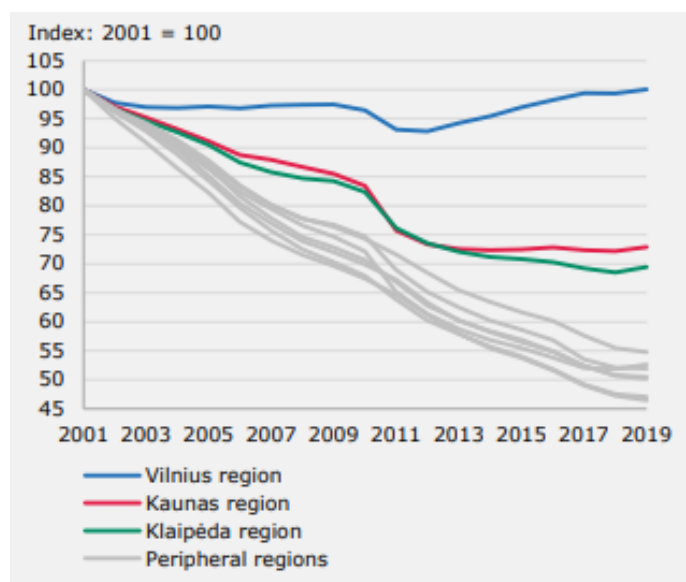
Figure 1. Net domestic migration rates in Lithuanian regions, in 2001-2017.



Source: Statistics Lithuania, 2018; Central Bank of Lithuania, 2019.

The Bank of Lithuania declares, that the economic climate, demographic changes and migration also affected the labor market situation which is marked by the lack of highly skilled workers outside the capital area of Vilnius county and growing labor demand in rural areas. For example, the number of young persons aged 25-39 is growing only in capital Vilnius region where the number of working-age persons remains essentially stable. In Kaunas and Klaipėda regions the number is declining, whereas in other peripheral Lithuanian regions the drop reaches about a half (see Figure 2).

Figure 2. Drop of the population aged 25-39 in Lithuanian regions, in 2001-2019.



Source: Statistics Lithuania, 2018; Central Bank of Lithuania, 2019.

Due to stable economic situation in Lithuania the general unemployment rate was declining and labor shortages rising. The wages in the private sector was one of the highest increases since the onset of the economic recovery in 2014, rising by more than 9% annually (Central Bank of Lithuania, Report on Lithuanian Economy, 2019). Since 2014 the governmental efforts to increase tax-exempt

income, pensions and other social benefits, have provided a positive boost to household income and general consumption level. Nevertheless, the problem of working-age population shortage is significant. The continuous adverse demographic trends (older cohorts leave the workforce in higher numbers than younger cohorts enter it) change the overall picture of sustainable employment, except the situation in Vilnius region with a stable population growth over the last decade. For example, according to central Bank of Lithuania survey, approximately 17 percent of Lithuanian companies declare the shortage in labor force that also constitute the main driver of rapid wage growth. Referring to Statistics Lithuania, the decrease in the unemployment rate is to about 4 percent in large cities of Kaunas, Vilnius and Klaipeda. In the rest of the country the rate exceeds to about 9 percent. Another important aspect is that the changing migration flows have only a limited impact on labor market conditions. 2019 was the first year since 1990 marked by lowest net emigration (Central Bank of Lithuania, Report on Lithuanian Economy, 2019). In other words, the migration flows became significantly balanced as a result of the lowest emigration during the entire period of the recent two decades. One of the reasons is related to ongoing Brexit campaign that has worsened labor market conditions for Lithuanian migrants who are working in the UK.

One of the largest challenges in Lithuania is related to growing social inequality, poverty rates and income gap which is one of the highest among the EU countries. However, severe territorial economic disparities are significant on intra-regional and inter-regional levels. According to the data from the Survey on Income and Living Conditions by Statistics Lithuania, in 2018 the at-risk-of-poverty rate in Lithuania was 22.9 per cent which means that about 630 thousand persons out of 2.794 million of the population were living below the at-risk-of-poverty threshold, especially elders, unemployed and single parents. In urban areas, the proportion of persons with disposable income below the at-risk-of-poverty threshold has reached 13,8 percent, in rural areas – 31,3 percent (Statistics Lithuania, 2019). The factors of the income inequality together with high emigration rates and population drop are considered as the biggest threats to economic competitiveness and favorable economic climate in urban and peripheral Lithuanian regions.

There are significant differences between Lithuanian regions that assume the importance to investigate the territorial development and territorial cohesion strategies implemented in different socio-economic contexts. First, it should be noted that tax revenue and total general government expenditure in Lithuania are among the lowest in the EU countries. According to the statistical data of 2017, they amounted to 29.6 percent and 33.1 percent of GDP respectively (comparing to the EU average that is 39.8 percent and 45.8 percent of GDP respectively) (Eurostat, 2019). Less funding is allocated to social security and public services development. The indicators also mean that government-provided areas and government-funded public services are challenging many problems in terms of cost efficiency, public services quality and public infrastructure development in different regions.

Secondly, on the political decision-making level, the regional development agenda is well covered in the governmental strategic planning documents. Territorial specialization, sustainable regional development and economic competitiveness, development of partnerships is regarded as the main keywords for territorial growth understanding. However, the territorial cohesion conception is not directly interpreted, rather the related conceptions appears in the discourse. In this respect, *the Lithuania's Progress Strategy "Lithuania 2030"* approved in 2012 by the National Parliament underlines the need for the regional partnerships and consensus-based cooperation development by all governmental levels by fostering the principles of good and accountable governance. One of the main goals is to develop competencies in central and local authorities and communities, ensure that strategic decisions are made in cooperation and through consultations with social and economic partners, develop mechanisms involving stakeholders in identification of public needs, ensure their constructive participation at all levels of decision-making (Lithuania's Progress Strategy "Lithuania 2030", 2012 May 15, No. XI-2015). *Lithuanian Regional White Papers for 2017-2030* underlines the

concept of regional specialization that is on regional development priorities and their implementing measures, concentrating human and financial capital into the most productive and promising areas of economic development of a specific functional region. Document states that the implementation of regional specialisation includes specialised infrastructure, research, education and training programmes, information dissemination, marketing and attracting private investment, and supporting business initiatives (Lithuanian Regional White Papers for 2017-2030, approved in 2018). the strategic document also underlines the strategic goals on the inclusion of economic and social partners in the decision-making processes and activities of the regional development councils and expansion of system of horizontal and vertical cooperation for regional development which involves a large number of stakeholders. Thereby, the keywords of partnerships, involvement and local autonomy are important part of territorial cohesion understanding. The other related national planning documents underlines the importance of the economic competition, entrepreneurship, and importance of direct domestic and foreign investments in regions but putting a limited emphasis on human resources development.

On the other hand, the need to focus on the regional development agenda is also defined as one the most important strategic tasks, especially considering the impact of the European structural and investment funds for Lithuanian economy in the next periods of 2014-2020 and forthcoming period of 2021-2027. One of the main tasks for this financing period is to identify the regional specialization of each Lithuanian county (region) and to address the EU investments to solve territorial challenges and sustain territorial cohesion principles meeting the specified demands of these territories. That also refers to EU Regional Development and Cohesion Policy beyond 2020 framework on keeping the EU driven investment objectives to support “*locally-led development strategies and sustainable urban development across the EU countries*” and supporting “*quality employment, education, skills, social inclusion and equal access to healthcare*” (Regional Development and Cohesion Policy beyond 2020, EC, 2018).

The aim of the report. The contextual socio-economic and demographic trends in different urban and peripheral regions as well as national territorial cohesion policies define the framework for investigating the hypothesis on how the location matters in terms of social well-being and growth policies and the context of territorial cohesion. The territorial cohesion approaches have been investigated in different territorial cases (urban, suburban and rural municipalities). The policies of early childcare and education (ECEC), vocational training (VET), active labor market, economic growth and urban revitalization were researched as an examples of place-based policy approaches that help to identify the different forms of interventions, entrepreneurship and local partnerships for sustaining territorial quality of life. In other words, the D.4.6. report seeks to answer the questions on how location matters considering the interaction between the conceptions of territorial governance, territorial capital and collective efficacy in different municipal cases, what is the role of welfare and growth policies (child care, labour market, regeneration, VET and growth strategies) in defining place-based policy approaches and strategies.

The content of the report. The report is based on the empirical data (qualitative interviews with local stakeholders and key policy documents analysis) from three case studies in Lithuania: Kaunas city municipality, suburban Kaunas district municipality and rural Pakruojis district municipality. The cases represent the diversity of territorial development approaches both considering territorial capital understanding, territorial efficacy and local governance arrangements. The localities have their internal similarities and differences that are described thoroughly in project methodological guidelines (see COHSMO Deliverable 4.2., 4.3.). As it was analysed in previous project deliverables D.3.1. and D.3.2, the localities represent the variety of social-demographic, economic and spatial development patterns. The main differences of the selected municipalities lay in their demographic, social and economic indicators and collaborative potential to implement territorially driven growth policies in terms of local strategies, development initiatives, ad-hos projects or partnerships.

The report D.4.6. is structured in four analytical chapters. The first sub-chapter focuses on the description of the overall situation of selected rural, urban and suburban localities. The indicators of demography, education, employment, local economy, spatial segregation and disparities and other characteristics are present to define the distinctions between the cases. The second sub-chapter analyzes the conception of territorial capital in and across the cases emphasizing the relationship between the conception of territorial capital dimensions and selected growth and well-being policies. The previous project deliverables D.4.3., D.4.4. and D.4.5. have also revealed the diverse understanding of policy discourse in relation to territorial capital dimensions in different municipalities. We expect here that different localities would represent the territorial patterns where territorial advantages, problems and local assets are articulated as a specific local territorial capital mechanism. The third chapter involves the collective efficacy analysis in each of the cases and across the policies. Collective efficacy is perceived as an intersection of different local practices that help to integrate different local policies for local economic and social growth. The fourth part emphasize the different characteristics of territorial governance in the localities asking how the local capacities helps for policy integration using different collaborative mechanisms, for example, networking approach or bottom-up initiatives by local stakeholders. Finally, the conclusion part summarizes the findings on the importance of location on local territorial cohesion policies integration.

1.2 Methods

Selection of the localities in Lithuanian case. Referring to the guidelines of D.4.2. on the case methodology, the selection of the three localities (metropolitan, suburban and rural) follows one-step procedure which skips the justification of single specific region within three distinct localities. The main arguments for the methodological steps for selecting cases were defined as following:

1. **Specificity of local self-government system and policy coordination capacities.** In the case of Lithuania, the lower tier of self-government institutions (municipalities) are considered as the main actors in local policies because of the absence of regional government tier. The abolishment of strong regional government tier in 2012 implies the tendencies of increasing centralization where central governmental actors have enough decision-making powers to implement regional development strategies. The large list of functions and responsibilities are delegated to municipalities that implement a wide range of state-subsidized policies (ECEC and secondary education, health care, social care policies, local transportation, etc.). The policies of ECEC, vocational training and active labor market is implemented with intensive state subsidies and supervision. The implementation of local economic growth and urban regeneration development strategies is under the responsibility of local self-government authorities.
2. **The socio-economic variability of the cases on inter-regional and intra-regional scale.** The selected cases uncover the variability in different patterns of socio-economic development, including the indicators of economic growth, labor market dynamics, demographic change and social well-being. D.4.3. report provides a comprehensive overview of selected metropolitan, suburban and rural municipalities, including such aspects as location, demography, economic growth, spatial segregation, administrative historical legacy, political participation, civil society engagement, also policies aiming at territorial cohesion and economic growth agenda and policies from social investment perspective. The main differences of the selected localities lay in their demographic, social and economic challenges and local potential to implement territorially driven growth policies.

Finally, three case studies in Lithuania: Kaunas city municipality, suburban Kaunas district municipality and rural Pakruojis district municipality were identified.

The justification for selecting urban Kaunas city municipality case:

1. Metropolitan area characteristics, such as population density, economic growth accumulation, private and public investments, social exclusion problems and intensive labor market dynamics.
2. A strong pattern of intra-municipal disparities in terms of economic and social indicators.
3. The socio-economic and spatial differences between administrative units - elderships in terms of household income, labor market participation, social exclusion, urban regeneration and quality of public services infrastructure and public services availability.

The justification for selecting suburban Kaunas district municipality case:

1. Suburban area characteristics: “ring” municipality around Kaunas urban zone, extensive suburban revitalization projects in housing, increasing population and birth rate, concentration of white-collar specialists, urban and suburban interconnectedness in terms of public infrastructure.
2. A strong pattern of intra-municipal disparities in terms of economic and social indicators.
3. The socio-economic and spatial differences between different more urban and more rural elderships in terms of household income, labor market participation, social exclusion, urban regeneration and quality of public services infrastructure and public services availability.

The justification for selecting rural Pakruojis district municipality case:

1. Rural area characteristics: population decline, limited diversification in economic activities, border region, aging and the long-term structural unemployment.
2. A strong pattern of intra-municipal disparities in terms of economic and social indicators in different elderships, strong spatial segregation.
3. Concentration on agriculture business.

Empirical dataset (interviews with stakeholders, 1st stage).

The empirical database for the analysis derives from qualitative interview data from three different localities. The list of interview questions addressed three main topics:

- (1) Level of territorial disadvantages and advantages related to specific locality,
- (2) Level of collective efficacy related to local life chances.
- (3) Mechanisms and arrangements of territorial governance, collaboration and coordination to mobilize territorial capital and synthesize the policies of pre-school childcare, active labour market, area regeneration, VET and economic growth.

More specifically, the interviews were designed to cover different perspectives of community, local governance, and business sector respondents. The questionnaire for community stakeholders underlined the involvement and experiences of local community organizations and NGO's with governance settings in territorial activation projects, asking on the efficiency of collective mobilization efforts and improving access to local welfare. The questionnaire for public authority actors seeks to uncover how different institutions coordinate their actions and interests in territorial-driven policies, what kind of deliberative practices are used to bindle different policies and practices. The questionnaire for business actors was designed to analyse business involvement in territorial growth and development policies and governance mechanisms.

The qualitative interviews were performed in three selected localities: urban (20 interviews in Kaunas city municipality), suburban (20 interviews in Kaunas district municipality) and rural (20

interviews in Pakruojis district municipality) during the period of July – November 2018. Three different groups of the local stakeholders were covered during the first stage of qualitative interviewing:

- (1) Community stakeholders (representatives from community organizations, NGOs, local community organizations),
- (2) Business stakeholders (business organization representatives, large local business, business having strong interconnectedness with government)
- (3) Public authorities' actors (municipal officials involved in planning, business relations, municipal officials and state institution representatives from childcare, labour market, VET areas).

The snowballing sampling strategy was used additionally as an effective tool for identifying the most important experts in the field and excluding the irrelevant ones. Each of the informants has received the consent document and was informed on their involvement to project activities and personal responsibilities in relation to data collection process.

Empirical dataset (interviews with stakeholders, IInd stage).

The second stage of qualitative interviewing involved the selection of the key policy actors that represent a specific strategic policy level responsible for territorial development in localities.

The guidelines of the interview questionnaire included the topics on:

1. what are the local pre-conditions that make this policy approaches feasible and effective in localities?
2. what are the policy instruments promoted on the territories consistent with a Social Investment approach?
3. what is the impact of these policies on territorial growth and territorial cohesion?
4. how these policies are interconnected and regulated, what is the potential for the collaboration between business and civic sector.
5. Additional questions by national team on territorial development and economic growth strategies and the impact of regional strategic planning policies.

The additional 15 interviews with the key policy actors were implemented during the period of August-November 2019 (5 actors*3 localities) focusing on their expertise in policy domains related to Social Investment approach (childcare, active labour market, vocational training) as well as competences in regional economic planning and territorial growth. The snowballing sampling strategy was used additionally as an effective tool for identifying the most important experts in the field and excluding the irrelevant ones.

Selection of key policy documents.

The other part of empirical dataset is key policy documents selected from each of the localities. More specifically, the long-term strategic planning and territorial development documents for the period of 2012-2019 were selected in urban, suburban and rural municipalities. The selection of related strategic planning documents and legislation in each locality (urban, suburban and rural municipalities) were archived and described in terms of their delivery date, content, availability, relevance and impact. The focus of document selection is on selecting related documents, strategies and identifying symbolic, innovative spear-head projects and approaches to implement place-based policy approaches.

In each locality we selected 3-4 comprehensive strategic planning documents that cover the overall understanding of territorial planning, territorial growth and include several policy areas. The dataset included the different categories of the documents:

1. *Municipal Strategic Development Plans (Kaunas City Strategic Development Plan 2019-2021 (previous versions from 2012), Kaunas District Municipality Strategic Development Plan for 2013-2020 and Pakruojis Strategic Development Plan for 2014-2020 (last amendment 2017 May). The municipal strategic plans* that are the most comprehensive municipal planning documents and covers the broad field of different policy areas, from economic investments and economic growth to public health and sustainable environment. *Municipal Strategic Development Plans* are mandatory documents for all municipalities defined in *the General Guidelines for Strategic planning* (approved in 2002, June 6, by Government of Republic of Lithuania, later amendments). The general guidelines and methodology of the municipal strategic planning documents is defined in the legislation and provisions by the central government and the Ministry of Interior.
2. *Strategic Action Plans* and sectoral biannual programs, for example, *Program of Sustainable City Development, Innovation Program, Agriculture and Economic Development Promotion Program, Public Infrastructure Modernization program, Healthy Society program, etc* as the complementary documents identified as an integral part of general *Municipal Strategic Development Plan*.
3. *Integrated Territorial Development Programs for Regions and Cities* are the part of general national regional development policy defined in Lithuania Partnership Agreements on the European Structural and Investment Funds (approved in 2014 June 20, No. C(2014) 4234) within the priority 1.1. on “*Territorial Development and Regional Policy*”. The guidelines for the implementation of Integrated Territorial Development Programs are approved and regulated in *Guidelines for the Development and Implementation of Integrated Territorial Development Programs* by the Ministry of the Interior (2014, July 11, Order no. 1V-480). In D.4.6. we refer to *Integrated Territorial Development Program of Kaunas City* (last amendment 2019 February 21), *Integrated Territorial Development Program of Kaunas Region* (approved in 2015 September 9, No.1V-709) and *Integrated Territorial Development Program of Šiauliai Region* (Pakruojis district municipality as a part of Siauliai region, approved in 2019 March 6, No.1V-229).
4. Municipal sectoral development plans or policy monitoring reports, for example, *Tourism Development Plan, Advancement of Education Report*. The sectoral document regulates specific fields and provides detailed provision plan including financial schemes, responsible institutions and policy monitoring criteria.
5. Alternative strategic planning document for rural area, *Pakruojis Local Action Strategy for 2014-2020* as a part of Leader program funding schemes for Rural Development in Lithuania for the period of 2014-2020. Local Development Strategies is prepared in accordance with the *Rules for the Preparation of Local Development Strategies* approved by the Ministry of the Interior in 2015, January 22 by Order No. 1V-36 *Approval of Rules for the Preparation of Local Development Strategies*.

2 Presentation of cases

Our previous project analysis on socio-economic development patterns of Lithuania has demonstrated the strong internal spatial discrepancies and the imbalance in economic productivity growth in urban and peripheral regions. The recent fluctuations in various demographic, social and economic indicators, for example, labor market changes, growing social inequality, income dispersion, limited consumption of households and dependency on social welfare system illustrates the diverse profile of rural and urban regions.

As it was noticed in the introduction, the main socio-economic changes in the country is related to migration and the residents' age structure that also determine different regional labour market developments. For example, the higher share of relatively young age population contributes to higher employment and lower unemployment rate in the regions of urban cities of Kaunas, Vilnius and Klaipėda. Job trends and expansion of service sector differed significantly among the regions, especially after the economic crisis in 2008. During the crisis, the number of jobs both in the regions with large cities and peripheral regions declined by a fifth, however, it did not recover in peripheral regions after the crisis and remained the same since 2010 (Statistics Lithuania, 2019). The unemployment rate constantly remained about twice larger in the peripheral rural regions as well.

Secondly, the demographic and labor market indicators have a significant impact on the structure of disposable income of households in the regions as well. Demographic and labor market differences among the regions may result in the deviation of disposable income per one household member of up to 10 percent from Lithuania's average. The main causes for the difference in household income is related to a larger share of unemployed persons and growing number of retirement age population. The data of the *Annual Statistical Survey on Income and Living Conditions* allow assessing the amount and type of income received by different social groups. According to the survey, the average disposable income of one household member comprised €436 in 2017. However, the income levels of the resident groups differ significantly in terms of residence place. For example, in 2017, due to favorable demographic and labor market structure the disposable income in Vilnius region exceed the country's average by more than 5 percent, whereas in peripheral Marijampolė and Telšiai regions it was almost 10 percent lower (Statistics Lithuania, 2019).

As noticed in the introduction, the report D.4.6. considers five policy areas across the selected Lithuanian localities (1) childcare services (municipal discretion), (2) VET, (3) active labour market, (4) economic growth (municipal discretion) and (5) urban regeneration (municipal discretion)) looking at how the different policy areas are interlocking, what is their rationality, what kind of territorial capital capacities are introduced to tackle with local problems.

The major changes in these policy areas were mainly influenced by the demographic and socio-economic indicators. Concerning ECEC policy the new funding scheme ("student basket / person") was introduced in 2008 allowing the standardization of the ECEC policies between the territorial units and ensuring supply-demand principles in attaining state funding. The major reform has caused the changes in public-private structure of the ECEC institutions and increased the competitiveness in childcare places availability in urban and suburban areas. The new funding scheme has also caused the changes in vocational training system. In general, the participation in VET system is relatively low in terms of number of students and attractiveness for the adult employees. The government initiatives to improve the balance between VET system and labour market demand by developing formal and informal VET programs, supporting youth entrepreneurship, fostering re-qualification programs are not operating effectively and remains in stagnation. Considering active labor market policy, it is implemented in a rather centralized manner where government does not specify regional needs. Also, the financing of most labor policy measures since 2008 has been dependent on the EU funds the role of which remained crucial. Considering urban regeneration policies, the development

of social housing sector and renovation of old buildings is important that has been implemented since 2012 by central government and municipalities efforts, mostly using the support of the EU funds. Nevertheless, the limited state and municipal budgets for the development of social housing fails to ensure support for the most vulnerable people.

In terms of economic growth policy, the most recent strategic document was prepared by the Ministry of the Interior entitled *White Papers on Lithuania Regional Development for 2017-2030* that ensures the economic competitiveness and economic resources of the regions. The document suggests that the regional structure should be organized around 10 functional regions classified based on economic growth potential and availability of public services. The classification includes three groups of regional centres: 3 largest cities ((Vilnius, Kaunas, Klaipėda), 2 intermediate cities (Šiauliai, Panevėžys) and 5 regional centres (Alytus, Marijampolė, Tauragė, Telšiai, Utena). The implementation of regional specialization should include development of specialized economic infrastructure, education and training programs, attracting private investment, and supporting SME business initiatives.

1 Table. Information sheet on country.

Information sheet [LITHUANIA]	
Number of inhabitants,	2,794 (2019)
Size in km2, [2019 11]	62,300 km2
Name of largest city,	Vilnius (capital city)
Number of inhabitants in largest city, [2019 11]	Vilnius ((544,386 inhabitants, 2019)
Size of largest city in km2, [2019 11]	401 km2
Proportion living in rural settlement [2019 11]	26 percent

Sources: Statistics Lithuania, 2019.

2.1 The regions of Kaunas (urban and suburban locality) and Šiauliai (rural locality)

The selected localities are a part of two regions that do not refer to the regional self-governance administrative divisions of the country. The counties (regional administrative tier of self-governance system) were abolished in 2009. Since 2009 the reference to region indicates the geographical and administrative boundaries for connecting several neighboring municipalities. It was planned to form five or four regions replacing the former counties, but these administrative self-governance reforms were not implemented yet. As it was noticed in the Methodological section, we have selected three localities: urban Kaunas city municipality, suburban Kaunas district municipality and rural Pakruojis district municipalities that have significant variations in socio-economic and demographic indicators.

The urban and suburban localities (Kaunas city and Kaunas district municipalities) are a part of centrally-located Kaunas region, rural Pakruojis district municipality – a part of Šiauliai region in the northern part of the country. The main socio-economic and demographic indicators of both regions are presented in Table 2.

Table 2. Profile of Kaunas and Šiauliai regions.

Information sheet [Kaunas and Šiauliai regions]				
	Kaunas region		Šiauliai region	
	2010	2019	2010	2019
Number of inhabitants, [Resident population at the beginning of the year]	629 896	561 430	316 278	262 487
Size in km2, [Area (land) at the beginning of the year]	8 089	8 086	8 540	8 537
Proportion of 0-17 years, [at the beginning of the year]				

	120133 (19%)	99530 (18%)	62409 (20%)	44846 (17%)
Proportion of 18-64 years, [at the beginning of the year]	398720 (63%)	348351 (62%)	197917 (62%)	162093 (62%)
Proportion of 65 years or older, [at the beginning of the year]	111043 (18%)	113549 (20%)	55952 (18%)	55548 (21%)
Proportion of women, [at the beginning of the year]	341 558 (54%)	304 186 (54%)	170 549 (54%)	139 808 (53%)
Old age dependency ratio, [Dependency ratio at the beginning of the year, age 65 and more]	26 persons	31 persons	26 persons	33 persons
Net-migration, [Net-migration in 2010 and 2018]	-17612	585	-11 428	-1 203
Natural population change, [Natural population change in 2010 and 2018]	-2 059	-2 267	-1 740	-1 777
Population density, [2019 11]	77.9 inhab/km ²	69.4 inhab/km ²	37.0 inhab/km ²	30.7 inhab/km ²
Average household income, [Average disposable income per month in 2010 and 2018]	<i>Cash and kind income:</i> 762,2 per household, EUR; 308,4 per household member, EUR. / <i>Cash Income:</i> 748,6 per household, EUR; 303,0 per household member, EUR. /	<i>Cash and kind income:</i> 1 083,4 per household, EUR; 486,1 per household member, EUR. / <i>Cash Income:</i> 1 068,9 per household, EUR; 479,6 per household member, EUR. /	<i>Cash and kind income:</i> 620,5 per household, EUR; 262,5 per household member, EUR. / <i>Cash Income:</i> 601,8 per household, EUR; 254,7 per household member, EUR. /	<i>Cash and kind income:</i> 933,4 per household, EUR; 423,3 per household member, EUR. / <i>Cash Income:</i> 920,1 per household, EUR; 417,3 per household member, EUR. /
Full-time unemployed persons in per cent of the labour force, [Ratio of the registered unemployed to the working-age population in 2010 and 2018]	14,3 %	8,6 %	15,6 %	8,9 %
Proportion aged 15-69 with master's degree as highest attained level of education, [Educational attainment of the population in 2010 and 2018]	151,4 in thousands	172,1 in thousands	45,0 in thousands	55,8 in thousands
Number of children in preschool education in 2010 and 2018, persons]	19 744 persons	24 464 persons	8 018 persons	10 188 persons
Name of largest city, [2019 11]	Kaunas	Kaunas	Šiauliai	Šiauliai
Number of inhabitants in largest city, [2019]	329 542	286 754	114 506	100 131
Size of largest city in km2, [2019]	157	157	81	81

Sources: Statistics Lithuania, 2019.

Kaunas region demonstrates the social, economic and demographic differences that are mostly attributed to exceptional geographical position and huge amount of investments to the area. According to the data of 2016, the region amounted to 99,9 % of GDP per person compared to national average GDP (Šiauliai region – 74,3 %, Vilnius region – 148 %). Kaunas region creates 19,8% of total national GDP (Statistics Lithuania, 2018). The favorable economic situation demonstrate that the revenue level and the revenue-generating mechanisms are sustainable in the area. Due to declining unemployment and rising labor shortages in the country and Kaunas region, wages in the private and public sectors demonstrated one of the highest increases since the onset of the economic recovery from 2010. The other indicator is economic spur in terms of foreign and domestic investment dynamics (the case of Free Economic Zone in Kaunas area). The situation also reflects the national investment climate in Lithuania that has been expanding at an annual growth rate of 6-7% in the

period of 2016-2019 (Central Bank of Lithuania, 2019). Nevertheless, the social well-being indicators are showing the limited increase, for example, the stagnation in poverty and social exclusion rates or long-term unemployment.

Referring to the dynamics of social and economic indicators (unemployment rate, household income, migration, GDP, rate of investments, active business entities, etc.), Šiauliai region falls behind compared to urban regions of the country. The recent trends in relatively low unemployment, wage growth which has been outpacing labour productivity, and the significantly increased labour shortage also affected the social economic development of Siauliai region. As a part of Šiauliai region Pakruojis district municipality lags among the neighboring municipalities according to the above-mentioned parameters. To solve the problems of decreasing business initiatives and demographic decline, the regional program *The Development of Integrated Territories of Šiauliai Region* has been launched in 2018 to define the economic potential and smart specialization of the region (see Figure 3).

Figure 3. Selected localities in Kaunas and Siauliai regions, Lithuania.



2.2 The urban case: Kaunas city municipality

The selection of urban Kaunas city municipality is grounded in metropolitan area characteristics, including high population density, economic growth accumulation, private and public investments, social exclusion problems, internal social indicators variability, intensive public infrastructure and fluctuating labor market dynamics. Kaunas is the second largest city in Lithuania, located in the central part of the country, an important industrial, transport, science and cultural center. Kaunas also has additional opportunities to expand the metropolitan area with the favorable geographical location of the two largest cities of Lithuania, Vilnius and Kaunas. In 2018 the total population of Kaunas city municipality was 286,754 thousand inhabitants. Kaunas city municipality is a part of Kaunas region. 52 % of total Kaunas region population live in Kaunas metropolitan area (see Figure 4). Kaunas city municipality demonstrates a strong pattern of intra-municipal disparities in terms of economic and social indicators (see Table 3).

Table 3. Profile of urban Kaunas city municipality.

Information sheet [KAUNAS CITY MUNICIPALITY, URBAN CASE]		
	2010	2019
Number of inhabitants ¹ , [2019 10 31]	329 542 persons	286 754 persons
Size in km ² , [2019 10 31]	157 km ²	157 km ²
Proportion of 0-14 years ² , [2019 10 31]	14.2 %	15 %
Proportion of 15-64 years, [2019 10 31]	68.2 %	64.1 %
Proportion of 65 years or older, [2019 10 31]	17.6 %	20.9 %
Proportion of women, [2019 10 31]	55,6 %	56,1%
Old age dependency ratio ³ , [2019 10 31]	26 persons	33 persons
Net-migration ⁴ , [2019 10 31]	-11,581	-534
Natural population change ⁵ , [2019 10 31]	-2 per 1000 population	-3,7 per 1000 population
Population density ⁶ , [2019 10 31]	2,099.0 per 1 km ²	1,826.5 per 1 km ²
Average wage (brutto, EUR) (2019 11)	588	1001
Full-time unemployed persons in per cent of the labour force ⁷ , [2019 10 31 Official statistic portal]	13,9 %	8,6 % (year 2018)
Self-employed (thousands, 2019 11)	14 144 (2013)	20 174

Sources: Statistics Lithuania, 2019.

We could define the main territorial problems and characteristics of urban locality:

1. Population decline. The municipality was affected significantly by the negative net migration and negative natural population change that reflects the overall de-population tendencies in the country. During the period of 1996-2019 Kaunas city has experienced huge decline in population size (on average the population drop is counted for 28,39 percent). The population drop was significant in all Lithuanian municipalities except for capital city Vilnius and Kaunas district municipality.
2. Considering territorial economic development, Kaunas city municipality is characterized by rapid economic development in terms of increasing foreign investments, especially in IT services sector and real estate market revival. Considering the structure of economic activities, the largest part of economic entities is operating in the field of wholesale and retail trade (31 %), R&D activities (9 %), manufacturing industry (9 %), transportation and logistics (6 %) (2017, Kaunas city municipality information). The direct foreign investments in Kaunas city has increased by 47 % in the period of 2009–2018. To promote the development of enterprises, the Council of Kaunas city municipality approved the program of the development of small and middle-range businesses (since 2011). In 2015, the Council also approved the program “Kaunas Startups” in order to create favorable conditions for young people to develop innovative business and startups.
3. Social segregation and housing problems. 57 % of employed working-age inhabitants of Kaunas region are residents of Kaunas city municipality. The average unemployment rate comprises (8.6 % in 2018) the average of total unemployment rate in the country (8,5 percent). The depopulation in Kaunas city and the development of suburban residential areas became

¹ Resident population at the beginning of the year | persons

² Resident population age structure at the beginning of the year | per cent

³ Dependency ratio at the beginning of the year | persons, age 65 and more

⁴ International and internal migration. Net migration | persons.

⁵ Crude rate of natural population change | per 1000 population

⁶ Population density at the beginning of the year | per 1 km²

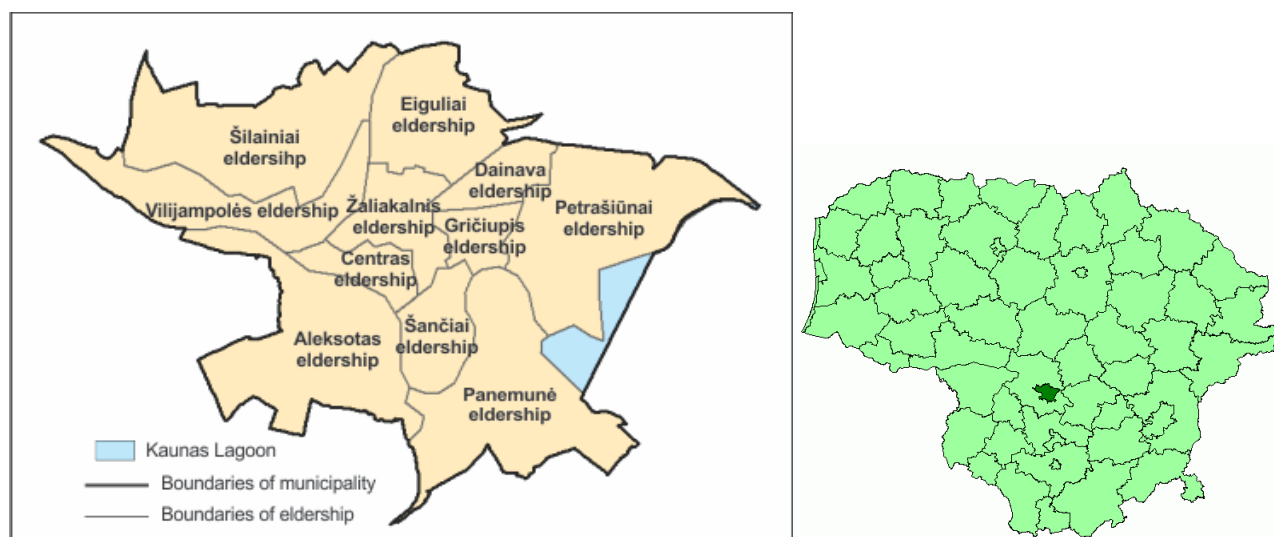
⁷ Ratio of the registered unemployed to the working-age population | per cent

important territorial challenges to Kaunas city. Social segregation in different city territories presents another significant challenge. The biggest concentration of elders is characteristic of Soviet-era housing districts that experience the risk of household aging and depopulation. Considering urban regeneration projects, “The 2014-2020 Investment Action Program of the European Union Funds” was confirmed by central government stating that the larger cities of the country including Kaunas city have a large potential for investments. For example, besides creating polycentric urban districts and functional transportation system, the renewal of residential districts, the use of cultural potential and the maintenance of creative local communities are planned. It is also planned to guarantee quality residential environment to retain qualified labor force necessary for sustainable economic development. For example, one of the goals of *The 2016-2022 strategic development plan of Kaunas city municipality* is to develop sustainable urban territories and quality residential environment. It is to be achieved by planning the sustainable development of urban territories and infrastructure and improving residential environment and public infrastructure. The priority of renovation supported by EU funds is given to early soviet-style houseblocks in Gričiupis eldership that has started in 2017.

4. Internal territorial disparities. The Kaunas city municipality is divided into 11 elderships (administrative sub-divisions of Kaunas city municipality, *seniūnija*) in total. The socio-economic differences between elderships are significant demonstrating different patterns of household income, labor market, social exclusion, urban regeneration and quality of public services. For example, Aleksotas seniūnija is characterized as well-developed areas of private detached housing (20 thousand inhabitants which comprise 5,4 percent of total Kaunas city population). Contrary, historical low-class Šančiai seniūnija (where 22 thousand inhabitants which comprise 5,9 percent of total Kaunas city population) have the different patterns of territorial growth strategies. The area is known as a place for urban regeneration and social gentrification processes.
5. Interconnectedness with suburban Kaunas district municipality in terms of public infrastructure overlapping, inner-outer labor force transactions and integrated public transportation system. The recent debates from 2019 on merging over-populated territories of Kaunas district municipality to Kaunas city territory has emerged on local and national level. The main argument for territorial merges is related to the expansion of economic potential, overlapping costs of public infrastructure and the need for more intensive territorial development. However, the debates are still ongoing, especially causing issues of sustainable territorial policy and territorial development.
6. Economic potential of the area. Kaunas district municipality and Kaunas city municipality cooperate to attract foreign investments to Kaunas Free Economic Zone located in Kaunas district municipality territory. The economic zone experiences the most intensive growth over the last 5 years creating over 5,000 new jobs. In this policy case the initiatives by local municipalities are very important concerning the provision of fully prepared hard infrastructure for investors and political decision-making support. Moreover, Thus, the rate of entrepreneurship is high in Kaunas city municipality which, in its turn, guarantees the high level of employment. The ration between the employed and working-age inhabitants was 81.4% or by 8.9 point higher than the national average which was 72.5%. As the strategic document of Kaunas city municipality entitled “Goals, objectives and measures of territorial development of the integrated development program of Kaunas city” indicates, one of the main goals and challenges is to create more workplaces by creating new business centers and strengthening the old ones in target territories. To achieve this goal the measure of establishing new businesses and simplifying laws regulating businesses is promoted.

7. Considering the network of ECEC system. There are 83 public pre-school institutions (kindergartens), pre-school and primary education institutions and 19 private ECEC institutions in Kaunas city. In the period of 2015-2018 additional 1060 places were created in various ECEC institutions to meet the parental demand. Kaunas city municipality has also developed the initiative to secure more transparent admission to the ECEC institutions. The e-portal has been developed, which enables to submit the online applications for parents.

Figure 4. Administrative units (elderships) of Kaunas city municipality.



2.3 The suburban case: Kaunas district municipality

The main reasons for selecting suburban locality of Kaunas district municipality are related to criteria of working-age population growth, tendencies of urban sprawl, intensive commuting transportation networks, domination of non-agricultural economic activities and presence of “unexpected” social outcomes (for example, growing unemployment among specific age groups or income dynamics). These criteria correspond to ESPON definition of Functional Urban Areas (FUA). Kaunas district (*Kauno rajono savivaldybė*) is a large area outer ring suburban municipality that surrounds metropolitan area of the second largest city of Kaunas. The locality is also characterized as having intensive outwards commuting networks via the metropolitan area and interconnectedness of economic and social resources. Suburban locality has the population of 95,120 thousand inhabitants (in 2019) (see Table 4). The population is growing constantly. Compared to other Lithuanian municipalities Kaunas district municipality has experienced the exceptional population growth that comprise 17,42 percent during the period of 1996-2019.

Table 4. Profile of suburban Kaunas district municipality.

Information sheet [KAUNAS DISTRICT MUNICIPALITY, SUBURBAN CASE]		
	2010	2019
Number of inhabitants, [2019 10 31]	86 978 persons	95 120 persons
Size in km2, [2019 10 31]	1496 km2	1496 km2
Proportion of 0-14 years, [2019 10 31]	16.3%	16.5 %
Proportion of 15-64 years, [2019 10 31]	68.3 %	67.8 %
Proportion of 65 years or older, [2019 10 31]	15.4 %	15.7 %

Proportion of women, [2019 10 31]	52,4 %	51,4%
Old age dependency ratio, [2019 10 31]	22 persons	23 persons
Net-migration, [2019 10 31]	-1,102	2,242
Natural population change, [2019 10 31]	0,5 per 1000 population	2,5 per 1000 population
Population density, [2019 10 31]	58.1 per 1 km ²	63.6 per 1 km ²
Average wage (brutto, EUR) (2019 11)	581	904
Full-time unemployed persons in per cent of the labor force, [2019 10 31]	13,6 %	7,4% (year2018)
Self-employed (thousands, 2019 11)	3401 (2013)	6423
Name of largest city, [2019 10 31]	Garliava	Garliava
Number of inhabitants in largest city, [2019 10 31]	11724 inhabitants	10071 inhabitants
Size of largest city in km ² , [2019 10 31]	3,65 km ²	3,65 km ²

Sources: Statistics Lithuania, 2019.

We could emphasize the main territorial problems and characteristics of suburban locality:

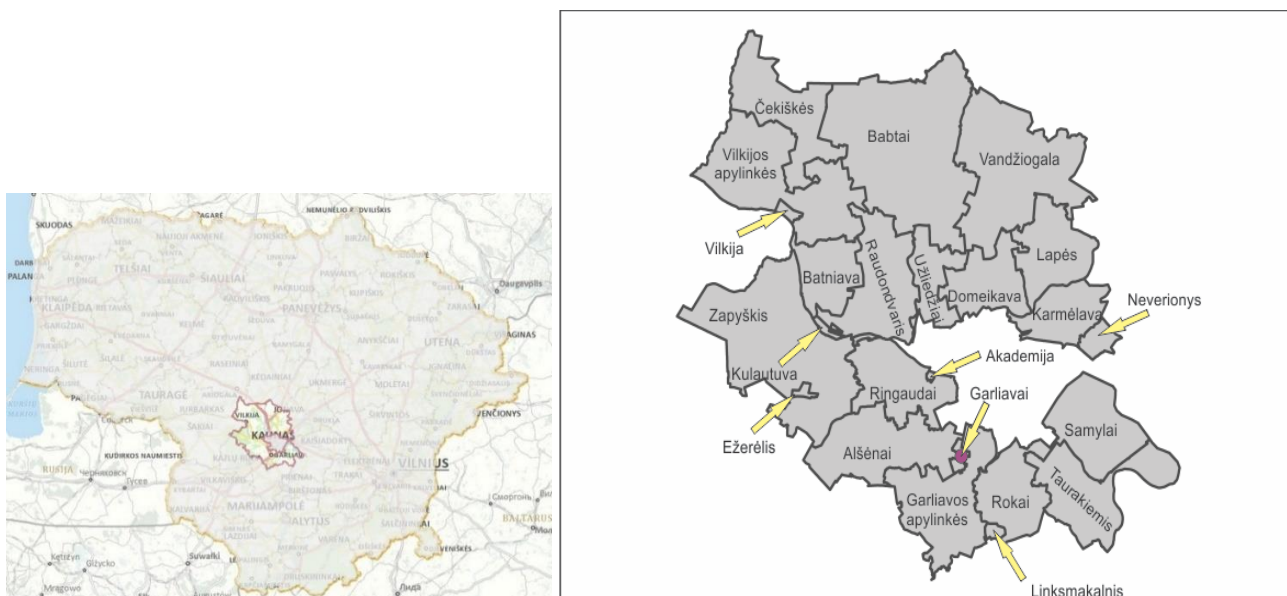
Population growth. The number of inhabitants in suburban Kaunas district municipality has increased from 83,346 to 95,120 during the period of 2007 – 2019 that comprise 9,27 percent of overall increase. During the decade the natural population change has been constantly fluctuating and has recently been positive. The number of working age inhabitants has also increased significantly. The growing number of inhabitants can be explained by the fact that young families move to the suburban areas of Kaunas district, because of construction of new houses and multi-apartment buildings.

1. **Internal territorial disparities.** Comparing to other municipalities, Kaunas district municipality has the biggest number of elderships (in total 25 administrative sub-divisions) within different social-economic and urbanization development patterns. The higher-income professional families with low unemployment rate and children define the socio-economic profile of more urban areas close to metropolitan Kaunas city (Ringaudai, Akademija, Giratė, Karmėlava, Ramučiai). Contrary, there are territorial differences of social and economic development related to “problematic” more rural territories of Vilkija, Čekiškė, Pagybė, Babtai and Vandžiogala elderships with highest number of people at risk of social exclusion, higher unemployment rate and lower household income.
2. **Intensive suburban regeneration and development projects.** The suburban area is characterized by intensive land resources use strategies for developing new residential areas, especially in the elderships which surrounds metropolitan Kaunas city. More urbanized elderships have the extensive urban regeneration characteristics, significant population increase and large number of working-age inhabitants commuting to the city center, for example, Karmėlavos seniūnija, Ringaudų seniūnija and Raudondvario seniūnija. Most of the urban regeneration and housing construction projects are funded by private real estate investors. Moreover, the development of social housing projects has limited impact. The limited municipal budget for the development of housing projects cannot ensure sustainable supply of housing for socially vulnerable groups. Certain area regeneration policies particularly related to the improvement of social housing are drawn in *The 2013-2020 plan of strategic development of Kaunas district municipality* that covers the measures on the construction of new social housing and modernization of the old; renovation of housing that belongs to the municipality.
3. **Economic development potential.** New workplaces, number of foreign investments per person, the decrease of unemployment rate and the rise of a wage indicate the positive economic development of Kaunas district municipality. Since 2013 the number of workplaces in companies based in Kaunas district increased significantly. A mean growth of employees from 2013 to 2018 was 1644.5 per year. For example, Karmėlava eldership demonstrates the significant economic growth in recent decade, including the operation of international airport

of Kaunas and exclusively intensive development of Kaunas Free Economic Zone (Kaunas FEZ) with more than 32 foreign capital companies and more than 5,000 workplaces in different industries.

4. Interconnectedness with metropolitan Kaunas city municipality in terms of use of public infrastructure, inner-outer labor force transactions and integrated public transportation system. The intensively developed economic and urban interdependence between both localities also creates policy coordination problems, especially in public services delivery (considerably, public transportation, childcare system and secondary schools). As an example, Rindaugų eldership is characterized by extensive suburban sprawl surrounded by chaotically planned detached family house territories with poor public infrastructure and the lack of the affordable access to public kindergarten, secondary schooling, primary health care centers or shopping areas. In 2019 the debates on amalgamating over-populated territories of Kaunas district municipality with Kaunas city territory has emerged on local and national political level. The main opposing arguments by suburban municipality for territorial merges is related to the transactions of economic potential, overlapping costs of public infrastructure and the need for more intensive municipal collaboration.
5. Development of ECEC system. Kaunas district municipality provides childcare services in 23 public institutions (20 kindergartens and 3 primary schools-kindergartens) and in 7 private institutions. The admission to the public ECEC is implemented through the e-portal that is administered by the municipality. Considering territorial advantages, Kaunas district municipality was among the first in the country, which introduced the reimbursement fees for families, who were not accepted to the public ECEC institutions because of limited number of places. In more distant rural elderships, the ECEC policy challenge is to adapt the existing infrastructure to the shrinkage of the population and to reconstruct the existing kindergartens into the multifunctional centers to meet the changing community needs (i.e. Čekiškės, Vilkijos, Zapyškis elderships). In the localities closer to the Kaunas city the acknowledged policy challenges are to reconstruct the outdated infrastructure and improve the material and educational conditions of the childcare services (i.e. Raudondvario, Karmėlavos, Garliavos elderships).

Figure 5. Map of Kaunas district municipality and administrative sub-units (elderships).



2.4 The rural case: Pakruojis district municipality

Rural locality of Pakruojis district municipality is located in the northern part of Lithuania, on the border with Latvia republic. Pakruojis district municipality is the fourth largest municipality in Šiauliai region with a population of 19,071 inhabitants in 2019. The convenient geographical disposition of Pakruojis can be described by its relative closeness to the largest northern cities of Lithuania and the neighboring district centers. The general characteristics of rural Pakruojis district municipality include strong patterns of de-population, lack of working-age inhabitants, homogenous pattern of economic activities, limited natural resources and unfavourable social indicators (unemployment rate, dependency of households on social benefits, low household income, high social exclusion rate) (see data in Table 5 and Figure 6). Municipality mostly relies on the agricultural activities; among them 71,4 percent of the territory are exceptionally used for field farming. The natural potential for other economic activities, for example, tourism is very limited due to the lack of attractive water resources.

Table 5. Profile of rural Pakruojis district municipality.

Information sheet [PAKRUOJIS DISTRICT MUNICIPALITY, RURAL CASE]		
	2010	2019
Number of inhabitants, [Resident population at the beginning of the year]	24 705	19 071
Size in km ² , [at the beginning of the year]	1 316	1 315
Proportion of 0-17 years, [at the beginning of the year]	5237 (21%)	3139 (17%)
Proportion of 18-64 years, [at the beginning of the year]	14923 (61%)	11544 (61%)
Proportion of 65 years or older, [at the beginning of the year]	4545 (18%)	4288 (22%)
Proportion of women, [2019-11]	13 077 (53%)	10 117 (53%)
Old age dependency ratio, [Dependency ratio at the beginning of the year, age 65 and more]	28 persons	35 persons
Net-migration, [Net-migration in 2010 and 2018]	-694	-277 (in 2018)
Natural population change, [Natural population change in 2001 and 2018]	-164	-198 (in 2018)
Population density, [2019-11]	18.7 inhab/km ²	14.5 inhab/km ²
Average household income, [NO DATA, only at county level]	No data	No data
Full-time unemployed persons in per cent of the labour force, [Ratio of the registered unemployed to the working-age population in 2010 and 2018]	13,4 %	8,6 %
Average wage (net, EUR) (2019 11)	540	849
Self-employed (thousands, 2019 11)	0,591 (2013)	0,831
[Number of children in preschool education in 2010 and 2018, persons]	563 persons	610 persons
Name of largest city,	Pakruojis	Pakruojis

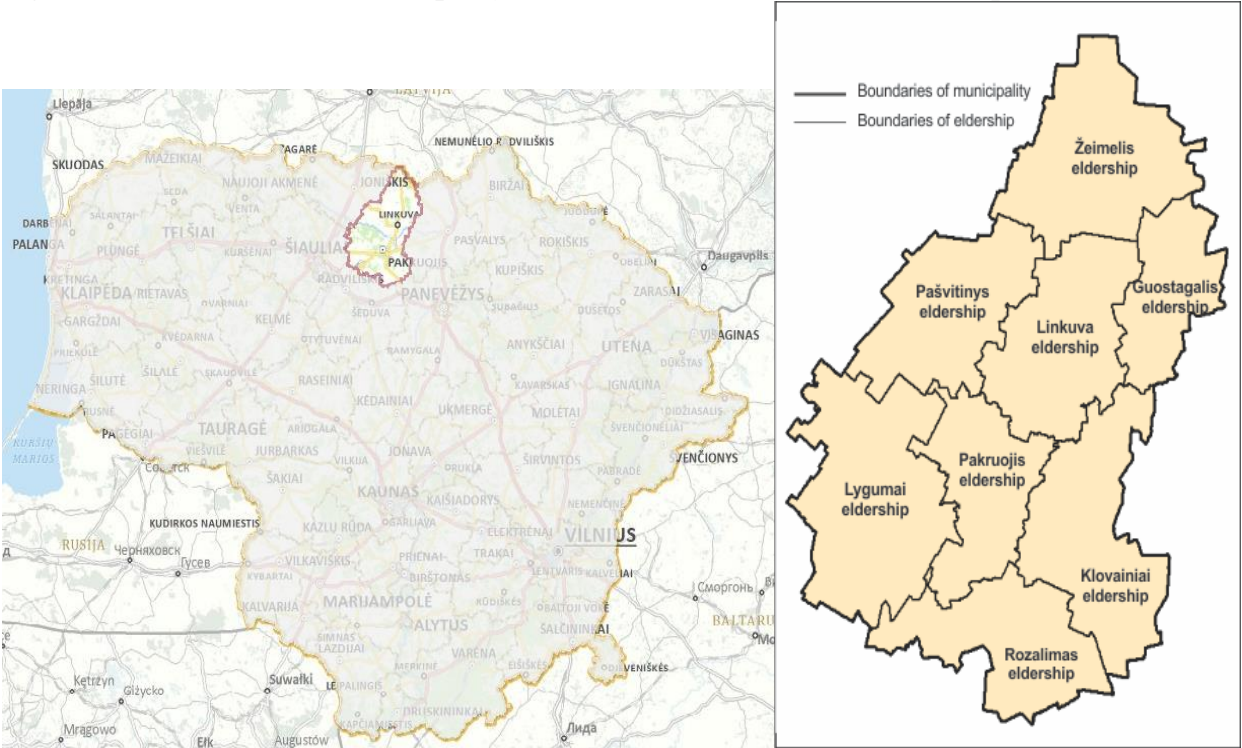
Sources: Official statistic portal, 12-11-2019, <https://osp.stat.gov.lt/statistiniu-rodikliu-analize/>

The key territorial characteristics and challenges of rural Pakruojis district municipality:

1. **De-population challenge.** Rural Pakruojis district municipality is characterized by significant de-population (in 1996-2018 the average drop of population was over 33,58 percent in total) (compared to Šiauliai region -19,31%, to Lithuanian population decline rate -12,37%). The recent tendencies of de-population demonstrate that the situation in Pakruojis district municipality will not improve. The population will continue to decline, and the proportion of people of retirement age will increase. The situation creates a tension in implementing sustainable economic, urban regeneration or educational policies in the area.

2. Economic development potential. The biggest challenges to entrepreneurship in rural area are related to the gradual decrease of the number of inhabitants and their aging and the long-term structural unemployment. Pakruojis district municipality is oriented towards the branches of traditional industry and farming that has an impact on urban and economic development. The main fields of economic activities include wholesale and retail trade, of car and motorcycle engines, farming, foresting and fishing. Considering the agriculture sector, approximately 40 percent of the legal entities are working in the declared agricultural use land plots which make up for approximately 60 percent of total number of employed persons. According to the 2013 data, 25 percent of all employed Pakruojis district inhabitants worked in agriculture.
3. Area economic development initiatives. Due to continuous de-population and the lack of diversified economic activities, municipality has developed local cultural tourism strategy together with other local stakeholders to strengthen the economic potential. The local cultural tourism strategy was developed together with other local stakeholders, particularly, private investors to rebuild Pakruojis manor ensemble. In 2007-2013 approximately 30 million EUR of EU and EEE funds were invested for renewal of the Pakruojis manor ensemble which consists of 26 historical buildings. In 2017 the Pakruojis manor has received European Destinations of Excellence award by European Commission for encouraging cultural tourism. The other local development strategies (for example, LEADER program or local initiative encouragement programs by the EU Structural Funds and program for encouraging SME business) were also implemented mainly to encourage local community entrepreneurship in rural elderships.
4. Area urban regeneration situation. The urban regeneration development situation in rural locality has few challenges. First, it is difficult to improve the quality of housing because inhabitants could not invest in its renovation due to difficult socio-economic conditions. Also, the housing renovation in peripheral areas does not add up any value to their housing. In Pakruojis rural locality the housing market is stagnant; thus, the state intervention and additional investments of structural funds are necessary. *The 2014-2020 Pakruojis region strategic development plan* includes an objective of modernizing residential buildings by improving its energy efficiency and fostering a sustainable use of resources. Also the municipal strategic plan includes the priority to develop social housing program in rural areas of the municipality rather than urbanized center of Pakruojis town considering the criteria of low household income, higher poverty among families who rely on social benefits and higher rates of unemployment.
5. Development of ECEC system. The significant de-population trends in the past two decades also affected ECEC, local primary and secondary education system, students' enrolment to vocational school and educational services provision. Municipality has 8 public and 1 private kindergarten in total. *Strategic plan of Pakruojis district municipality for the period of 2014 -2020* identifies the main policy challenges associated with the demographic change (ageing of the population, shrinking number of children). Thus, on the one hand the existing childcare service infrastructure should be renovated, but it should be also adapted to the changing needs of community. Thereby, the development of the multifunctional centers with an institutional setting for ECEC services is set as the priority.

Figure 6. Pakruojis district municipality and administrative sub-units (elderships).



3. Territorial capital

The main objective of the chapter is to analyse how the level of social-demographic development, urbanization and inequality affect the mobilization of territorial capital, are there any strategies of collective mobilization to reconcile territorial assets and local policies, what are the endogenous (internal) and exogenous (external) factors that helps to grasp the conception of for territorial capital; what the main advantages and strategic potential of the localities are to promote economic growth and social inclusiveness. Here, we analyse different territorial capital dimensions in three selected municipalities: urban (Kaunas city municipality), suburban (Kaunas district municipality) and rural (Pakruojis district municipality). The localities represent the variety of social-demographic, economic and spatial development patterns that was analysed in previous COHSMO project deliverables D.3.1. and D.3.2. The question of the territorial capital also emphasizes the identification of different territorial resources that can be mobilized to develop territorial policy bundles.

The conception of territorial capital was already elaborated in COHSMO deliverables D.2.1. and D.2.2. on theoretical conceptions and territorial cohesion approaches. The concept of territorial capital was introduced by the OECD (OECD 2001) and the European Commission (European Commission 2005). The OECD described it as a variety of factors that impact on regional development:

These factors may include the area's geographical location, size, the factor of production endowment, climate, traditions, natural resources, quality of life or the agglomeration economies provided by its cities, but may also include its business incubators and industrial districts or other business networks that reduce transaction costs. Other factors may be "untraded interdependencies" such as understandings, customs and informal rules that enable economic actors to work together under conditions of uncertainty, or the solidarity, mutual assistance and co-opting of ideas that often develop in clusters of small and medium-sized enterprises working in the same sector (social capital). Lastly, according to Marshall, there is an intangible factor, "something in the air," called the "environment" and which is the outcome of a combination of institutions, rules, practices, producers, researchers, and policy-makers, that make a certain creativity and innovation possible (OECD 2001, 15).

Mazzola et al. (2018, 412⁸) argue that "The definition of territorial capital encompasses all material and non-material resources, production factors, collective learning, knowledge and skills and, also, the set of norms, social and relational skills accumulated through time in a specific territory." Thus, in analysing territorial development we must pay attention not only to natural and cultural resources, general urban or rural infrastructures and public goods but also to local competitiveness residing in creativity structures, local trust, a sense of belonging, local identity and relationality. Thereby, the territorial capital concept helps us to grasp the level of both competitiveness of territories and wellbeing of local populations (Capello, Camagni, Chizzolini, Fratesi 2008, 298⁹). We use the concept of territorial capital that encompasses a set of "localized assets – natural, human, artificial, organizational, relational and cognitive – that constitute the competitive potential of a given territory" (Camagni, Capello 2013, 1387¹⁰). However, most attention is paid to the following components of

⁸ Mazzola, F., Lo Cascio, I., Epifanio, R., Di Giacomo, G. 2018. "Territorial Capital and Growth over the Great Recession: A Local Analysis for Italy." *The Annals of Regional Science* 60(2): 411–441.

⁹ Capello, R. Camagni, R., Chizzolini, B., Fratesi, U. 2008. *Modelling Regional Scenarios for the Enlarged Europe: European Competitiveness and Global Strategies*. Berlin: Springer.

¹⁰ Camagni, R., Capello, R. 2013. "Regional Competitiveness and Territorial Capital: A Conceptual Approach and Empirical Evidence from the European Union." *Regional Studies* 47 (9): 1383–1402.

territorial capital: natural and cultural resources, social capital (collective action capability, collective competencies, institutions, values, trust), human capital (entrepreneurship, creativity), and cooperation networks (public/private partnerships in local governance). All these facets of territorial capital could help identify regional specificities and capabilities in economic growth processes.

3.1. Territorial advantages and problems in each case

Each locality (urban, suburban and rural municipalities) represents a unique case of intertwining economic, cultural, social, and physical resources and potentials, resources, and disadvantages, which conditions the current state and further territorial development of the locality. These local resources and potentials are subsumed under the concept of territorial capital that includes endogenous (internal) and exogenous (external) territorial resources and endowments to promote economic efficiency in the localities and equilibrate socio-spatial inequalities. For example, urban Kaunas city municipality can be defined as a combination of urban and suburban planning geography, focus on the development of public infrastructure and enactment of territorial initiatives. The need for social and public infrastructure points to the importance of agglomeration of economic competitiveness with local community needs. Contrary, rural Pakruojis district municipality is shaped by the interplay of inner and outer migration factors, use of natural resources and high level of collective efficacy. The socio-economic and spatial inequality differences in all types of the localities were discovered in previous project deliverables. In this chapter, we summarize the different dimensions of territorial capital in each of the three case areas looking at the common pool of territorial disadvantages and identifying clusters of local resources.

The identification of territorial advantages and problems summarizes the dimensions on natural, human, artificial, organizational, relational and cognitive territorial assets (Camagni, Capello 2013). However, we expand the notion of territorial assets by specifying the importance of socio-economic context and demographic changes in analysed localities.

(A) Territorial advantages and assets.

All three groups of respondents in localities distinguish the following main local assets in urban, suburban and rural areas. We emphasize the territorial advantages based on internal resources such as municipal efforts to attract investments for economic productivity, inter-connectedness with rural and urban elderships, potential of small and medium business, tourism resources and active communities. Some of these advantages are highlighted in territorial strategic planning documents as an important competitiveness strength to improve local quality of life.

(1) Territorial collaboration and efforts for spatial public services development. One of the commonly recognized territorial advantages is the effective work of the municipalities to coordinate the different territorial needs in rural and urban elderships by trying to provide an access to different public services. Most of the respondents recognize the potential in organizing municipal work to navigate between supply and demand for different public services (for example, public transportation, pre-school and secondary schooling, social services, utilities and waste disposal). The local authority experts also emphasise the need for specific competencies and skills to reconcile scale economies and municipal budget planning limitations (Kaunas district municipality, Public Authority Actors, EM_KDM_SBG01; AB_KDM_SBG01). As an example, rural Pakruojis local authority actor underlines the importance to collaborate with different local interest groups and institutions as territorial advantage: *“There is in eldership council, which includes junior elders and community leaders. In our case, we work very efficiently, but I know from other municipalities, there are*

sometimes such heated fights. Some people try to use them [the councils] as a political weapon before the elections. It is not a case with us. We discuss the projects, what needs to be done. One year we decided to do the child playground, the other – the street lightening". (Public Authority Actor, SM_PDM_RG02). The other important point is the recognition of local interests in highly polarised territories. For example, in talking on pre-school education services development in rural Pakruojis, local authority representative emphasizes the importance to reconcile the municipal authority and implementation of public interest: *"I would say that general position of our [municipality] administration is oriented towards doing good in education. Because there is mutual understanding, that this is an investment in our people and we will get the returns in the future"* (Public Authority Actor, IM_PDM_RG03).

(2) Investments to public infrastructure projects and economic production factors. The territorial assets recognized in all localities are related to development of public infrastructure projects that are recognized as an important parameter for local quality of life. In urban Kaunas city case, the main infrastructural projects that improved Kaunas inhabitants' lives were mentioned in several interviews. The increasing number of such project yet to be carried out was emphasized, such as the renovation of Soviet-era apartment buildings, reconstruction of the main city streets and recreational zones. In suburban case the sufficiently developed system of preschool institutions also presents a territorial asset. As it was already noticed in project deliverable D.4.5. the national level strategic planning discourse (for example, national *White Papers on Regional Development for 2017-2030 or Lithuania Progress Strategy "Lithuania 2030"*) emphasize economic capital productiveness, domestic and foreign investments and economies of scale. Thereby, territorial development is recognized as high-quality public infrastructure services available for different citizen groups. Contrary, community social capital that enable collective capabilities or civic engagement is a minor priority to cover. The different social groups are treated as the main beneficiaries of welfare system rather than active citizens. The national discourse is also recognized by most of the respondents who underline long-term territorial advantages in relation to municipal abilities to develop public infrastructure. Referring to Pakruojis municipal representative: *"Municipality understands, that main task is to work for the people for them not to leave the area. To provide services, to make life more comfortable. And they do their job through the eldership, so we are very connected"* (Public Authority Actor, SM_PDM_RG02).

(3) Potential of small and medium enterprises (hereafter SME's), entrepreneurship and development of tourism resources. All three localities point out the territorial potential that lies in entrepreneurship, small and medium business initiatives and local tourism infrastructure, especially in urban Kaunas city municipality case. In urban Kaunas locality case, an exceptional emphasis is given to *"creation of economically attractive areas"* and *"encouraging entrepreneurship through establishment of technological parks and business incubators"* which acknowledges the importance of economic indicators for territory (*Kaunas city strategic development plan 2019-2021*). Municipal representative emphasizes on the city tourism identity: *"Today we could tell more about the city and its identity and we see how it is becoming a center of attraction for tourists and even professionals of tourism appreciate the things Kaunas can offer"*.(SK_KCM_UG02). Suburban Kaunas district locality territorial planning discourse acknowledges the importance of tourism development. The traces of local entrepreneurship initiatives and small business development could also be recognized in some cases. For example, *Pakruojis Local Action Strategy for 2014-2020* (approved in 2014) document underlines the need for local place-based services development that could reflect the needs of rural communities, for example, crafts or small-scale food industries. The document reflects the need to recognise local identity that is strongly associated with territorial historical heritage. One of the strategic goals is *"development of regional products based on cultural and historical heritage"*.

Referring to community actor from rural Pakruojis: *“There are few of these community entrepreneurship initiatives, maybe now you have to say, Stačiūnai community is the example, which is baking cakes under our Cultural Heritage program. The other rural communities will join the program. Now I think that the community of Pasvitinio will be engaged in the production of traditional cookies”* (Community actor, PK_PDM_RC01).

(4) Collective belonging, local community engagement and territorial identity. The different aspects of collective identity and horizontal local community engagement are considered as one of the most important territorial assets, especially in rural and suburban cases. In general, the community respondents from different localities notice that the main local resources should be based on the intersection and effective communication between local inhabitants needs, effective municipal administration and innovative entrepreneurs. Also, inter-personal networking and shared collective resources between different communities is considered as a basis for collective efficacy. In rural Pakruojis district case, the local community organizations are active enough, participating in different social, cultural and small-scale entrepreneurship activities. However, partly the establishment of local community initiatives were “top-down” initiatives stimulated by the EU Structural Funds. *“Communities are very active. Let's say what is very active, obviously with some European help, not with such violence. They have been established, now moving on, managing some activities, traveling, communicating. Well, I would say it is worse or better, but the movement is very much visible. Communities make their own contests, festivals, gatherings.”* (Business actor, ED_PDM_RB02). Moreover, *Pakruojis Strategic Development Plan for 2014-2020* acknowledges that one of their priorities is to “improve the conditions for local community activities” together with the objectives on “developing the infrastructure for the local communities and NGOs activities” and “support NGOs and your initiatives”. The main potential of local communities is defined as implementation of educational activities or charity programs, eventually, their political or interest’s representation power is very weak. Their most important aspect is collective efforts and inter-personal communication. In suburban Kaunas district case, the diverse rural-urban identity is recognized as essential advantages of local community engagement: *“Other feature is that Kaunas region municipality doesn’t have its integral identity, just a lot of local identities. Also, in Kaunas region municipality you can find very rural areas and inhabitants who lead rural lifestyle, but also there are very urban areas where people live urban-modern life. So, this municipality can be characterized by population diversity. I would say that most of inhabitants are people from the city, so that’s why they do not identify themselves with a region”* (Public Authority Actor, GK_KRS_SBG05). Contrary, the territorial planning documents in urban and suburban localities have very little engagement with community activities. the physical infrastructure dominates in the local territorial discourse rather than social capital mobilization.

(B) Territorial problems and assets shaped by demographic and socio-economic context.

The most important territorial problems in all localities caused by external factors are demographic change, *out- and inner migration, suburbanization*. The suburban locality has one of the highest fertility rates and positive net migration rate among the other municipalities; the respondents highlight that in general the municipality should be considered as an exception.

(1) Demographic change and out-inner migration.

Territorial capital in Kaunas city municipality is shaped by the *demographic decline, out- and inner migration, suburbanization* are important. *Kaunas city strategic development plan 2019-2021* stress the complex issues related to the population decrease: increasing distances between residence areas and job places, higher intensity of transportation, increasing segregation of different age and

social groups on a territorial basis. Territorial actors also raised the demographic problems. In addition to national level demographic problems (ageing, mortality, international migration) there exists the problem of inter-municipality migration: people move to Kaunas district municipality in which the number of inhabitants has been increasing during the last few years. This process is noted as a territorial problem, which impedes the city development (Public Authority Actor, DS_KCM_UG08). It has a negative effect on the budget of the municipality, because based on the national level legislation municipalities are funded according to the inhabitant's place of residence (Public Authority Actor, RS_KCM_UG01). Consequently, Kaunas district municipality attracts more significant financial support and investments.

In addition, the outmigration and suburbanization cause the problem in supply-demand chain of the services and produce the “free-riders” and overlapping services problems. For instance, the settlements of Domeikava, Ringaudai and Garliava officially belong to Kaunas district municipality, but their inhabitants exploit the public service infrastructure (kindergartens, schools, social welfare centers) of Kaunas city municipality. This problem is also considered in the policy documents and local actors' interviews.

Kaunas district municipality experience very comfortable demographic development; this distinguishes the municipality on the national level and is among the main territorial advantages of the area. The suburban locality has one of the highest fertility rates and positive net migration rate. Thus, a large part of the increasing working-age population in the locality comes from the neighbouring municipalities, which have less economic potential and less of the high-income jobs. Kaunas district municipality profits from the professional white-collar classes, which settle down in newly formed suburban areas. The higher-income classes change the socio-economic profile of the locality, particularly stimulating gentrification of the areas close to the metropolitan zone. The geographical proximity to the metropolitan zone is also considered as an advantage concerning to overlapping recreational and cultural lifestyles, local business relations and the dynamic character of the urban zones. Nevertheless, the strategic position of the locality depends on the higher levels of economic competitiveness and the increase of foreign and local investments.

In talking about Pakruojis district municipality, several socio-economic factors were discussed in the policy discourse and echoed in the interviews. The negative factors include 1) emigration, which affects demographic composition the of local population and labor supply and 2) national level policies guiding public and business sector activities. Despite of their professional or social role in the community, the respondents were univocal in recognizing the international and internal migration as one of the main challenges for the territorial capital of the locality. Local working age population dramatically shrinks due to long - term intensive flows of international emigration and moving out of working age population to large industrial cities (Šiauliai, Panevėžys). Referring to local authority representative:” *Everything is shrinking. There are less people, less businesses, less services. A bit more of activity in economy is in summer, then dolomite miner is working, more activities in agriculture. Very hard with the local small businesses, there are supermarkets of big chains; it is very hard for the small enterprises. On the other hand, tourism is expanding, we have manor, and so many people come to visit. Nature is very nice. Population is getting older. Thus, when we will get old, we will live here very peacefully, will walk along the river, on reconstructed sidewalks. But villages are disappearing*” (RM_PDM_RG05)

Demographic issues have an impact on the *economic* potential of the area, and public policy and business actors identified the existing shortage of high and low skilled labor force. There is a demand for public sector employees (teachers, psychologists), but also workers or qualified labor force in the agricultural sector. The demographic problems are also echoed in strategic policy documents. The lack of working age population and skilled workers are well acknowledged as one of the main territorial disadvantages. The *Pakruojis Strategic Development Plan for 2014-2020*

acknowledges that the main territorial problems are demographic decline, limited working age population.

(2) Regional economic production competitiveness. Kaunas district municipality is exposed to several territorial problems and advantages, which affect the territorial capital. On the policy discourse and in the interviews with local actors most territorial problems are viewed as an integral part of direct inter-connectedness within the urban locality¹¹. For example, by emphasizing the problems of economic competitiveness, the respondents point to the need for economic efficiency and higher levels of productivity, which could be achieved only in close collaboration between urban and suburban municipalities (intensively commuting labor force flows). The first example of this collaboration is an intensive and successful development of one of the largest industrial Free Economic Zones of Kaunas region and future development plans for Kaunas international airport (Business Actors VJ_KDM_SBB01 and MG_KDM_SBB03). However, in the policy discourse the inter-relatedness and territorial cohesion is mainly considered in terms of economic competitiveness and economic productivity and the broader understanding of territorial cohesion is almost absent.

Many informants mentioned the nomination of the city as a 2022 cultural capital of Europe as the territorial advantage. According to them, because of its cultural capital status in the future and its strategic position, Kaunas became more attractive to tourists. Therefore, the city has been positively assessed by tourism professionals. *“Today we could tell more about the city and its identity and we see how it is becoming a center of attraction for tourists. Moreover, even professionals of tourism appreciate the things Kaunas can offer. Another thing is the increase of accessibility of the city and often repeated phrases like “attracting investments” and “creation of new jobs. However, if you think more, Kaunas has a biggest potential as an academic city of professionals that appeals to foreign investors (Public Authority Actor, SK_KCM_UG02).”*

(3)Transport infrastructure development. Other problems are related to the development of country-level transportation network and traffic systems. Suburban locality lies in a geographically strategic position of the country on the main crossroads of highway and railway traffic. However, the policy documents and respondents emphasize that the high intensity of national-level traffic causes a lot of problems for inhabitants in terms of daily commuting, exhausting traffic jams and accessibility to public services (Public Authority Actor, EM_KDM_SBG01).

Positive factors are mainly linked to the geographical proximity of the Pakruojis district municipality to the neighbouring Šiauliai and Panevėžys cities and to Latvia. The economic developments in these two cities secure the employment opportunities of the local population. Borderline with Latvia is recognized as an important basis for inter and intra cooperation in terms of cultural tourism and historical heritage in the policy discourse (*Pakruojis Local Action Strategy for 2014-2020*). Thus, some aspects of the geographical position of the municipality are recognized as the territorial advantages in the policy documents and by the local actors.

(4) National regional policy arrangements. Second negative factor, which informants reflected in the interviews, are *national level policy principles*, oriented towards centralization, cost optimization and ignorance of local needs. One public authority actor summarized: *“The problem in Lithuania is too big centralization, which makes our local governance very weak. We have very limited power in controlling finances, decisions and taking responsibilities”* (Public Authority Actor, SG_PDM_RG01). By ignoring the local needs national governing institutions deepen the problems and contribute to the erosion of the existing territorial capital. For example, the underfinancing of the

¹¹ Geographically Kaunas district municipality is a “ring” municipality around metropolitan Kaunas city area.

local road infrastructure by national governing bodies is affected by low population density. However, the deterioration of roads will lead to the migration of population out of the localities in the nearest future. Local public authority actor explained: *“They [national level institutions] do not listen to the argument that if we do not invest [in the roads], people living there will leave the place in a few years and population density will decrease even more”* (Public Authority Actor, EK_PDM_RG09). Cost-optimization policies also guide policy decisions in both public and private sectors and, consequently, diminish the territorial capital. Cost efficiency motivates the closure of private and public sector services such as local bureaus of banks, post offices and other public institutions. It also affects the educational infrastructure including the closure of lower secondary schools and the merging of Žiemelis VET school and local gymnasium. As rural Pakruojis representative explains: *“The problem in Lithuania is too big centralization, which makes our local governance very weak. We have very limited power in controlling finances, decisions and taking responsibilities”* (SG_PDM_RG01).

(C) Territorial problems and assets based on organizational and relational factors

The following will identify the group of territorial problems (based on organizational and relational factors) in all type of localities - urban, suburban and rural important for the respondents such as local authorities, business and local community associations. We also refer to the discourse of local strategic planning documents (for example, long-term municipal strategic planning documents and Integrated Territory development plans):

(1) The diversity of internal spatial and socio-demographic inequalities that effects the arrangements of public services infrastructure. One of the main territorial disadvantages in urban, suburban and rural localities is related to the depopulation and inner-outer migration factors. The internal social-demographic inequalities are also related to the uneven configuration of public infrastructure services in more urban and more rural areas that is acknowledged in the cases of suburban and rural localities. One of the factors that influence the municipal investments to public services infrastructure is a rate of working-age population that is increasing only in suburban Kaunas district municipality case. The income taxes from the registered working-age inhabitants comprise the large share of municipal budget. Suburban Kaunas district municipality attracts more significant financial support and investments because of the growing population size even though the boundaries between urban and suburban municipalities are not always clear-cut. The Kaunas city local authority representative claims that inhabitants move to Kaunas district municipality in which the number of inhabitants has been increasing during the last few years. The suburbanization of the city or people's movement to the city's peripheries is noted and considered as a territorial problem that impedes the city development (Public Authority Actor, DS_KCM_UG08). In rural Pakruojis strategic planning documents locality depopulation and inner spatial inequalities between different remote and urban areas is acknowledged as one of the most important competitive disadvantages. For example, *Strategic Plan of Pakruojis district municipality for 2019-2021* defines the threat to territorial development referring to *“insufficient labor market competitiveness that leads to increasing population migration and skills labor shortage”* and *“increasing need and cost of social and healthcare services as the population ages”*.

Another factor that defines the effects of internal socio-demographic and spatial inequalities to municipal public infrastructure is related to the geographical position of elderships. More rural and more urban types of elderships are typical for rural Pakruojis and Kaunas district municipalities where the remote rural elderships have lower accessibility to different public services, for example, social services, pre-school education, recreational or cultural activities. For example, the suburban Kaunas district locality has a relatively large territory, the elderships distant from the metropolitan area of Kaunas city are characterized by lower income and economic productivity comparing to those elderships that are geographical close to metropolitan zone. In all locality cases, the different groups

of respondents also emphasize the insufficient community and municipal involvement in providing different public services for disadvantaged groups. Referring to local authority respondent in Kaunas district municipality, the main problems appear when the municipality cannot respond to the needs of socially deprived groups in remote areas and guarantee the equal access to public infrastructure: *“When this development stops, the need for infrastructure will not be greatly reduced; the urban sprawl is in large areas, and it needs to be monitored. The budget will stop to grow, because, as I said, it sometimes grows up to ten percent and more per year. Without a budget, the municipality will be able to provide infrastructure only for one specific area. Having in mind the challenge of decreasing development and investments, the municipality needs to look for alternatives”* (Public Authority Actor, GK_KDM_SBG05).

(2) Spatial and economic interconnectedness between neighbouring municipalities. The second aspect of territorial capital disadvantages is explained by the interconnectedness between neighbouring municipalities. The mutual social and economic connectivity is typical for both urban Kaunas city and suburban Kaunas district localities that cause the “free rider” problems in sharing the accessibility to public services infrastructure, especially to pre-schooling, schooling, public transportation and social services. In Lithuanian case Kaunas city municipality is surrounded by another so-called ring municipality of Kaunas district. Most of the urban and suburban respondents from local authorities, communities of business associations refer to territorial problems and disadvantages that concern “free rider” infrastructural arrangement issues and overlapping public services delivery with the neighbouring municipality. Often the public services provision boundaries between two municipalities are not clear, for instance, the settlements of Domeikava, Ringaudai, Akademija, Giraitė, Garliava and Vaišvydava are the jurisdictions of Kaunas district municipality but their inhabitants exploit the urban infrastructure (kindergartens, schools, public transportation etc.) of Kaunas city municipality. The “free-rider” problem in these two urban and suburban municipalities emerged because of intensive labour force flows (especially working-age population) between urban-suburban areas and commuting areas. For example, the suburban governance actors emphasize the importance of sustainable housing planning in suburban territories that cause the disbalance of public infrastructure: *“When this development stops, the need for infrastructure will not be greatly reduced; the urban sprawl takes place in large areas and it needs to be monitored. .. Without a budget, the municipality will be able to provide infrastructure only for one specific area. Having in mind the challenge of decreasing development and investments, the municipality needs to look for other alternatives”*. (Public Authority Actor, GK_KDM_SBG05). Nevertheless, the strategic planning documents in urban and suburban localities do not directly refer to the problem of inter-municipal cooperation that lacks political attention. In rural locality case, the territorial integrity with the neighbouring municipalities are not incorporated. Some traces of an identification with a border region of neighbouring Latvia is recognized important for inter and intra cooperation to develop cultural tourism and historical heritage. For example, *Pakruojis Local Action Strategy for 2014-2020* document illustrates territorial identity-based narrative of the place understanding compared to other official strategic planning documents of Pakruojis district municipality.

(3) Territorial revitalization policy and territorial strategic planning issues. The strategic planning issues and consistency of municipal autonomy level is an important problem in all localities. Suburban local authority expert refers to the low level of municipal financial autonomy that causes the problems of delivery in high quality public services: *“I think municipalities have perverse work principle in Lithuania, which mean that they cannot have earnings. In general, they have dotation or limited quotas from central government. For example, Kaunas region in recent 7 years is very fast growing, and because of this development yearly its municipality collects more taxes, but municipality is not allowed to use this money to create new services or develop old ones”* (Public Authority Actor,

GK_KDM_SBG05). Referring to respondents, the imbalance in delivering public services and dysfunctionality of municipalities also rises because of political negotiations in councils. A local authority from Pakruojis rural locality refers, that: *“Well there are strategic plans, there are visions, the main decisions are made by the council. And in the council, there are already discussions, disputes, what is appropriate, what is not appropriate. With us, the council negotiates between the ruling and opposition parties and the central parties, and these decisions are, of course, debated. Anyway, if someone would be lobbying here, it’s not a case for the municipality.”* (SG_PDM_RG01). In all locality cases the respondents point out the capability of the municipalities to deal with the “top-down” political initiatives for cost optimization and economy of scale in public services. These issues rarely appear in strategic planning documents or integrated territorial plans. The cost optimization in municipal services delivers as the consequence of changing socio-demographic profile (for example, less demand in secondary and pre-school education in remoted rural elderships, high demand of pre-schooling in booming suburban elderships, higher demand for services for elders, etc.). The municipalities cannot respond to social and economic polarisation within their territories suffering from the lack of financial resources, local autonomy level, political discrepancies and sustainable national regional development policy.

Another problem is related the national territorial planning policies, especially for rural regions that are less competitive in the economic market. As an example of the discrepancies in territorial development planning policies is a private housing construction sector in suburban areas regulated by central government. The legislation was implemented that facilitated construction processes in all Lithuanian suburban territories. Because of this national regulation the sporadic neighbourhoods were planned without any public infrastructure nor green zones or other recreational areas in some Lithuanian regions, including Kaunas suburban locality. These localities face huge infrastructural access problems, for example, very complicated availability to schooling and childcare services, lack of recreation zones, lack of public transport, traffic and noise problems (Public Authority Actor, ME_KDM_SBG01).

(4) The lack of more active bottom-up community initiatives, particularly business involvement. The issues of low bottom-up initiatives and community involvement are not considered in territorial strategic planning documents. Contrary, the territorial discourse in all localities refer mostly to the to *“development of public spaces and infrastructure”, “development of engineering infrastructure and effective public utilities system”* and *“development of transportation and road system”* which acknowledges the importance of public infrastructure indicators rather than human resources. Nevertheless, the weak community involvement was repeatedly highlighted by all groups of respondents in all localities. One of the problems is the politicization of NGOs and local communities that often serve party interests. Another issue is the leadership that rely on mutual inter-dependence and trust-based connections. The special focus is given to the low participation of business initiatives in territorial development that were noticed in all locality cases. For example, the entrepreneur of Kaunas district municipality emphasize the low involvement of business interests to local territorial development: *“I would say that business is very distant from social issues, fragmented and very interested just into itself...But community is the main group here and we have to coordinate our actions with their members.”* (business actor, MK_KDM_SBB03). Moreover, the local community resources rely on the demand and supply principles referring to socio-demographic structure of the locality. The community organizations lack more active participation of inhabitants, especially youngsters. In general, community respondents refer mostly to the lack of human resources, financial support and managerial skills significant for territorial initiatives. For example, the urban community activist refers to the quality of local democracy distinguishing the importance of public spaces and local activism: *“Problems are people who, for whatever reason, appear on the*

margins of society, the voice of those people, the voice audibility... The problems are social services and unemployment, poverty and surplus, the lack of public spaces, as I have said, that forces the deficit of democracy about which we are talking in the community, that is, in principle, [these problems include] democracy and civil society, all that is the body of the over-represented society. In general, there is a lack of citizenship, connectedness, and courage” (Community actor, GV_KCM_UC02). In Kaunas city case, the municipality drastically reduced the financing to the NGOs and even cut off the relationships with them (Community Actor, MB_KCM_UC04). The community activist refers to the quality of local democracy distinguishing the importance of public spaces and local activism: *“Problems are people who, for whatever reason, appear on the margins of society, the voice of those people, the voice audibility... The problems are social services and unemployment, poverty and surplus, the lack of public spaces, as I have said, that forces the deficit of democracy about which we are talking in the community, that is, in principle, [these problems include] democracy and civil society, all that is the body of the over-represented society. In general, there is a lack of citizenship, connectedness, and courage* (Community actor, GV_KCM_UC02).

3.2. Mobilisation of territorial capital across cases

The chapter discusses the national particularities of how territorial capital is mobilised based on relevant issues such as (A) intra-regional connections, economic development issues, (B) social polarisation and life chances, demographic change, (C) territorial identity. We search for the similarities and differences in mobilizing territorial capital across the analysed urban, suburban and rural cases.

(A) Territorial connectivity and economic growth.

Mobilization of territorial capital and intra-regional relations. There is no regional territorial system in Lithuania, except the LAU-1 municipal level jurisdictions. Discussing intra-regional relations in mobilizing territorial capital we refer to a conception “region” only in geographical proximity sense. Here we emphasize the options for intermunicipal cooperation on regional scale, especially looking at the interconnectivity of urban and suburban neighbouring localities. Theoretically the extent of inter-municipal cooperation efforts and initiatives depend on different conditions, starting from institutional context and administrative culture and ending with intrinsic and extrinsic drivers such as power relationship, external influence of the third-party interventions, organizational profile, expected outcomes, etc. (Hulst, van Montfort, 2007; Teles, 2016¹²). The capacity of inter-municipal cooperative efforts depends on different variables: features of institutional context, variety of actors and stakeholders and their decision-making power in establishing cooperation, a scale of municipal services and perceived cooperation benefits. The special focus should be given to administrative cooperative culture and social norms which shapes the relations between public and private sector and different government tiers as well (Hulst, van Montfort, 2007; Visser, 2002; Osterrieder et al., 2006; Feiock, 2007¹³). Hereby, the problem of

¹² Hulst R., Van Montfort A. 2007. Inter-municipal cooperation: A widespread phenomenon. In *Inter-Municipal Cooperation in Europe*, eds. R Hulst, A. Van Montfort, 1-27. Netherlands: Springer.

Teles, F. 2016. *Local Governance and Inter-municipal Cooperation*. Palgrave Macmillan.

¹³ Visser, J.A., 2002. Understanding local government cooperation in urban regions: toward a cultural model of interlocal relations. *The American Review of Public Administration*, 32(1), pp.40-65.

Osterrieder Holger. Joining Forces and Resources for Sustainable Development. Cooperation among Municipalities –A Guide for Practitioners. Bratislava: UNDP Bratislava Regional Centre, 2006.

sustaining effective inter-municipal cooperation and overlapping public services are repeatedly highlighted by urban and suburban locality respondents. For example, the problem of child care services accessibility and availability is very important: *“Network of schools is quite broad here in Kaunas region, and situation depends on locality – close to the city we lack places for children at schools or kindergartens, but in remote areas there are places for children, but there are not enough children to fulfil these places. For example, here in this locality this year we have started to feel lack of place, also this is first year when we couldn’t accept all children into kindergarten. It is very difficult situation in those places around Kaunas, where intense development happens, because schools and kindergartens are very overcrowded there.* (UA_KDM_SBG0110). Nevertheless, the territorial planning documents rarely mentions the problem of overlapping public infrastructure between neighbouring municipalities nor exposes the need for more effective inter-municipal cooperation as a strategy for territorial capital mobilization.

Another aspect that uncovers the intra-regional relations is regional development councils mentioned by many of local policy makers and local authorities in all localities. Regional development councils were established to decrease centralization and fragmentation in coordination of public policy implementation and discuss the regional policy issues. However, by now they serve an informal regional connectivity role in sustaining neighbouring connections within regional municipalities. Urban and suburban Kaunas municipalities are a part of Kaunas regional development council, rural Pakruojis municipality is a part of Siauliai region together with the other 6 municipalities. The regional development councils operate as advisory boards for different regional policy issues and consist of neighbouring mayors, representatives of business associations and social stakeholders. Urban and suburban policy makers emphasize the importance of keeping neighbouring contacts with the municipalities in optimizing public services delivery and implementing joint economic development projects. Contrary, the representatives of rural Pakruojis locality rarely acknowledges the importance of intra-regional relations in developing territorial capital.

The role of economic growth and austerity politics. Concerning economic growth policies, the repeating narrative of the importance of foreign or domestic investments, effective labour market and economic competitiveness in the locality could be recognized in all localities. Most of the economic productivity problems are understood in relation to demographic changes and inner-outer migration, especially in rural case. The main territorial strategic planning documents of the analysed municipalities are drawn in line with the national guidelines on economic development in a country (Municipality strategic development plans or Integrated Territorial Development Programs or other related documents).

Considering economic growth narrative, emphasis is given to the key words such as *“development of public spaces and infrastructure”, “development of engineering infrastructure and effective public utilities system”* and *“development of transportation and road system”, “creation of economically attractive areas”* and *“encouraging entrepreneurship through establishment of technological parks and business incubators”* which acknowledges the importance of economic indicators for territory. For example, *Kaunas city strategic development plan 2019-2021* acknowledges the need for establishing effective business infrastructure (office buildings and business parks) and fostering local entrepreneurship. In other words, the dominated territorial approach focuses on economic productivity and improvement of economic position of the municipality by recognising the special urban areas for the investors. The local policy discourse underlines the priority to create the specific opportunities for the large business entities. Nevertheless, the small and medium business initiatives are less significant. Kaunas city municipal representative

emphasizes the importance of growing economic productivity in the city: *“What do we see? We see the increase of offices, we see the increase of investment... Investors come to Kaunas city because it is visible, it has a good infrastructure and there are many office buildings built here. Thus, we see a positive shift in attracting investments to Kaunas city”* (RS_KCM_UG01). The suburban case of Kaunas district acknowledges that the main territorial economic advantages are *“favorable geographical position and developed public infrastructure that creates the favorable conditions for economic development”* and *“good transportation connections for all types of transport make it a good place for business development and especially promote the development of new business areas - tourism and logistics”* (Kaunas District Municipality Strategic Development Plan for 2013-2020). Moreover, the disadvantages related to the SME development, shortage of entrepreneurship initiatives and the lack of innovative technologies are also recognized. Rural Pakruojis municipality emphasizes the importance of mobilizing local entrepreneurial initiatives: *“We want to have our local business, because if we centralize everything (transport, communal services would be provided by big companies from big cities) then the small-scale local enterprise will lose, they are less competitive compared to the large companies from big cities. Differently, from other municipalities we protect our local small companies”* (SG_PDM_RG01).

We could find some traces of territorial economic advantages mobilization in implementing different private-public initiatives mentioned by few suburban locality respondents. For example, suburban Kaunas district municipality and rural Pakruojis municipality are trying to implement tourism development programs. Though, Kaunas district municipality has very few attractive tourist spots and recreational zones, the consolidation of tourism resources is seen as important area regeneration approach. The municipality draws the strategic guidelines to combine natural assets (river tourism) and favorable logistical situation on the locality. Talking about public-private models Kaunas district municipality is trying to implement a project using private investments. Municipality implements this model to solve financial and infrastructure development problems. The representative from the suburban area explains the approach in detail: *“This is first time when we have such model in Kaunas district. It means that private investor comes here, he funds some projects and manages this infrastructure for 15 years. Municipality pays some fees to this investor during this period. After 15 years all this project goes to municipalities’ ownership. If for example investor constructs school, so he manages all the buildings of this school for 15 years period and gets some yearly contributions from municipality, but municipality manages all human resources in such school...”* (Local Authority actor, UA_KDM_SBG0110).

In general, the discourse on deregulation, business infrastructure, especially for large economic players and economic interventions are common for the analysed localities, with few exceptions in rural Pakruojis municipality that also underline the importance of SME development and local entrepreneurship. However, the idea of connecting territorial resources with local knowledge and skills are not recognized as an important mobilization strategy.

(B) Population, welfare, policies.

Population growth – how the territorial capital is mobilised?

As it was analysed in previous project deliverables, demographic composition and demographic processes are recognized as the fundamental issues affecting the state and development of the territorial capital in all cases under the analysis. However, municipalities present two different tracks of demographic development and this mainly conditions the way demographic issues are reflected in the policy discourse and by local actors. Kaunas district municipality profits from the population increase due to the migration from the neighbouring areas, while two other – Kaunas city and Pakruojis district municipalities – experience population decline for almost three decades. Consequently, the issues related to population decline are much stronger reflected in the case of these

two municipalities. Summarizing the analysis presented in D4.4 and D4.5 one could note several particularities of mobilization of territorial capital related to the population growth.

First, population issues are framed as the key factor for successful social and economic development of the locality. Local actors and policy discourse fully recognize the negative short and long-term consequences of population decline for the service infrastructure, economic competitiveness, investment, social divisions and decrease in social cohesion. *“Problems are similar in every eldership – emigration, a large number of people living on social benefits” as one informant explained (Public Authority Actor, SG_PDM_RG01).* In addition, in each case the local policy documents (i.e. *Development Strategies*) consider the population issues as the fundamental precondition of socio-economic development. For example, the *Pakruojis Strategic Development Plan for 2014-2020* acknowledges that among others the main territorial problems are demographic decline and limited working age population.

Second, there is no direct mobilization of territorial capital in relation to population growth in the policy discourse or in the discourse of local actors. Demographic issues appear in the discourse in relation to the social service or childcare sector, road infrastructure or commercial services etc. Basically, it is recognized that economic growth, provision of services, accessible infrastructure, green spaces and access to housing are key factors securing the population growth.

Third, in all municipalities the need to secure the childcare provision services is framed in relation to the population growth. As one public authority actor expressed, “if we secure the access to the childcare in the locality and high-quality primary and secondary education, family will not leave for bigger town, we might expect not to lose our population” (*Public Authority Actor, RS_PDM_RG06*) However, there is local particularities in provision of child-care services. For example, in Pakruojis district municipality the access to childcare services is secured, however, the quality of the services is set as the strategic priority of the locality. In addition, due to the shrinking of the population and decrease in the school age population the municipality has to restructure the network of educational institutions. In contrast, Kaunas district municipality has the problem of the shortage of the ECEC services, particularly in eldership close to Kaunas city, due to the uneven development of different elderships. The mobilization of private enterprise to enter the ECEC service market resulted in increase in accessibility of the childcare services.

Fourth, mobilization of the territorial capital in relation to the population growth is mostly oriented towards the various regeneration policies. The main idea is that for example migration out of the locality could be prevented by creating various services and infrastructures improving the life quality. On the level of policy discourse, it has been recognized the crucial role of the leisure (sport) infrastructures, of the access to social services (to reduce social exclusion and to strengthen social integration by developing the network of social services) and a clean and safe environment (to secure the environment quality and the renovation of communal property such as parks, recycling, communal services, the production of renewable energy, etc.). This policy direction catalyzes many activities funded by municipalities on the competitive grounds and implemented by the local actors (NGO's, community centers). Referring to Kaunas city representative the main strategic goal of the municipality is sustain the population number: *“We have prepared a strategy “Kaunas is growing”; it is our goal to increase a number of Kaunas inhabitants that has been decreasing constantly... When we analyzed the situation, we understood that it was difficult to motivate a Vilnius inhabitant to move to Kaunas. There are some exceptions, but they are merely single cases that add up to the number of Kaunas inhabitants. Our biggest challenge is to provide a highest quality education in Lithuania, i. e. when young individuals look for a place to study and evaluate their options not only in Lithuania but also in neighboring countries, they would choose Kaunas. Moreover, we want them to stay in Kaunas after their study. It is one of the main strategic objectives of our municipality” (PM_KCM_UG03).*

Life chances, access to welfare services, social segregation. Here we analyse life chances, access to welfare services and social segregation in three distinct localities of Kaunas city, Kaunas district and Pakruojis district municipalities. Urban Kaunas city municipality is characterized by high population density, economic growth accumulation, private and public investments, social exclusion problems and intensive labour market dynamics. However, the interviews with different stakeholders demonstrate that most informants think of local life chances positively. Kaunas has significant potential, and the city improved during the last five years not only because of the municipal efforts but also because of favourable circumstances and citizens' efforts. Life chances linked with active labour market policies and VET programs in Kaunas city are assessed as relatively good. Although municipality puts a lot of effort in solving the problems of public infrastructure, renovation of schools and other educational institutions, there still exists a lack of kindergartens, preschool institutions and primary schools in some elderships that limit life chances of Kaunas inhabitants. Most respondents agree that urban life chances to a large degree depend on local governance and its ability to solve infrastructural, road, transportation, recreational zone issues. On the other hand, business actors consider the joint efforts, engagement and initiatives by local business as a significant stimulus to mobilizing economic productivity, economic and labour force capital in the urban area and improving inhabitants' life chances. Although the needs of seniors and other social groups are considered, there is still a lack of welfare services for disabled persons and children with special needs.

One of the essential territorial challenges mentioned by the government and business actors is insufficient communal involvement in providing different public services for disadvantaged groups. As the interviews with both governance actors and community activists demonstrate, the private sector should be more socially orientated and more involved in ensuring a supply of high-quality services (and welfare services, among them) for residents including socially marginal groups (for instance, elders and the disabled). Policy documents such as *Integrated Territorial Development Program of Kaunas City* also put an emphasis on the integration of socially deprived groups by providing them effective social and health services infrastructure (elders, disabled persons).

The biggest problem related to life chances is related to social housing that is in a critical state. To alleviate this situation, a big project of renovation of social housing is also currently underway on Lampėdžiai street in Kaunas. The renovated building consisting of one- and two-room apartments will be distributed among disabled people, elderly, and individuals from orphanages.

Social segregation in different urban territories presents another significant challenge for Kaunas city municipality. The biggest concentration of elders is characteristic of Soviet-era housing districts that experience the risk of household aging and depopulation. It is not due not to the physical location of these districts but to the devaluation of housing and the depreciation of infrastructure in these areas. As the current research demonstrates, these districts populated mostly by less educated inhabitants that ascribe themselves to lower classes indicate the strengthening process of socio-spatial polarization in the city (Žilys 2015). One of the policy documents, the Operational Programme for EU Structural Funds Investments for 2014-2020, aims to facilitate the transition from institutional to community-based care and to improve access to social housing and quality of health care services for people at risk of poverty or social exclusion.

In suburban Kaunas district municipality, the local life chances, quality of life factors and public services delivery respond to the needs of the increasing population of young families with kids are of utmost importance. One of the important aspects related to local life chances emphasized in the interviews with different stakeholders is public services provision regarding services quality, availability, and accessibility. The governance actors state that the most active group which take into the consideration quality and availability of public services, especially, public transport, roads maintenance, pre-school and secondary schools is working-age families with kids. These are professionals who are settling down in newly formed suburban areas and require higher standards of local public services (Public Authority Actor, RV_KDM_SBG07).

Sustainable and competitive economic development, quality of life and social welfare services and safe environment define the understanding of territorial capital in suburban Kaunas district municipality. Referring to the strategic planning documents of suburban locality the driving force of the territorial growth is the optimization of the public infrastructure and effective municipal services as well as economic productivity. For instance, *Kaunas District Municipality Strategic Development Plan for 2013-2020* recognizes the municipal need to provide infrastructural support for the economically productive territories rather than remote elderships. In this sense the remote rural elderships of Kaunas district municipality are recognized as territories that need better social welfare and educational services rather than enhancing economic productiveness.

Different stakeholders also mention the issue of accessibility and availability of public services to local inhabitants, especially considering the differences in their socio-economic status and geographical proximity. All groups of respondents point out the managerial skills of the municipality to deal with the cost optimization and supply-demand balance in public services as a reaction to changing socio-demographic profile (for example, less demand in secondary and pre-school education in remotest elderships, high demand in booming elderships next to metropolitan zone). The imbalance in supply-demand of public services appears because of territorial planning policies which lack strategic planning and long-term vision of urbanized zones.

Territorial planning policy documents aimed at Kaunas district municipality pay sufficient attention to the a physically active community (sports schools, sports infrastructure, sporting events, etc.), an access to social services (to reduce social exclusion and to strengthen social integration by developing the network of social services) and a clean and safe environment (to secure the environment quality and the renovation of communal property such as parks, recycling, communal services, the production of renewable energy, etc.). This policy discourse related to social inclusion and participatory democracy aims to improve the accessibility of public health services and their quality, to secure safe living environment (crime prevention and the reduction of alcohol consumption) as well as to encourage social activism of local communities.

Despite the fact that the number of people at risk of social exclusion has been decreasing in Kaunas district, it is still characterized by the territorial differences of social and economic development particularly related to “problematic” territories of Vilkija, Čekiškė, Pagybė, Babtai and Vandžiogala elderships with the highest number of people at risk of social exclusion. The main disadvantages reflected in both the stakeholders’ interviews and policy documents include a relatively high number of people at risk of social exclusion and asocial families and children living in these families.

Rural Pakruojis district municipality is distinguished by low population density, tendency for out-migration and the significant role of agricultural activities. Taking into consideration the interviews, the assessment of the overall life chances in the locality ranges from positive to moderate. Childcare services are perceived as high quality and accessible. There is no shortage of the places in the kindergartens; access to kindergartens for children living in remote areas is secured by the transportation services provided by the municipality. In Pakruojis, the kindergartens are renovated, child upbringing and education are implemented by applying various innovative methodologies. Pre-school education (obligatory, one year before the school) is provided for families. Kindergartens participate in international projects, implements very innovative projects aimed at the emotional development of the child. However, according to the different stakeholders, the educational chances as limited in Pakruojis district municipality. There is only one VET institution, but no colleges. The working age population has also relatively limited life chances of employment due to the centralization and optimization of the public sector (Labor Exchange Office, National Forestry Agency). The programs implemented by the regional office of National Labor Exchange differs from the local needs and cannot respond to the socio-demographic changes (Public Authority Actor, SL_PDM_RG08). The informants mentioned that access to everyday services (transport, banks) was

getting limited. Also, in some remote elderships of the municipality, the access to cultural services (libraries) decreases because of the closure. On the other hand, the development of transportation services enables residents to reach medical facilities, educational institutions (Public Authority Actors, SS_PDM_RG07; RS_PDM_RG06). Furthermore, shrinking of the population increases the costs of the public services; it also negatively affects local life chances and life quality in the municipality. However, as it was noted in the interviews, communities and networks of citizens are active in the improvement of life chances in some places of Pakruojis district municipality.

The policy documents related to Pakruojis district municipality also deal with similar issues. *2014-2020 Strategic Development Plan of Pakruojis District* prioritizes, among other objectives, the development of active and cohesive society: (a) formation of a socially safe and healthy society (effective provision of social services, promotion of social inclusion and quality services, better health of population achieved by an effective work of healthcare institutions); b) the improvement of community environment (the infrastructure favourable to the community and NGOs and support of youth and other NGO initiatives; c) the increase of public safety (education and informing of the community and the provision of public order and safety).

Pakruojis district municipality has experienced a decline in the number of families at social risk and the number of children living in such families, but this decline is caused by a general population decline, aging population and successfully implemented network of social services. Therefore, one of the most important goals of *Pakruojis Strategic Action Plan 2019-2021* is the strengthening of social inclusion, improvement of life quality and securing of equal opportunities to all. It is proposed to achieve by an creating active and cohesive society and by implementing a program for socially safe and healthy community. As specific measures to achieve these goals, life quality, the reduction of social exclusion, an effective provision of social services to the district inhabitants and promotion social integration of the disabled are mentioned in the document.

The data from the three distinct localities demonstrate that local governance actor (municipality and especially, elderships) maintain the role of mediator between different stakeholders and their needs in improving accessibility and availability to public services and the improvement of life changes. In all cases, the crucial control function performed by central authorities is pervasive regarding legislation, procedures, financial control, public procurement rules and investment to large-scale projects. The centrally imposed tendencies of cost optimization and cost efficiency highlight the prioritization of sectoral policy approach to tackle the problems with childcare services, social welfare services, public transportation, waste disposal, and recreational zones.

To summarize the issues of life chances, access to welfare services, segregation and social exclusion, it could be concluded that the small-scale interventions contribute to local welfare and better access to public services but cannot produce institutionalized and integrated local growth models. The governance actors focus on the ongoing tensions between the variety of interests of different stakeholders, including those of local companies. Nevertheless, the problems of the lack of the common understanding of public interests, ineffective negotiations and lack of business leadership create detached interaction clusters within different visions of territorial capital in all three localities.

The urban and suburban cases demonstrate a model of mutual interconnectedness between the territories with an example of successful leadership and integrated local production systems (for example, the development of cooperation in public services delivery in transportation or education). Both localities are functionally interconnected and use the advantages of labour and population flows between urban and suburban areas. The rural case indicates the capacity to combine the elements of the supply of public services, collective mobilization of local communities, geographical proximity, territorial identity, and scarce economic resources. Despite the unfavourable demographic and economic situation, the rural Pakruojis locality rely on mobilizing social capital and community identity.

(C) Territory and identity.

The mobilization of territorial capital and territorial identity and history of place. In analysing territorial capital, we must pay attention not only to natural and cultural resources, general urban or rural structures and public goods but also to local competitiveness residing in creativity structures, local trust, a sense of belonging, local identity and relationality. It means that identity and history of a place or certain territory significantly contributes to territorial capital.

Of all three cases, the case of urban Kaunas city has the most pronounced local identity and history. Both policy documents and different stakeholders emphasize a unique cultural identity of Kaunas city that encourages the involvement of local communities in the process of governance and cultural and social events. As one of the interviewed informants stated, *Kaunas city has always been a unique locality and a cultural centre not necessarily affected by the change of governments* (Public Authority Actor, DS_KCM_UG08). Another example: *“Kaunas is very different from two other big cities. People still have the memory of what was done in the interwar period. They wanted to establish state, with all government institutions, banks and so on, thus, in order to do this people need to find the common grounds, to agree.”* (ES_KCM_UG06).

Kaunas is an academic city and the institutions of higher education positively affect its potential. It is also a city of young professionals attractive both to investors and young families. The Kaunas population has very high educational capital; the labour force is highly qualified because of numerous higher education institutions based in the city. Kaunas is also capable of attracting young specialists valued for their language skills, professionalism, and loyalty. The nomination of the city as a 2022 cultural capital of Europe encompasses a strategic goal of maintaining the principle of an inclusive culture. Because of its cultural capital status in the future and its strategic position, Kaunas became more attractive to tourists. The geographical location is very beneficial to the city that is centrally positioned in the country that makes it well-connected nationally and internationally. Therefore, the city has been positively assessed by tourism professionals: *“Today we could tell more about the city and its identity and we see how it is becoming a centre of attraction for tourists. Moreover, even professionals of tourism appreciate the things Kaunas can offer. Another thing is the increase of accessibility of the city and often repeated phrases like “attracting investments” and “creation of new jobs.” However, if you think more, Kaunas has the biggest potential as an academic city of professionals that appeals to foreign investors”* (Public Authority Actor, SK_KCM_UG02).

Furthermore, Kaunas residents are often described as both patriotic and oriented towards civic activity. The communities of Šančiai and Žaliakalnis are singled out as active players in promoting cultural events and festivals in the city and contributing to the unique identity of Kaunas city. The specific locality of Šančiai is particularly active because of its long history and notable famous residents who contribute to its current activities. The communities and elderships of Kaunas such as Aleksotas and Šančiai and both youths and senior citizen organization participate in organizing local celebrations and city holidays. It should also be added that the slogan “From temporary to contemporary” has been used by Kaunas municipality to create a contemporary identity of the city that would encompass both historical heritage and contemporary urban challenges. This complex identity is a basis for collective mobilization and commitments that include the renovation of public spaces, parking lots and office buildings.

The analysis of both policy documents and different stakeholders demonstrate that the local identity of Pakruojis district municipality is less pronounced than that of Kaunas city. However, *Pakruojis Local Action Strategy for 2014-2020* (approved in 2014) reflects the need to recognize local identity that is strongly associated with territorial historical heritage. One of the strategic goals is *“development of regional products based on cultural and historical heritage”*. The provisions in the document underline that the development of regional products (for example, crafts or small-scale food industries) and the implementation of special marketing programs enhance a better use of the local cultural and historical heritage. The combination of historical heritage and entrepreneurship

initiatives could become an alternative for territorial economic growth policy. That also ensures new added value for local production and services. This, in turn, would encourage the interest of local inhabitants and community organizations to participate in new activities. The same policy document acknowledges that by being a border region of neighbouring Latvia Pakruojis is an important basis for inter and intra cooperation in terms of cultural tourism and historical heritage. The document illustrates slightly distinct narrative of the place understanding compared to official strategic planning documents of Pakruojis district municipality with a special focus on the territorial identity.

However, informants of Pakruojis district municipality did not articulate sufficiently the issue of local identity or its specificity; generally, it was difficult for them to name a specific identity, which spurs local attachment and engagement of local communities. Some informants named natural resources (dolomite miner) as pre-defining the life in the locality, others mentioned the Pakruojis manor widely known in the country and serve as the landmark identifier of the area to the outsiders. Others believed that craft beer brewing tradition, which had deep historical roots in the area, was a relevant part of the local identity. The second local specificity of Pakruojis municipality is the tourism industry and leisure infrastructure. Pakruojis mansion, a huge touristic complex, was reconstructed by the municipality using the EU funds. Currently it is operated by a private enterprise on the concession agreement. The mansion not only generates tourist flows but also produces the small-scale tourist enterprises in the territory. Besides, the old wooden synagogue was reconstructed; it is adapted to the community needs (cultural events, movies and a small museum). There are also green spaces, bicycle roads, and children playgrounds in Pakruojis town.

The local identity and history of suburban Kaunas district municipality remains the most diffused and the least defined compared to the urban and rural cases. Although some informants mentioned that territorial identity played a crucial role in collective efficacy, they focused largely on the ways that the newcomers of the municipality adapted to local lifestyle. According to the informants, the basis for collective mobilization and commitments was territorially formed interpersonal relations and neighbourhoods. For instance, community actors emphasized that their attachment to their localities was a very important basis for joint activities, including festivities, sports, recreational programs or negotiations on different public services' needs. The policy documents fail to make any references to the specific identity and history of Kaunas district municipality.

To conclude, of all three cases, Kaunas city municipality has the biggest advantages related to territorial identity and history. The regional uniqueness of Kaunas city is supplied by its geographical location, history, and cultural resources. The territorial capital of Kaunas consists of its favourable geographic location, a developing infrastructure increasingly improved by new financial investments, universities, and colleges located in the city, a qualified labour force, and Kaunas's nomination as a 2022 cultural capital of Lithuania. The rural case of Pakruojis district municipality is characterized largely by place-branding initiatives in tourism development (referring to local breweries, small crafts in villages and historical manor complex). Kaunas district municipality has the most diffused identity with almost no historical uniqueness mentioned in the interviews or policy documents. Only annual cultural festivities or celebrations in the elderships are considered as a way of both preserving the territorial identity of Kaunas district municipality and mobilizing local inhabitants.

3.3. Conclusion

The analysis reveal that the three distinct localities have different access to internal and external socio-demographic, geographic or economic capital. For example, the rural locality must respond to an immense demographic decline and depend on productivity of agricultural business. Internal spatial inequalities in the geographical access to municipal services also characterizes the territorial capital dimensions in rural area within the differences between rural and more urban elderships. Both urban

and suburban localities benefit from increasing foreign and domestic investments in industries, entrepreneurship, polycentric urban districts and functional transportation system, the extensive development of new residential districts and an increasing number of working-age families (in suburban case). Despite the internal spatial inequalities between different elderships, suburban locality exploits the advantages from the interconnectedness with the metropolitan zone. The inter-relations help to minimize the negative consequences of scale economies in municipal services in low income elderships. The urban locality also benefits from an increasing economic competitiveness and growing economic productivity of Kaunas region (e.g. an increase of direct foreign investments in Kaunas Free Economic Zone) and the strategic geographical position of the locality that causes the higher socio-economic indicators (higher income of households, low unemployment rate).

The chapter also discusses the national particularities of how territorial capital is mobilised based on relevant issues such as intra-regional connections, economic development issues, social polarisation and life chances, demographic change, territorial identity. What are the main territorial strategies to mobilize territorial advantages?

- (1) Demographic change is acknowledged as crucial territorial problem in territorial planning discourse, nevertheless, only fragmented initiatives are used to minimize the impact of shrinking population. For example, the development of childcare services in rural Pakruojis locality or early childcare institutional network equalization policy in suburban Kaunas district municipality. The urban and suburban localities are mutually interconnected to share labour, economic or investment capital flows. The dependency of shared material and non-material resources helps to overcome the consequences of population shrinkage.
- (2) In analysed territorial strategic planning documents, the intra-regional institutional connections and inter-municipal cooperation is not acknowledged as an effective strategy to mobilize territorial advantages and solve territorial problems, such as inner-outer migration, especially labour migration and demographic change. The exceptions are only in the need to dissolve the overlapping services infrastructure problems for better inhabitants' access to public transportation, schooling, recreational zones or social services.
- (3) In all localities the small-scale interventions are implemented to increase local welfare, decrease social segregation and better access to public services. Nevertheless, the small-scale local policy interventions cannot produce institutionalized and integrated local growth models. The governance actors focus on the ongoing tensions between the variety of interests of different stakeholders, including those of local business. That symbolizes the differences in perceiving territorial capital in all three localities. The urban and suburban cases demonstrate a model of mutual interconnectedness between the territories with an examples of integrated local production systems (for example, the use of touristic resources). The rural locality indicates the capacity to combine the elements of the supply of public services, collective mobilization of local communities, geographical proximity, territorial identity, and scarce economic resources.
- (4) Looking from territorial identity perspective, urban locality has the biggest advantages related to territorial identity and history supplied by its geographical location, history, and tourism resources (for example, Kaunas's nomination as a 2022 cultural capital of Lithuania). The rural case is characterized largely by place-branding initiatives in tourism development (referring to local breweries, small crafts in villages and historical manor complex). Kaunas district municipality has the most diffused identity with almost no historical uniqueness mentioned in the interviews or policy documents (few exceptions on cultural activities and activities by local territorial communities). Thereby the role of local territorial communities is important as a mobilizing factor for small-scale interventions.

3 Collective efficacy

The focus of this chapter is the discussion on the collective efficacy level in selected urban, suburban and rural localities. We analyze the interrelatedness between territorial capital capacities and social interactions on local level that enable the use of territorial assets for place-based policies. The concept of collective efficacy refers to the role of community social networks for mobilizing territorial assets. We analyze different place-based policies (ECEC, active labor market, economic growth, urban regeneration and VET) across the cases asking how collective efficacy is related to local life chances, does it serve as a supportive factor against territorial challenges and disadvantages, what factors enable the interconnectedness between local authorities, business and local community organizations.

More specifically, we rely on the collective efficacy concept developed by Robert Sampson and defined as the “... *link between mutual trust, shared expectations among residents and willingness to intervene and interact and dependent on patterns of social interaction, social organization and social control.*” (Sampson et al. 1997). In general, the conception of collective efficacy refers to the studies in social control, community development and criminology underlying the capacities of local communities to organize collective action and implement common goals. Sampson and Raudenbush (1999) theorized the importance of collective efficacy for neighborhoods and communities as “*the capacity for achieving an intended effect*” (Sampson, Raudenbush, 1999). The main idea is that communities that have recognized their organizational territorial capital have a greater capacity for collective initiatives compared to disorganized communities. The community’s ability to sustain social control, mutual trust, dense social networks and cohesion can serve as a basis for institutional changes (Sampson et al. 1997). Networks have to be activated in order to be meaningful” (Sampson et al. 1997).

The intersection of neighborhood practices, social meanings and their spatial context defines the conception of collective efficacy (Sampson, 2011) that is useful in our analysis. First, the concept allows to emphasize the organizational interactions and activity patterns that changes the processes in the selected localities. Second, the assessment of territorial capacities by local authorities, representatives, community of business actors is an important dimension of defining the conception of territorial public good and local life-chances. Thirdly, we refer to the effects of neighborhood on social cohesion and trust. According to Sampson, Raudenbush and Earls (1997) the neighborhoods with high levels of collective efficacy within a context of higher cohesion will be most effective in addressing territorial social problems: “*In sum, it is the linkage of mutual trust and the willingness to intervene for the common good that defines the neighborhood context of collective efficacy*” (Sampson, Raudenbush and Earls, 1997: 919).

3.1 Level of collective efficacy in each case

As it was discussed before, collective efficacy as an analytical concept could be broken down into several empirical dimensions: *social networks-density and organizational density, attachment to place and identity, civic participation and capacity for collective actions, activity patterns*. Based on this in the following we will examine each of the dimensions of the collective efficacy in all three cases based on the empirical research conducted and presented in in D4.4 and D4.5.

Kaunas city municipality

1. *Social networks and organizational density.* There are around 500 NGOs and communities in Kaunas city. The networks are formalized to a very different degree. For example, the network “United Kaunas” has won the municipal elections. It was able to raise awareness and interest of the citizens in taking care of their city either via different NGO projects or via joining local governance. The other example is the program “Initiatives for Kaunas” prepared by the municipality that enables NGOs and communities to participate in providing services to citizens. However, the program was only partially successful because of the limited engagement of communities in providing services for seniors or children (childcare services). Smaller scale NGOs or communities are based on place of residence and have closer attachment to the particular locality. The communities of Šančiai and Žaliakalnis are singled out as active players in promoting cultural events and festivals in the city. A very distinct example is the locality of Šančiai, which is particularly active in mobilizing territorial capital, defending interests of the locality residents against the unsustainable business initiatives. The communities and elderships of Kaunas such as Aleksotas and Šančiai and both youths and senior citizen organization participate in organizing local celebrations and city holidays. Another success story concerns Aleksotas community members who successfully finished courses to become assistants of social workers and became involved in providing services to community members. The need for social services particularly for elderly people has been increasing, and Aleksotas community contributed to solving this issue.
2. *Attachment to place and identity.* Overall, the citizens of Kaunas city are perceived as both patriotic and oriented towards civic activity. Very special identity is often assigned to the Kaunas inhabitants on the national regional identities discourse and this identity is mostly internalized by locals and presented as a part of the collective identity. Mostly this discourse is attached to the history of the city: its special role in the interwar period (capital city), some continuity of middle-class cultural habits during the Soviet, degree of individual autonomy and initiative, which to some degree was sustained in the political and economic domain even during the Soviet occupation.
3. *Civic participation and capacity for collective actions.* Even if there are examples of the efficient and sustainable collective initiatives, the capacity of collective actions is assessed as moderate. This is acknowledged by some activists, but mainly by the governance actors. According to them, communities are in the initial stages of their development, and this brings such problems as the lack of personal responsibility and more active involvement in the community activities. Although there is a general recognition of the advantages of mobilization, of collective representation and actions, there is a lack of personal initiative; people “are looking for someone else to do the job”. Besides, communities lack a more comprehensive and systematic view of the problems. Their capacities to articulate communities' needs systematically and to communicate policy suggestions are also limited. There is also a leadership problem in the communities.
4. *Activity patterns.* The activity patterns are substantially determined by the interrelationships of local communities, NGOs and the governmental actors. It is important to note, *distrust* in between governance actors and community activists is high and this consequently frames the collective efficacy. According to community activists, general distrust in the public authorities and politicians constrain their activities and the collective efficacy in general. Insufficient level of collective efficacy is realized as an outcome of the historical developments of Lithuanian society, i.e. Lithuania’s Soviet heritage and public apathy of the society. The

governance actors also point to the confrontation of the municipality with some community groups, for instance, the disabled community over the issues of public access and street reconstruction (Public Authority Actor, RS_KCM_UG0110; Community actor, RN_KCM_UC04). The other pattern, which shapes the collective efficacy, is *the shortage of public or private spending* on communities or NGOs. The community activists argue that even though the municipality wants to shift more responsibility to the NGO sector that would help the city government to solve social issues and to provide the inhabitants with social services, the funding of communal activities is insufficient. Besides, an additional pattern to be distinguished is the *imitational character of the inclusion* of the communities and NGOs in the governance. Policy discourse analysis proved that national provisions on Municipal Strategic Planning foresee the public deliberations and consultations. However, the participation of social stakeholders can be traced in the primary phases of the strategic planning process (working groups and consultations with local civic and business leaders). The social stakeholders' participation in the monitoring and evaluation of territorial planning process is almost absent. This results in the *very fragmented cooperation and collaboration* between local stakeholders and municipality. The urban case demonstrates that the involvement of local civic actors is rather a legal obligation defined in strategic planning guidelines by central authorities than bottom-up efforts. In contrast to the local communities and NGOs the special focus is provided to business investors that are recognized as important territorial growth actors.

Summing up, the level of collective efficacy could be evaluated as moderate in Kaunas city municipality. Social and organization network is dense, and the locality is distinct through a very rich and specific narrative of collective identity. However, the collective efficacy is limited by the availability of resources, organizational competences and lack of leadership, capacities to mobilize residents. Activity patterns are shaped by the mutual distrusts between communities and governance actors, formal character of inclusion of communities into the governance, shortage of public or private spending on the third sector. Despite this, all three groups of stakeholders recognize the significant role of communities and NGOs in making Kaunas more attractive and liveable place.

Kaunas district municipality

1. *Social networks-density and organizational density.* Two types of community engagement forms in the locality could be distinguished: the sporadic collective engagements and institutionalized organizations with the membership, bureaucracies, activities agenda, formal leadership and clearly defined organizational structure. The first type of sporadic community commitments is mostly focusing on the environmental and infrastructural problems, for example, protesting the expansion of the industrial company in the eldership or protest the development plans of expanding highway near Neveronys eldership. The second group of community organizations develops long-term activities mostly in the social welfare field and cultural, sports activities (for example, local community centres in Ringaudai, Noreikiškės, Ramučiai). These organizations have traditional communities' status, which means that their activity is limited to implementation of small-scale sociocultural activities in geographically defined territories. Thus, the voluntary organizations are mainly local and do not have any links to national activists' groups mostly because of differences in the scope of activities, agenda, and impact.
2. *Attachment to place and identity.* The communities and organizations have strong local attachment and place marker. They are constructed spatially and mostly concentrates in

settlements or villages. The territorial identity is considered one of the most important connective ties between local inhabitants. Social divisions do not play a significant role in the building and up keeping of the collective identity of the communities and organizations. In contrast, majority of the initiatives evolves around the issues of social inequalities, social exclusion. Most active local communities are working in lower-income more rural-character elderships. Community actors emphasize that their attachment to their localities is a very important basis for joint activities, including festivities, sports, recreational programs or negotiations on different public services' needs. The aspect of local leadership also plays a significant role in perceiving the conception of territorial assets. One of the examples is "Safe neighbourhood groups" which work without any legal regulations but are extremely effective in minimizing crimes, reducing alienation and increasing communication and improving the psychological climate in localities.

3. *Civic participation and capacity for collective actions.* Referring to collective engagement in Kaunas district municipality the local community organizations are very active in fostering the small-scale projects on environmental issues or public services provision (kinder playgrounds, recreation zones, street maintenance works, etc.). Local actors are able to increase the quality of life by small-scale projects, donations, and initiatives, but cannot mobilize as a political force within higher impact on strategic planning. The geographical proximity of Kaunas district municipality determines that in some areas of the locality majority of the residents are young professional families, commuting to Kaunas city for work. Their capacities to mobilize, higher human resources result in more active civil participation, higher capacity for collective actions at least in relation to availability of public services (public transport, roads, pre-school and secondary schools).
4. *Activity patterns.* Several aspects linked to the activity patterns of local communities and organization could be distinguished. First, *lack of resources and continuity of funding*, which also affects opportunities for mobilization for collective action, success of the implementation of the initiatives. The main sources of financing are project-based programs from the municipality or national funding. The interruptions in financial flows, high level of bureaucracy and changing requirements for projects affect the turnover of the community members. Due to this, some activists are not capable of staying in community organization for a long time. In addition, the main activities concentrate on the projects with low social and economic impact, because of *low human resources*, organizational, managerial *skills* or *specific* expertise. Referring to community actors, another critical problem is lack of community competences to implement large-scale investment-based projects and low level of inter-institutional trust within municipality institutions. *Interpersonal connections* rather than lobbying practices or supporting other pressure groups on a political level are the most effective way of activity. The closely tied networks generate more safety and attachment to geographical locality. The involvement of local communities and NGOs in governance is *low and formal*. Similar as in the case of Kaunas city municipality, they are involved in public consultations, working groups and other activities in the initial phase of territorial policy planning process. Nevertheless, the social stakeholders' participation in monitoring and evaluation of the territorial policies is absent. The bottom-up effects are understood as a matter of minor importance. In contrast to Kaunas city municipality, in Kaunas district municipality there is *higher level interaction between local business and voluntary organizations*. The interconnections are based on territorial dependence. Small and medium business financially supports community activities but only in their residential areas. However, the local entrepreneurs are less frequently involved in the community engagement process and less proactive comparing to the other social groups. Eventually, the foreign industrial companies operating in Kaunas Free Economic Zone do not have specific territorial interest, except

outsourcing services of local small and medium business (catering, accommodation, transportation, car services, etc.).

Summarizing, the level of collective efficacy in the suburban locality is relatively high, but it mostly depends on interpersonal trust and interconnectedness on territorial level. However, the impact of collective efficacy is a small-scale and has very limited impact on local, regional or policies. The collective efforts are concentrated on a very territorial level and mostly focuses on the increasing living quality standards for the inhabitants. The community actors underline the limited impact of collective mobilization, which is not able to implement large-scale projects, expand the lobbying or contribute to local decision-making through policy-making channels. The governance actors' perspective is based on the community's efforts to contribute to local public services delivery, which is very effective and has rather significant outcomes for local life chances. The level of collective efficacy is also determined by the fact, that territorial cohesion is almost absent from the policy discourse and this indicates the that the strategic priorities focus on territorial competitive economy, development of local resources.

Pakruojis district municipality.

1. *Social networks-density and organizational density.* Local voluntary or community organization are generally active. Overall, there are around 40 communities or village communities and 80 clubs of various character in Pakruojis district municipality. However, from approximately 1/3 to 1/2 of them are active. Some communities have the community centres, which serve as the meeting place. Village communities are relatively better off concerning the meeting spaces because previously the construction of such centres was financed from EU funds. In town, some communities do not have meeting places and for this, use the open green places. Community centres are recognized as crucial for territorial efficacy. Several types of communities exist in the locality. First, there are locality-based communities, i.e., village communities and town area communities (seniūnija community). Second, there are communities based on professional interests. There is a branch of the Rotary club, an association of local businessman, farmers' association. Third, the communities based on interests, i.e., senior women club, Catholic women club, sports clubs, motorcar club, etc. Activities of the organizations encompass charitable, educational, social and cultural. Some communities develop social business or small-scale enterprises (herb growing, bread making, juice pressing) or deliver community services (grass cutting, cleaning). Communities also provide social services– care services, temporary home for young vulnerable single mothers', etc. Many local communities work on projects to improve the local environmental – playgrounds, green spaces or organize everyday work for maintaining the surrounding clean and safe.
2. *Attachment to place and identity.* Local identity plays an important role for the voluntary organizations. As most active communities in the municipality are linked to the smallest territorial units, the identity with the places is at the core of the establishment of the organization, setting of the organization's agenda, way of the goals are reached and continuity of the organization. Many local communities or organizations are directly supported by the local businessmen, who also lives in the same locality and thus share the collective local identity. However, generally, articulation of the local identity is vague; individuals and communities lack the unifying narratives based on the localities past or present. So, fragments of collective identity are based on natural resources (dolomite miner), which pre-defines the socio-economic development of the locality. The other piece of collective identity is based on the Pakruojis manor, that is widely known in the country and serve as the landmark identifier

of the area to the outsiders. As the other aspect of collective identity are named some local crafts, like the beer brewing tradition, which has deep historical roots in the area.

3. *Civic participation and capacity for collective actions.* Community actors and stakeholders underline that local mobilization and facilitation of shared interests can be reached without any significant difficulties. The mobilization for the collective actions is not difficult to achieve due to the small scale and tight interpersonal networks in the communities. Moreover, there are already some very good examples of collective actions. For example, Klovainiu community mobilized against the expansion the technologically outdated cattle-breeding farm in the area. A similar development was in Rozalimas eldership, where Danish company had intentions to develop large swine farms. Interestingly, the views on the issue diverged in the interviews. Another example of community mobilization is the protests organized by Zeimelio community against the merging of VET institution and gymnasium
4. *Activity patterns.* Small scale of the locality determines the inter-connectedness at community and governance level, thus the articulation of the problems, communication of them and decision-making process involves the voluntary groups. There exist interaction and collaboration between local business and voluntary/local organizations, but it is sporadic and selective. However, there are many initiatives supported by business associations or individual local businesspeople. Some communities already have long history and thus, have generated higher human resources and skills needed for successful activities. This is mainly conditioned by the “top-down” programs (EU funded national level programs), which were implemented more than decade ago and targeted the rural communities. As the result, the communities consolidated their capacities and up until now continue their activities. Even if the inter-relatedness is high, it has more outcomes on the operational, but not the strategic level. Access to the government actors is easier and this conditions faster and more effective resolution of the local problems. However, the involvement of local civic actors in the governance is rather a legal obligation defined in strategic planning guidelines by central authorities than bottom-up efforts.

Summarizing, the level of collective efficacy in the rural locality of Pakruojis depends on interpersonal trust and social networking on territorial level. The impact of collective efficacy is a small-scale and has very limited impact on local policies. The collective efforts focus on the public services quality standards and cultural, recreational or educational activities in elderships. The community actors underline the limited impact of collective mobilization and local leadership. The communities’ organizations are not able to implement large-scale public investment projects except for the rural development programs by the EU funds. The level of collective efficacy is also determined by the fact, that the strategic priorities focus on competitive economy and attraction of investments, development of local public infrastructure rather than providing life chances for inhabitants.

3.2 Innovative community practices and collaborations in territorial development across cases

The discussion on innovative community practices, organizational infrastructure or collaborations is important in this chapter. More specifically, we outline the characteristics of local community collaborations and collaborations between private sector and civic sector actors. The problems of civic engagement, leadership and free-rider challenge also defines the specificity of Lithuanian localities developing different place-based policy approaches. Thereby, we refer to explicit discussion

on how territorial community and civic collaborations influence the development of ECEC system, vocational training, active labour market, urban regeneration and economic growth approach.

Childcare strategies and collaborations across cases. Provision of childcare services on the municipal level are deeply embedded in the national policies on ECEC and thus, the national level policies define the framework for the childcare strategies and collaborations. To remind: 1) the national funding scheme of ECEC partially covers expenses, thus, municipalities contribute partially; 2) the responsibility for the curricula of the ECEC and quality of the services is decentralized; 3) parents as the stakeholders are to the very limited extent involved in the governance of the ECEC institutions.

Analysis of the childcare strategies and collaborations across the cases reveal several patterns and we will discuss them below.

1. **ECEC as the policy priority goal.** Generally, in all localities high quality and accessibility of the childcare services are articulated and recognized as the priority of the municipality policies. In all localities, this is part of the top goals; however, the municipalities emphasize different aspects of this goal. For example, in urban municipality, the three main issues related to the childcare services are identified: *accessibility, quality of the infrastructure and capacity building of ECEC providers*. In suburban municipality, the focus is *the infrastructure* (“rationally planned development of the educational institutions and modernization of existing educational infrastructure”) and the *quality of the educational process*, but the issue of accessibility is not part of the strategic policy agenda. In rural area, ECEC is discussed only implicitly. It is indicated marginally in relation to the restructuring of the network of educational institutions, in the establishing of the multifunctional centers in some localities, reconstruction and renovation of the ECEC institutions. The composition of the goals and even the internal meaning of each goal is linked to the actual situation in locality. For example, the issue of accessibility in urban municipality is related to the lack of the kindergartens, preschool institutions and primary schools in some elderships. In contrast, in rural municipality the issue of accessibility is linked with the inclusion of children from disadvantaged families in the formal childcare system.
2. **Involvement of communities in the governance of ECEC services.** This pattern of collaboration is more strongly expressed in the Kaunas city municipality, where there are various legal bodies, for example, Family Council, Educational Council, Teachers' Union, councils of the educational institutions etc. and they take an active role in setting the agenda and making decisions. As it was recognized by the local community leaders, the voluntary organizations bring the additional perspective and helps all stakeholders find out the most suitable decision in multiple areas (a network of educational institutions or ECEC institutions, renovation, etc.). Parents groups (parental committees) are also recognized as important player in setting the municipal agenda, pushing forward the implementation of ECEC policies (LM_KDM_SBG0111).
3. **Re-organization and re-modification of educational services network.** Demographic developments in individual localities change the supply-demand chain of the educational services. Internal migration, growth of the number of young families with children or ageing of the population result in the needs to re-structure the infrastructure. For example, in Kaunas district municipality in some localities there is growing number of young families and demand for the expansion of the ECEC network. In rural municipality due to the ageing, shrinking of the young age population there is needed to re-modify the educational institutions and to transform the kindergartens or schools into the multifunctional

community centers. Voluntary organizations or citizens groups employ various strategies to put a pressure on the municipality and to satisfy the need of the local residents.

4. **Innovations related to the accessibility of the ECEC services.** In suburban and particularly in rural municipalities the re-structuring of the network of the ECEC institutions due to the demographic developments in specific areas raise the issue of the accessibility of the services. Thus, municipalities organize the transportation for children from home to the pre-school institution or even to the kindergarten. For example, rural municipality provides transport to the kindergarten for children aged 4 to 5 years and preschoolers to attract families to use the ECEC services (Local authority actors, IM_PDM_RG03; RM_PDM_RG05). This measure includes children from remote areas and sometimes from the disadvantageous socio-economically backgrounds in the ECEC system. On the other hand, it helps to sustain the network of the ECEC institutions in securing the sufficient number of children in the kindergartens. Another example is the expansion of the pre-school services in rural area. The obligatory pre-school education for 4 hours per day (number of hours subsidized by the state), was expanded to the full day service. This required parents to cover the expenses and they joined after recognizing the benefits of the pre-school education. *We were not sure if parents will want the service. So, in the beginning we started to provide service only for 4 hours and this was oriented only towards the educational activities, no care services. But latter one parents understood, that these educational activities are good for children, thus, they started to ask to extend the childcare, to provide services for the whole day. We explained to them, that this implies additional expenses, which needs to be covered by the parents and there were no objections* (Local authority actor, IM_PDM_RG03)
5. **Innovations related to the quality and diversity of the ECEC services.** In all localities there are implemented innovations related to health of children, educational curricula, and diversity of the services. Health of the children is one of the concerns shared by service providers and parents. For example, in urban municipality parents' groups mobilized against the centralized provision of the daily nutrition, which was intended to be implement by the municipality and motivated by the cost-efficiency. In rural locality, municipality kindergarten "Saulute" for more than 20 years base the education on innovative methodology (different educational rooms are created, and children might choose different places and activities) and is the only one in the country implementing this methodology. In relation to diversity of the services, ECEC institutions in rural area organize the summer camps, secure the uninterrupted provision of childcare services during the summer (which is not the case in other municipalities), introduce the late working hour days in order parents could have time off after the work. However, these activities were more expressed in the rural locality.
6. **Collaboration with business actors for innovations and quality in ECEC.** Funding of the innovations in ECEC in some cases flows from the local business actors. However, this is mostly the case in small rural community and the inter-relatedness is sporadic, based on the inter-personal networks. As one local actor working in the kindergarten expressed: *"I know local people, business people. Their children attended our kindergarten, their grandchildren. All of them are local and if I ask for help, they always help."* (Local authority actor, ZN_PDM_RG04). For example, industries, business associations or

individual local businesspeople finance supports kindergartens in acquiring educational means, covering the traveling expenses of teachers for the conferences, project meetings.

VET strategies and collaborations across cases.

Localities are involved in the VET only to the very limited degree and this is related to the specificity of national legislation on education services. The main VET policy implementation mechanism and instruments is defined in the Law on Vocational Education and Training (approved in 1997 with later amendments). Ministry of Education, Science and Sport is responsible for all stages of vocational policy system, including planning, monitoring, quality and coordination of VET network. The ministry is the founder of all VET institutions, which operate on municipal level. According to the Law on Vocational Education and Training the Ministry of Education and Science maintains the main control and steering of the vocational policy. The network of vocational training schools is centrally planned and controlled. Municipalities are responsible only for organization and coordination of guidance services at schools at municipal level, which is defined as a minor role. The level of local municipalities (LAU) autonomy for implementing the VET is relatively low, except the indirect impact of answering the needs of local labor market and offering practical training for local employees in vocational schools or labor market training centers. In 2018 the Ministry of Education, Science and Sport has adopted the *Plan for the Development of Public VET institutions*¹⁴, which among others sets the priority to optimize the supply of the VET study programs according “to the territorial principles”. The Plan underlines: “New re-structuring and optimization provisions are intended to combine the content of training programs delivered in vocational training institutions with the needs of business companies in the regions”. The Plan will be implemented by the end of 2020.

Because of the national VET policies and their implementation mechanisms there is very little space for the innovative community practices and collaborations related to VET. As one respondent from urban municipality argued, there is a rather limited connection between VET institutions and the local labor market needs because of the centralized governance of the VET institutions in Lithuania. Moreover, the involvement of the local municipality in VET issues is very sporadic and ceremonial (cultural events, sports events, etc.). VET institutions do not participate in the preparation of strategic documents of Kaunas city and their involvement in the territorial governance or introduction of place-based needs into the policy agenda is limited (Public Authority Actor, NP_KCM_UG09).

Another example comes from rural municipality, which had one VET institution. National level VET policies resulted in VET offering educational programs, which do not correspond to the local economy demands. Previously the school had programs linked with the agriculture, but in the past decades shifted to the more general service sector programs (training of the salespersons, welder, cook, etc.). Zeimelis VET school had so far limited opportunities to participate in the lifelong learning programs because much of the short-term professional training was provided by the Labor exchange office, where the training was of the shorter duration compared to VET school. According to the abovementioned *Plan for the Development of Public VET institutions*, the VET institution in rural municipality will be merged with the gymnasium. Local community mobilized and protested this re-organization (Public Authority Actors, SS_PDM_RG07), however they did not succeed to stop the initiative.

Active labour market strategies and collaborations across cases.

¹⁴ Plan for the Development of Public VET institutions, approved in 2018 March 29, Ministry of Education and Science.

As both policy analysis and qualitative interviews with different stakeholders from three localities demonstrate, the active labour market go beyond the municipal level planning and intervention policy since this area is centrally planned, controlled and monitored. Therefore, innovative community practices, collaborations and local dilemmas in community and stakeholder involvement in the active labour market are rather limited.

It should be noted at the outset that, according to the Ministry of Finances, the need to maintain a competitive advantage within limited labour supply conditions encourage the Lithuanian industrial enterprises to search for ways to increase labour productivity through modernisation, automation and more effective work processes (Lithuania's Economic Development Scenario 2018-2021, Ministry of Finances).

1) highly educated and flexible work force vs. unemployment and demographic challenges. Thus, the issue of the risks of limited labour supply are crucial to all three localities, particularly Kaunas city and Pakruojis district municipalities that have been suffering from demographic decline for some time. Because of the existence of several universities and colleges, a highly qualified labour force is characteristic of Kaunas city municipality. This is a territorial advantage that helps Kaunas to attract young specialists valued for their language skills, professionalism, and loyalty.

The active labour market strategies formulated in the policy documents of Kaunas city municipality documents are described in terms similar to EU strategic documents and the dominant discourse on highly educated and flexible workforce. It is possible to identify two distinctive ways in which these problems are discussed in the policy documents. Firstly, it intends to reduce unemployment and, secondly, it addresses structural problems of the labour market such as inadequate education of workforce, professional training or, in other words, the lack of employability. Inadequate social services for the unemployed are also mentioned in the documents.

Thus, the documents identify the main strategies to improve the labour market: an increased investment in education and professional development; the creation of special training programs; the investment in new enterprises; and the improvement of social services that help the workforce to adjust to the labour market requirements. The changes in labour market participation could be achieved by investing in the development of human resources through continuous education and by strengthening social service system for people at risk of social exclusion.

However, regarding labour market processes, the trends of Kaunas city development reflect the main trends and problems in Lithuania including slowly decreasing unemployment, low income and economic migration related to it. There exists a significant level of unemployment which reflects the general unemployment level in the country. Regarding low salaries, in 2014 gross salary remained significantly lower in Kaunas city compared to Vilnius and Klaipėda (by 17 and 6 percent respectively). For this reason, Kaunas city does not have a competitive advantage in attracting labour force from less economically developed territories in western or eastern Lithuania.

The similar challenge of depopulation and unemployment is encountered by the rural locality, Pakruojis district municipality. Here the working-age population loses the employment due to the centralization and optimization of the public sector (Labor Exchange Office, National Forestry Agency). The programs implemented by the regional office of National Labor Exchange differs from the local needs and cannot respond to the socio-demographic changes (Public Authority Actor, SL_PDM_RG08).

Although the active labour market policies are marginal in the strategic planning documents of Pakruojis district municipality, the lack of working age population and skilled workers are recognized as one of the main territorial disadvantages. The *Pakruojis Strategic Development Plan for 2014-2020* acknowledges that the main territorial problems are demographic decline, limited working age population, dependency on social benefits, insufficient public infrastructure and roads:

“the unsatisfactory condition of roads network and streets limits business development and increases social exclusion” and “the geographical location is disadvantageous factor that affects the attractiveness of investments in the territory”.

In Kaunas district municipality, the importance of high economic productivity and industrial investments in a suburban area are often emphasized because they influence lower unemployment rates. The largest share of labour force supply is directly generated based on the inter-institutional agreements with universities in Kaunas and Vilnius (Business actors, MG_KDM_SBB03; VJ_KDM_SBB01). In this sense, the role of National Labour Exchange Office and VET (only one vocational school in the suburban locality) is very fragmented and insignificant.

2) stakeholder involvement in the processes of active labour market strategies.

The development of workforce capacities, greater involvement of social partners including business and NGOs and the stimulation of responsibility both among potential employees and employers are mentioned in policy documents. Thus, the principle of partnership is emphasized in the policy documents: local governance, the Labour Exchange, NGOs and entrepreneurs should be involved in the process of setting up plans for employability of Kaunas inhabitants. It could be inferred that two additional discourses are manifest in the policy documents: the discourse of local governance as a partner in solving the labour market problems and the discourse of human capital which requires investment (to invest in people's education and life-long learning process). To increase the employment capacity of the workforce it is necessary to deal with the problems of the labour market such as limited educational possibilities for workforce and the lack of comprehensive professional development system that would respond to the changing needs of the labour market. According to the *2013-2015 Strategic Action Plan of Kaunas City Municipality* (2013), *“...in implementing the action programme of the development of human resources it is sought to attract and keep people in the labour market, to encourage a more active life-long learning approach, to develop the labour force of the highest qualification and to perfect public administration.”*

The relations between central government, local governance, and socio-economic changes in the city could impede or encourage the improvement of labour market. In describing the labour market through a particular set of relations – between economic issues and local governance – the documents also point to the issue of its regulation and the involvement of stakeholders. They emphasize the process of partnerships between local governance and social partners such as business owners and NGOs and academic experts. As the *Program of Sustainable City Development* (2013) states, it is important to *“to encourage the cooperation of business, science community and local governance in order to make the development of scientific research, technologies and innovations.”* The participation of citizens through surveys and other mechanisms is also envisioned in these policy documents. The active participation of citizens for their own good is considered desirable.

However, the qualitative interviews with the different stakeholders do not uncover real involvement of stakeholders in the active labour market strategies. As it was mentioned, it is due to the fact that labour market policies are centrally planned, implemented and monitored by the state authorities and that Kaunas city municipality has a minimal impact on their agenda.

The same could be said about the suburban locality – *Kaunas district municipality*. Active labour market policies are almost absent in suburban locality strategic documents. These policy areas are centrally planned and implemented leaving very little functional discretion to municipality. The economic competitiveness, entrepreneurship and labour market problems overcome the boundaries of single elderships and perceived as an integral part of district infrastructure development and resources mobilization. Moreover, the labour market resources are not considered as economic development priority with municipal responsibility.

In the case of rural locality, Pakruojis district municipality, it is also important to bear in mind that programs that require the interventions to the active labour market go beyond the municipal level.

After the reorganization and optimization of national Labour Exchange Agency in 2018, Pakruojis municipal labour exchange agency became a branch of Šiauliai regional agency with a limited amount of autonomous functions. Consequently, little attention has been paid to active labour market policy.

Moreover, the central government control authority of labour market policies cannot guarantee the access of municipality to make interventions considering territorial development problems. Business actors point to local capital mobilization and economic growth approach to bundle the different interests of local stakeholders, especially through the formal institutionalized forms of intervention (associations, boards or municipal councils). The well-balanced local mechanism through agreements, considerations and cooperation should be maintained as a substitute for "traditional" top-down governance model. However, this mechanism is more intentional than factual.

To sum up, it is possible to argue that since the active labour market strategies are dependent largely on central government and the EU funding, it does not allow for significant diversity in choosing these strategies or for an active involvement of different stakeholders in these strategies. The improvement of labour market is discussed largely in terms of supporting business, creating new jobs, and life-long learning which do not indicate any innovative practices or specific collaborations that could be beneficial in overcoming the labour market problems, combating unemployment and creating new jobs.

Urban regeneration strategies and collaborations across cases.

Three cases demonstrate relatively similar issues regarding innovative community practices, collaborations and to community and stakeholder's involvement in the processes of urban regeneration.

1) *relatively active engagement of local communities in regeneration projects*. As the qualitative research in the urban area (*Kaunas city municipality*) demonstrates, most respondents, particularly governance actors and community activists, argue that local community organizations are relatively active in conducting cultural and area regeneration projects. A high level of communal activism contributes to bettering of the city. In participating in the regeneration of public green zones, public sporting activities, streets lighting, road maintenance works, the local communities can cooperate both with the city municipality and local businesses. However, the municipality still plays a leading role in coordinating different interests and activating communal participation. Both community activists and governance actors argue that despite the active involvement of local communities in social and cultural events, the problem lies in long-term impact making and continuing civic participation in collective matters. Because of the heritage of the Soviet period that affected civic participation and residents' focus on their personal needs, citizens' involvement in collective matters lacks longevity and sometimes are short-term (Public Authority Actor, NP_KCM_UG_09).

Similarly, in the suburban case (*Kaunas district municipality*) the potential in local communities' engagement and growing impact of collective efforts to improve local life quality regarding cultural, educational, recreational, environmental activities are emphasized. The local community organizations are very active in fostering the small-scale projects on environmental issues or public services provision (kinder playgrounds, recreation zones, street maintenance works, etc.). The local community engagement is constructed spatially and mostly concentrates in settlements or villages. The territorial identity is considered one of the most important connective ties between local inhabitants. As the research shows, the most active local communities are working in lower-income more rural-character elderships. There exist two types of community engagement forms in the locality of Kaunas district: single goal based sporadic collective engagements and institutionalized community organizations with the membership, bureaucracies, activities agenda, formal leadership and clearly defined organizational structure. However, the community organizations do not always

have enough human resources, needful organizational and managerial skills or specific expertise to work on the projects with a high social or economic impact. Moreover, local community organizations don't have enough power to make an impact on large-scale processes because of the lack of interests' representation mechanisms.

The rural case (*Pakruojis municipality*) also demonstrates that the local voluntary or community organization are generally active. Some communities have the community centers, which serve as the meeting place. Village communities are relatively better off concerning the meeting spaces because previously the construction of such centers was financed from EU funds. In town, some communities do not have meeting places and for this, use the open green places. Community centers are recognized as crucial for territorial efficacy. The local communities as networks of citizens are active in the improvement of life chances in some places of Pakruojis district. For instance, some communities also mobilize to solve the environment and other issues.

2) *the joints efforts of local governance, local communities and business as an effective collaboration effort*. Most respondents from *Kaunas city municipality* agree that urban life chances to a large degree depend on local governance and its ability to solve infrastructural, road, transportation, recreational zone issues. On the other hand, business actors consider the joint efforts, engagement and initiatives by local business as a significant stimulus to mobilizing economic productivity, economic and labour force capital in the urban area and improving inhabitants' life chances. Some issues have been successfully solved, for instance, the renewal of the sewage system. The transport improvements are also mentioned as a result of citizen involvement and their remarks to the Department of Transportation responsible for this issue in the city. The large potential lies in the system of car and bicycle sharing system and kindergarten system available almost to anyone. The municipality puts much effort into retaining inhabitants particularly young families in the city. The needs of seniors and other social groups are also considered. However, there is still a lack of services for disabled persons and children with special needs.

The suburban locality of *Kaunas district*, the role of municipality in coordinating efforts of different stakeholders is also emphasized. The municipality is able, to a certain degree, to coordinate the different public services in more rural and urban elderships. On the other hand, the interaction between local business and voluntary organizations is based on territorial dependence. Small and medium business financially supports community activities but only in their residential areas. Local entrepreneurs are less frequently involved in the community engagement process and less proactive comparing to the other social groups. The community and governance actors consider the common understanding of the problem and public interests which helps to mobilize local inhabitants to solve the specific infrastructural or environmental issues (for example, local community centres implement different activities in relation to local quality of life together with suburban municipality or local business support: regeneration of public green zones, public sporting activities, streets lighting, road maintenance works, kinder playgrounds, etc.).

In the case of *Pakruojis municipality*, there exist a collaboration between local business and voluntary/local organizations, but it is sporadic and selective. Business associations or individual local businesspeople finance cultural and educational community initiatives. Business supports cultural events (festivals, concerts), educational activities (Lego robot construction for school pupils), parish's charitable activities, local communities. The industry also supports kindergartens (in acquiring educational means, covering the traveling expenses of teachers for the conferences, project meetings). However, business is more reactive to the needs of the community; it is not proactive in setting the agenda for the communities.

3) *regeneration strategies as a way of bettering the inhabitants' life chances*. Talking about the inhabitants' life chances, the governance actors from Kaunas city mentioned the urban regeneration projects including many reconstruction and renovation sites. New large-scale projects such as Science Island, the reconstruction of Darius and Girėnas stadium, a Park of Innovations add

up to the improvement of infrastructure and creation of new jobs. The construction of the new apartment and office buildings are also encouraged.

In the case of *Kaunas district municipality*, the potential is also recognized as the effective work of municipality to navigate between supply-demand for public services (for example, public transportation, pre-school and secondary schooling, social services) and the general tendencies for cost optimization and municipal budget planning limitations (Public Authority Actors, EM_KDM_SBG01; AB_KDM_SBG01). However, inhabitants themselves, particularly working-age families with kids, are most actively involved in bettering the quality and availability of public services, especially public transport, roads maintenance, pre-school and secondary schools. Moreover, the fact that Kaunas suburban locality has a growing population of young families makes intense pressure on the municipality to reduce the shortage of schools and kindergarten and organize transportation for pupils.

In the rural locality of *Pakruojis district*, there are examples of community mobilization and involvement in the environmental, educational, service provision, economy domains. Effective leadership in the community positively contributes to the mobilization and facilitation of the common interests in the area. Communities as networks of citizens are active in the improvement of life chances in some places. For instance, Klovainių community mobilized against the expansion the technologically outdated cattle-breeding farm in the area. The community involvement had an impact on the environmental landscape of the localities, in development of green spaces (Klovainiai), construction of community centres (in some locations), development of small-scale social enterprises in the communities. Besides, local communities also participate in the department buildings renovation programs.

4) *local dilemmas and problems of urban regeneration encountered by different stakeholders.* The biggest problem of urban regeneration and life chances in Kaunas city is related to social housing that is in a critical state. Kaunas city municipality has changed a policy targeting families at risk of social exclusion: social housing is currently assigned for three months initially to help these families to join labour market and become financially independent. A big project of renovation of social housing is also currently underway in some parts of Kaunas. The renovated building consisting of one- and two-room apartments will be distributed among disabled people, elderly, and individuals from orphanages. Social assistance offices will occupy the ground floor of this building. Although municipality puts a lot of effort in solving the problems of public infrastructure, renovation of schools and other educational institutions, there still exists a lack of kindergartens, preschool institutions and primary schools in some elderships that limit life chances of Kaunas inhabitants. However, according to the governance actors, Kaunas is the only city in Lithuania that since the regaining of independence has built a new school and currently new kindergartens are being built. It would contribute to a noticeable improvement of the inhabitants' life chances (Public authority actors, RS_KCM_UB01; NM_KCM_UG02).

The suburban locality of Kaunas district encounters several problems of urban regeneration related to inhabitants' life quality and life chances. These problems involve: (1) internal socio-demographic inequalities, (2) quality of life problems (lack of public spaces for recreation and sports, roads quality), (3) territorial development and urban planning problems and (4) accessibility and availability of public services and the abilities of municipality to deal with the cost optimization; (5) lack of small and medium business initiatives and development of tourism resources. These problems are significant to different groups of inhabitants, especially for working-age professionals with kids who expect to have higher living standards in their newly built private housing blocks (Business actor, VB_KDM_SBB05; Public Authority Actor, EM_KDM_SBG01). The quality of life standards in the locality which should be specified as high-quality public services, availability and accessibility to public infrastructure (including recreational zones) and good connections with the metropolitan zone present the biggest problems.

In the rural locality of *Pakruojis municipality*, an access to everyday services (transport, banks) is getting limited. Also, in some places of the municipality, the access to cultural services (libraries) decreased because of the closure. On the other hand, the development of transportation services enables residents to reach medical facilities, educational institutions (Public Authority Actors, SS_PDM_RG07; RS_PDM_RG06). The shrinking of the population increases the costs of the public services which points to the negative trend for the life quality. All these issues present a challenge to local governance and other stakeholders.

To conclude, although there exists a relatively active engagement of local communities in regeneration projects, each locality encounters different problems due to differences in territorial capital. In general, community actors underline the importance of interpersonal and inter-organizational networks. Network mechanism refers to different interests within the locality, territorial identity and the importance of local leadership. The collective efforts, mobilization, and interactions have a small-scale effect on territorial development mostly focusing on quality of life factors and public services delivery. This mechanism creates different local dynamics in all three localities that provide favourable conditions for local inhabitants concerning life chances and local welfare. The data from the three distinct localities demonstrate that local governance actor (municipality and especially, elderships) maintain the role of mediator between different stakeholders and their needs in improving accessibility and availability to public services. In all cases, the crucial control function performed by central authorities is pervasive regarding legislation, procedures, financial control, public procurement rules and investment to large-scale projects. The centrally imposed tendencies of cost optimization and cost efficiency highlight the prioritization of sectoral policy approach to tackle the problems related to local regeneration, social welfare services and life chances.

Economic growth strategies and entrepreneurship collaborations across cases.

Concerning economic growth projects, collaborations and innovative practices across urban, suburban and rural cases, the strategic development strategies and programs highlights the importance of territorial economic growth and economic competitiveness. As it was analysed in D.4.5. on territorial policies and territorial cohesion discourse, the economic growth policies are well covered in strategic planning documents in all localities. The previous analysis demonstrates that the territorial approach focuses on economic productivity, competitive advantages and improvement of economic position of the municipalities by recognising the special urban areas attractive for the investors, for example “*creation of economically attractive areas*” and “*encouraging entrepreneurship through establishment of technological parks and business incubators*” (for example, economic growth measures in Kaunas city strategic development plan 2019-2021). In other words, the local municipalities underline the priority to create the favourable conditions for the economic development, external investments and business entities rather than mobilizing existing community capital and local social networks. In this sense, the local economic competitiveness discourse reflects more neoliberal economic development approach on deregulation, fiscal control and economic interventions. For example, suburban Kaunas district municipality acknowledges that the main territorial economic advantages are “*favorable geographical position and developed public infrastructure that creates the favorable conditions for economic development*” and “*good transportation connections for all types of transport make it a good place for business development and especially promote the development of new business areas - tourism and logistics*” (Kaunas District Municipality Strategic Development Plan for 2013-2020). In rural case because of the unfavorable social-economic indicators and demographic decline the search for alternative improvements in economic productivity and human resources is needed. Thereby, referring to *Pakruojis Strategic Development Plan for 2014-2020* the policy discourse emphasis is given to

“development of public spaces and infrastructure”, “development of engineering infrastructure and effective public utilities system” and “development of transportation and road system”. The strategic priorities acknowledge the importance of public infrastructure indicators rather than development of SMES, entrepreneurship or other economic activity initiatives. In summary, almost all analysed municipal datasets acknowledge that the main territorial economic problems are the level of direct and material domestic and foreign investments per inhabitant as well as demographic decline and inner-outer migration. The need for favourable public infrastructure is also emphasized as a basis for the incoming territorial investments and workplaces in the territories. The main characteristic and aspects on local economic growth policies and use of territorial efficacy capacities across the cases are as following:

1.The definition of special investment-attractive zones for territorial economic development. In all analysed localities, the economic growth approach is articulated as a municipal strategic way to provide efficient public infrastructure for new business initiatives. The municipality plays the most important role in defining the territories that could be attractive for economic actors rather than focusing on the needs of inhabitants. For example, the strategic planning document argues that Kaunas city municipality plays the most significant role in “*Promoting investments, developing of SME businesses, creating favourable conditions for investors. Kaunas city develops an attractive environment for domestic and foreign investment through consultancy services to maximize the attractiveness of investors and business partners and more efficient implementation of projects*” (Kaunas city strategic development plan 2019-2021). In suburban case a special territorial focus is given to economically productive and competitive industrial zones, such as Free Economic Zone of Kaunas region that is the fastest growing industrial zone among Lithuanian regions with over than 5,000 workplaces. Large scale investments are implemented in urban and suburban area; however, the impact of territorial community initiatives is barely recognized here.

2.Recognition of territorially specific economic activities. As it was noticed before, the economic growth policy understanding in the urban, rural and suburban localities is articulated in terms of economic competitiveness, recognition of economic assets, domestic or foreign investments and entrepreneurship. The need for developing a special economic branch in territories is acknowledged. For example, suburban Kaunas district municipality and rural Pakruojis municipality acknowledge the importance of developing tourism infrastructure and more productive branches of agriculture (eco-agriculture). Tourism development approach is elaborated in suburban Kaunas district case within the municipal efforts to combine natural assets (river tourism) and favorable logistical situation on the locality: “*develop the infrastructure of recreation, entertainment, recreational sports and tourism services, ensuring the high-quality tourism services and improving the quality of services*” (Kaunas District Territorial Tourism Development Special Plan for 2020). In rural case the special focus is given to active communities rather than development of economic activities:

The community center is essential to develop the common sense of belonging; it's like a family home, the family has to gather somewhere” (Public Authority Actor, SM_PDM_RG02).

3.The modernization of public infrastructure and more effective public services delivery. The aspects of modernization in public services infrastructure is reflected in all localities’ strategic documents on place-based policies’ approaches. Nevertheless, the modernization of public infrastructure should be combined with the quality of life standards and developing infrastructure suitable for business purposes. For example, *Kaunas city strategic development plan 2019-2021* acknowledges that their priority is business infrastructure rather than local community needs. The different social groups are recognized as passive consumers, rather than active citizens within their voice to make decisions on services quality, efficiency and availability. In general, the involvement of local communities and citizen groups are insignificant. The exception is the activity of disabled people over the issues of public infrastructure in Kaunas city (Public Authority Actor,

RS_KCM_UG0110; Community actor, RN_KCM_UC04). In rural case Pakruojis municipality strategic documents underlines the spatial inequalities between rural more urban elderships. Transportation connection networks and public infrastructure routes are needed to implement an integral territory approach. For example, *Integrated Territorial Development Program of Šiauliai Region* (approved in 2019 March 6, No.1V-229) (Pakruojis district municipality is a part of Šiauliai region) prioritizes the relationship between transportation network and commuting labour force by admitting that one of the regional priorities is to “*improve job availability in geographical sense and address complex traffic issues*”. Suburban are of Kaunas district tries to solve the accessibility problem by re-organizing and re-modifying the educational services network and enabling private sector providers (Public Authority Actor, RV_KDM_SBG07).

4. Entrepreneurship initiatives. The empirical data from all localities underlines that the main territorial economic problems are related to the lack of small and medium business initiatives, feeble entrepreneurship projects and the lack of implementation of innovative technologies. The content of the strategic planning documents indicate that the local communities are exclusively responsible for cultural and social activities, that do not require a lot of resources or long-term investments. For example, *Pakruojis Strategic Development Plan for 2014-2020* makes references to public utilities and engineering infrastructure and public spaces projects in small areas that could influence local quality of life. The special emphasis is given to entrepreneurship initiatives promotion for small and medium business and implemented by the municipal initiative for “*Funding SME Initiatives*”. Kaunas City Municipality has implemented SME business development program within the special “*Youth Entrepreneurship Promotion Program Kaunas Start-ups*” since 2016. This program aims to form favourable conditions to develop business ideas and establish innovative starts-up in Kaunas city territory.

5. Community collaboration initiatives. The documents on economic growth represent very little the involvement of different stakeholders to economic growth policies. The aspect of social inclusiveness rarely appears as strategic priority of all localities. The collaboration with the local stakeholders, and especially, citizen or community initiatives are very fragmented and has limited impact. For example, the informant from suburban area defines the disadvantages of local communities in terms of availability to gain resources:

How can some community do or not determine the real situation of the village if it does not even have any power? It has neither financing nor budget allocation for it. For example, at the lowest level, at the level of the eldership, those residents, those associations or communities, they are not included. Well, is there is a discussion on two thousand (EUR) amount budget to build a bench, then yes. It's understandable that this is just a game (Community actor, AK_KDM_SBC03).

The urban case of Kaunas city municipality demonstrates that the involvement of local civic actors is rather a legal obligation defined in strategic planning guidelines by central authorities than bottom-up efforts. However, few active local communities are recognized in interviews with the local stakeholders, for example, Šančiai, Aleksotas, Zaliakalnis or Dainava communities that mostly operate in the field of cultural, educational and environmental activities. *Kaunas District Municipality Strategic Development Plan for 2013-2020* mention the importance of local communities and social stakeholders. However, their involvement is limited to the role of beneficiaries of social services. For example, as *Kaunas District Municipality Strategic Development Plan for 2013-2020 notices*, the priority on social services availability should be enacted using “*private initiatives, non-governmental organizations and promotion of voluntary work for Integration of socially vulnerable groups or individuals*”. Rural case of Pakruojis district municipality is more recognizable as a locality with rural community collaborations and small-scale entrepreneurship activities. For example, *Pakruojis Strategic Development Plan for 2014-2020* acknowledges that one of their priorities is to “*improve the conditions for local community activities*” within the objectives on “*developing the infrastructure for the local communities and NGOs activities*” and “*support NGOs and your initiatives*”. Rural

communities are considered as the main actors for territorial development, though their financial, organizational and managerial capacities are limited. There are examples of small-scale entrepreneurial initiatives, for example, local crafts or local food distribution in rural areas, mostly financed by EU structural funding programs.

3.3 Conclusion

Summarizing the similarities and differences in the level of collective efficacy in the suburban, urban and rural localities, it could be noted that in all cases the localities depend on development and empowerment of interpersonal trust and social networks on territorial level. In general, the analysis in all Lithuanian localities demonstrate that the effects of neighborhood and local communities for territorial cohesion are relatively low and has very limited impact on local, regional or even national policies. The exception of rural locality of Pakruojis district municipality could be defined as an example of dense and inter-connected organizational networks in peripheral areas and strong effects of neighbourhoods. Thereby, the collective elaborations and initiatives are concentrated on a very territorial level and focuses on the public services delivery and local quality of life. The main aspects and features of territorial collective efficacy referring to different place-based policies could be summarized as following:

1. **Bottom-up leadership as a basis for territorial mobilization.** The interviews results demonstrate that the important stimulus for the community engagement is related to the effective leadership and the ability to cooperate on different issues. Even though the community stakeholders are not able to implement large-scale projects or contribute to local decision-making through policy-making channels, they are important for small-scale neighbourhood mobilization. The level of collective efficacy demonstrates the diversity in territorial networking in different localities. In rural area of Pakruojis the level of territorial efficacy is relatively higher compared to urban and suburban cases. The network of rural trust-based communities and various NGO organization is significant, but only a part of the organizations is active in territorial development. The collective efforts stipulated mostly by the external resources and "top-down" EU funded programs. The external funding helps to implement territorial projects, for example, small entrepreneurship crafts business in villages or construction of community centers in Sigutėnai, Pasvitinys. Effective leadership contributes to the mobilization and facilitation of the common interests in the areas. The urban city of Kaunas and suburban locality also have a network of territorial community centres and NGOs. The territorial efficacy here is hindered by the keywords of cultural identity, territorial activities in culture and social areas. Aleksotas, Šančiai, and Žaliakalnis territorial communities are underlined as examples of successful local attachment and engagement of local communities in urban regeneration and cultural projects. The collective efforts to sustain economic growth or public services (ECEC policy) improvements are not significant because of the lack in financial, managerial and decision-making resources. The other aspect of territorial efficacy is the lack of leadership and understanding of common interests.

2. **Collective efficacy as a basis for public services delivery.** There are examples in all localities of community mobilization and involvement in the environmental, educational and social services provision; however, the economy or large-scale urban regeneration domains are the responsibility for local authorities. The local communities and NGOs are recognized as a resource for the provision of social services by different groups of local stakeholders. Nevertheless, the services provision projects or private-public initiatives are rarely implemented within the exception in urban locality that has more financial resources for outsourcing social services to civic sector. In general, the municipalities encourage local activity groups both formal and informal because of the necessity for collective efforts and efficacy. On the other hand, the mutual distrust between local communities

and municipalities is often discussed in terms of lack of institutional recognition and negotiations (all three localities).

2. **Limited involvement of business actors and distinction of social and economic growth policies.** In all cases the involvement of business actors in territorial collaborative projects or initiatives are somewhat sporadic. The exception is related to the provision of private ECEC services in urban Kaunas district and urban Kaunas city municipalities that reflects the problem of services supply. Although links between the municipalities and local community actors are close, there is an expectation that the local authorities should provide more financial support for civic sector and established mutual inter-organizational networks based on public services outsourcing. The organizational infrastructure reflects the unequal distribution of the local resources where local communities and communal initiatives depend a lot on institutional municipal support.

5. Territorial governance

The chapter focus on the conception of territorial governance that is crucial for the mobilization processes and effective use of territorial assets. The main question analysed here involve the mechanisms and arrangements of territorial governance, collaborations and coordination of territorial capital for implementing ECEC, active labour market, area regeneration, VET and economic growth policies. In other words, how can territorial governance utilize collective efficacy and territorial capital to solve territorial problems? What is the role of local stakeholders involved in governance and policy making? Different perspectives of community, local governance, and business stakeholders in the localities reveal the diversity of territorial governance perception. Our previous analysis in D.4.4. on the interview analysis has revealed how different groups of local stakeholders adopt the governance arrangements. Community stakeholders focus on territorial activation projects, efficiency of collective mobilization, importance of local leadership and improving access to local welfare services. The local political actors underline the role of different institutions and coordination of their actions and interests in territorial-driven policies. The most significant aspect of territorial governance for the business actors is fostering business involvement in territorial growth and development policies and institutional recognition. The role of leadership and collective efforts as well as emerging deliberative practices are important in all localities.

The concept of territorial governance addresses the idea of a territory as social and political construction based on collective action. The shift from government to governance or multi-level governance opens the broader theoretical discussion on territorial collective action, local democracy and mobilization (Rhodes, 2000). Referring to ESPON (2012) data, territorial governance is understood as *“an extension of the more established multi-level governance concept by adding explicitly territorial insights, and thus focusing on a place-based and territorially sensitive approach”* (ESPON, 2012). Additionally, ESPON (2014) report interpreters the conception of territorial governance through the dimensions of coordinating actions of inter-related actors and institutions, integrating policy sectors, mobilization of stakeholders, adapting to territorial context and realizing territorial specificities. The definition is based on integration of decision-making process. The other theoretical elaborations include functional and networking capacities. For example, Anders Lidström underlines the importance of multi-level governance arrangements and territory: *“It deals with the number of levels of government, how the borders are drawn, how the functions are allocated, the extent of autonomy and how the units are governed. It also concerns patterns of co-operation and collaboration, both between units of government and between governmental and non-governmental actors”* (Lidström, 2007, 499).

The chapter outlines the main characteristics of territorial governance in terms of ECEC, active labour market, area regeneration, VET and economic growth policies across urban, suburban and rural cases. There are many theoretical interpretations of territorial governance approaches and concepts (Healey 1997; Stone 1989, Stone 2015; Rose 2000; Jessop 2002; Atkinson, Tallon and Williams 2019). Hereby, we consider four territorial governance issues: **vertical coordination, horizontal coordination, the participation and involvement of social stakeholders’ interests, and territorialized collective actions** (Davoudi et al, 2009). Vertical coordination refers to the principle of re-scaling and subsidiary in self-governance systems. It also indicates the allocation of decision-making power to different governmental scales and distribution of competences for implementing decentralization policies in countries (Sellers, Lindstrom, 2007). In Lithuanian case the single-tier system reflects the vertical coordination principles by distributing sectoral policies and functional competencies from central authorities to municipal level (for example, see data from Local autonomy index, Ladner et al, 2019). Horizontal coordination dimension underlines the networking and

collaborative mechanisms among different local level stakeholders and actors. The integration of different territorial assets and resources and implementation of sectoral local policies is linked to the vertical subordination as well involving a variety of central and municipal actors (multi-level governance). The participation dimension is linked to the involvement forms and strategies used by stakeholders and policy actors. Here, the capacities and resources are important in decision-making and implementation processes of local welfare policies. Finally, the aspect of territory as a decision-making arena in linking territorial governance, local assets and collective action is important. Faludi (2012) refers to the argument of specific territory and territorial dynamics to define multi-level governance specificity. The empirical data from Lithuanian localities demonstrates that the territorial identity and local attachment to the specific geographical boundaries often define the implementation of place-based policies, for example, implementation of ECEC policies or urban regenerations projects.

3.4. Characteristics of territorial governance in each case

The sub-chapter analyses the characteristics of territorial governance in each of Lithuanian localities, urban, suburban and rural by outlining the perceptions of different stakeholders' groups. The detailed analysis of territorial governance arrangements is provided in D.4.4. report.

Urban - Kaunas city municipality.

Community actors

- Kaunas communities are abundant and relatively active but their role in developing the plans and strategies for localities and the city is limited because, in most cases, they must get approval from the municipality which is not always forthcoming. As the research demonstrates, during the last years, the municipality's cooperation with the communities decreased. In some cases, the municipality did not involve communities in the discussion of renovation projects that took place in their localities. There has been a limited number or no representatives of communities in the municipality committees and commissions that indicated a relatively low institutional involvement of NGOs in governance development.
- Local communities have been proactive in small-scale and short-term projects related to cultural projects, public infrastructure and the provision of public services. These projects resulted in some services of improved quality, particularly in the spheres of public transport, recreational zones, street maintenance, and care for the elderly. Thus, the community actors' interventions to territorial policies result in the improvement of life quality standards of local populations.
- The biggest issue is an insufficient sustainability of public services because of mostly short-term community interventions in this field. This issue is related to both the perception of community organization as non-political entities with merely local interests and the relatively low level of flexibility of a municipality to delegate some tasks to NGOs and community organizations.

Public authority actors

- The main responsibility for the integration of place-based policies in planning, development and area regeneration goes to the municipal administration. According to the law on local governance, municipalities have many independent and delegated functions that include investments, infrastructure and different social sectors. The municipality works in attracting financial investments and creating local jobs and implementing better access to a variety of services including transportation.

- The municipality administration is very much oriented towards the integration of the place-based approaches into the governance and policies. Moreover, the goal of the municipality is to activate communities and to integrate local needs and demands in the municipality agenda.
- The main threat for the effective integration of place-based policies is related to the internal tensions between the variety of interests of different stakeholders. Another threat is the lack of political will or the resistance of local politicians to the reorganization of so-called ring municipality of Kaunas district municipality that surrounds Kaunas city municipality. The central government's inadequate attention to regional policies and its refusal to assign a more significant role of municipalities in managing their financings is present a threat to territorial governance. The inconsistencies of national policies impede coherent and long-term place-based policies.
- Another problem is a clash of different interests in municipality's efforts to coordinate across different governance levels. Sometimes the municipality and public interests clash in renovation projects and in coordinating municipality and business interests. However, the municipality is vigilant in defending public interest over business interests and works as an observant coordinator of different interests. To achieve a greater mobilization of different stakeholders in territorial governance, the municipality must put more effort into talking to local communities and NGOs and negotiating with local businesses.
- The main document which reflects the social, economic and political changes in the locality is annually revised long-term strategic plan. As the research demonstrates, Kaunas city municipality has a very efficient mechanism of changing and revising development plans in a very swift way which could contribute to local changes. The swift changes made to the detailed plan and later the preparation of the technical project for Kaunas city development show that local municipal administration is efficient in negotiating the interests of different stakeholders and in adapting place-based policies and, to some degree, risk-taking in the field of territorial policies.

Business stakeholders

- As the research with business stakeholders in Kaunas city demonstrates, local businesses are involved in territorial governance via their participation in deliberations and discussions of strategic planning and territorial development in the municipality. Being members of Kaunas Chamber of Commerce, Industry and Trade help local entrepreneurs to influence the municipal administration through their participation in working groups on strategic planning and territorial development, particularly in Kaunas Regional Development Council. This Council enables business actors to access the negotiations on the local development, but it has a limited decision-making power at the regional level.
- However, the efficiency of business interaction with the municipality or state authorities is somewhat limited, mainly because of the clash between conflicting interests, different visions of urban development and significant differences in organizational and bureaucratic culture. There exists a possible conflict between concern for the residents' welfare and the aspiration to produce profits, which is the primary motivation of business. The municipality is not always able to appease this conflict and be fair to all involved parties.
- Local businesses are steadily involved in the improvement of public services quality and development of public infrastructure (transportation system, bridges, streets quality, the permeability of private transport flows, a network of educational institutions). However, only a limited number of local entrepreneurs take the proactive role in local development and in

influencing municipal strategic and territorial planning. It is due to the lack of a common understanding of public interests and insufficient negotiations between the municipality and businesses. The blame should be put on the business too because only some of them are socially responsible in contributing to sustainable and safe local communities in Kaunas.

To conclude, the main responsibility for the integration of place-based policies in planning, development and area regeneration goes to the municipal administration. Although Kaunas city communities are abundant and relatively active, they do not get enough opportunities to interfere in the implementation of Kaunas strategic development plans, and their impact could be described as only small-scale interventions. Moreover, only a limited number of local entrepreneurs are involved in territorial governance via their participation in deliberations and discussions of strategic planning and territorial development in Kaunas municipality. The lack of the common understanding of public interests and insufficient negotiations between the municipality and businesses prevents local entrepreneurs from influencing municipal territorial planning. It could be argued that the main threat for the effective integration of place-based policies is also related to the internal tensions between the variety of interests of different stakeholders, including those of local entrepreneurs. To achieve a greater mobilization of different stakeholders in territorial governance, the municipality must put much effort into talking to local communities and NGOs and negotiating with local businesses.

Suburban - Kaunas district municipality

Community actors

- Local community organizations in the suburban area participate in organizing and mobilizing collective efforts of local inhabitants, mostly in the areas of public services delivery, environmental issues and improvements in quality of residents. The community actors' interventions in territorial policies improve the quality of local life standards, particularly in the field of environment, child-care, secondary school services and public safety. However, the impact of these self-organized activities is limited to small-scale interventions in territorial governance, for example, street maintenance works, street lighting, and public benches in the recreational zone. The community organizations cooperate with other suburban stakeholders in small-scale projects related to public services provision and public infrastructure fields in which they take the proactive role in identifying the local demand. Communities also take on advisory functions to local decision-making, but it is the municipality administration that makes the final decision.
- Moreover, local community organizations participate in place-making strategies in relation to elderships, the administration sub-units of the municipality, which play the role of intermediate between inhabitants and municipality administration. The elderships are responsible for the formal communication with different stakeholders' groups, for example, they initiate formal meetings and debates with inhabitants to discuss territorial development plans.
- Community actors in Kaunas district municipality encounter a number of challenges including project funding, leadership, lack of expertise and sustainability of activities. A burden of bureaucracy and constant changes in regulations, laws and various requirements also limit the community activities. The complexity of regulations and public procurement system requires a higher amount of time and professional competences incompatible with the nature of voluntary service in the community. Moreover, since a large part of public services (overlapping public transport, water provision, and child care services) depends on the coordination mechanisms between urban and suburban municipalities, the lack of effective communication often limits the improvements in public service delivery in Kaunas district municipality. Besides these

challenges, the perception of community organizations as territorial entities rather than regional political organisations limits their long-term impact and prevents them from participating in strategical political discussions.

Public authority actors

- Municipal administration including the administration sub-units of elderships is the main actor in territorial development policies. In the suburban locality, the municipality uses more sectoral approach to meet the territorial needs, focusing particularly on welfare services, education, and quality of infrastructure. The elderships that have some autonomy in small-scale decisions but largely dependent on the municipality or central government's programs, funding and plans still play a critical role in connecting the functions of municipality and locality needs.
- The objectives of the suburban municipality are perceived as two-fold. On the one hand, it should focus on long-term investments, economic productivity and dynamics of labour market. The municipality should take more advantage of the favourable financial situation and negotiate with the state authorities and private real estate developers on suburban development projects including private housing areas designed for young families. On the other hand, the municipality should take more responsibility for public services provision in responding to local inhabitants' needs (largely public infrastructure for housing areas, public transport and pre-school and school services).
- One of the main challenges that public authority actors encounter is the relationships between the suburban municipality and central authorities that could be characterized as hierarchic and based on centralized imperative-drawn decisions and programming. Therefore, the municipality is often regarded as merely an administrative instrument for the implementation of governmental regulations. The inter-institutional communication with central authorities is seen as non-effective and based on imposed regulations or procedures. Despite the municipal impact on drawing territorial needs, some projects or programs cannot be implemented without central government interference via intensive regulations or public procurement procedures. Moreover, the municipality's long-term investments and territorial development projects depend on central government budgeting. annually revised fiscal policies and municipal budgeting procedures also present a big disadvantage to Kaunas district municipality.
- In dealing with the changing suburban context (the increasing population of young families with kids, industrial zones, growing economic productivity and explosive development of suburban residential areas), Kaunas district municipality uses deliberative practices with local stakeholders, for example, public discussions, deliberations, and meetings. The municipality organizes public discussions on every important project with local communities in different elderships. However, its ability to take into account the interests of local communities and local needs is limited by centrally imposed budget restrictions, functions, national regulations and strategic priorities.

Business stakeholders

- Business stakeholders participate in area-based growth and development policies through either the consultative or representative bodies of councils (Council of Business Development and Board Small and Medium Business Promotion Fund of Kaunas District Municipality) or sectoral business associations at the local level. The representatives of business associations are involved in the strategic planning process of the suburban area of Kaunas district municipality through established working groups.
- The companies working in Kaunas Free Economic Zone have established their inter-organizational networks which are based on mutual interdependence, informal connections,

exchange of recourses and transfers of industrial assets. Nevertheless, territorially based small and medium businesses are not always actively involved in growth and development policies because the municipality and elderships do not often invite entrepreneurs to the public meetings or discussions on important local issues.

- Although the strong relationship between the municipality, local community, elderships and active business actors helps business stakeholders to achieve very concrete agreements regarding entrepreneur activities, central government regulations, rules, procedures, and public procurement practices present the main impediment to local business opportunities and new project initiatives. The other disadvantages include high requirements for small business in applying for the EU grants, a high level of administrative burden, and support provided only for innovative business activities at the expense of the traditional ones such as small-scale farming.
- The economically productive businesses contribute to the municipal budget which allows the municipality to improve the public infrastructure and to increase the availability and accessibility of public services. Increasing investments and economic productivity positively affect the locality regarding better employment opportunities for inhabitants, less shadow economy and more opportunities to legalize the economic activities.

To sum up, the collective efforts and mobilization of local communities have a small-scale effect on territorial development largely regarding the quality of life factors and public services delivery. Kaunas district municipality and elderships work as mediators in their attempts to reconcile local community needs and public services delivery infrastructure. To a significant extent the suburban municipality is controlled by the central state authorities as far as the legislation, fiscal planning, public procurement procedures and centrally planned large-scale investment programs are concerned. Business actors participate in territorial governance primarily through the formal channels of business community associations, boards or municipal councils. The main factors that foster local entrepreneurialism are related to strong inter-organizational networks within large companies in Kaunas Economic Zone and their small and medium-sized subcontractors in different localities.

Rural - Pakruojis district municipality

Community actors

- Communities of Pakruojis district municipality participate in discussions initiated by the municipality and in drafting local development strategies. The community involvement has an impact on the environmental issues of the localities, the development of green spaces, the construction of community centres and the creation of small-scale social enterprises. Besides, local communities also are involved in building renovation programs and in securing the quality of the child-care services. The cooperation and coordination between the municipality and communities could be described as active in Pakruojis district municipality. However, as in other municipalities, the main responsibility for the integration of place-based policies in planning, development and area regeneration lies in the hands of the municipal administration, mayor and Council.

Public authority actors

- Public authority actors recognize the territorial characteristics of the area as the integral part of the territorial governance and policies. The geographical location and socio-economic development in the neighboring areas are the main precursors for the future development of Pakruojis district municipality. The municipality responds to the demographic challenges by

developing social, educational and health care services in the area. It also supports new models of social services (multi-functional services centres or "free public transportation" project to local inhabitants). In addition, the support of tourism by the municipality is a part of the area-regeneration activities (Pakruojis manor attracting a considerable number of tourists is the largest and the most successful municipal investments and public-private partnership project over the last years).

- As other municipalities, Pakruojis district municipality encounters the challenge of the efficient relationship between local governance and state authorities. The intensive state authorities' supervision and distrust of the municipality reflected by strong control and supervision mechanisms produce the biggest tensions in the municipality. Over-controlled legislation and complex public procurement procedures also prevent Pakruojis district municipality from efficient implementation of municipal infrastructure development plans.

Business stakeholders

- The relations between business and territorial governance is based on mutual understanding and joint decisions. The local business networks use official and informal channels to provide the different proposal to Council and municipal administration. They also participate in public debates and consultations. Businesses have been involved in the preparation of the Local Development Strategy for Pakruojis district municipality. Moreover, business stakeholders participate in the discussions on the EU Structural Funds projects that are co-financed by the municipality.
- The local business networks use official and informal channels to provide different proposal to Council and municipal administration. The inter-personal connections and acquaintances networks work sufficiently and present an effective strategy to solve local problems. Businesses are also somewhat active in directly financing community initiatives or supporting the municipal service providers (schools and kindergartens).

To summarize, community actors are involved in policymaking in Pakruojis district municipality and their involvement through formal and informal channels has been growing. Local communities are most active in improving the life chances of residents. The municipality responds to the demographic challenges by developing social, educational and health care services in the area. It recognizes the territorial characteristics of the area as the integral part of the territorial governance and policies. Business stakeholders use official and informal channels to provide different proposal to Council and municipal administration. The inter-personal connections and acquaintances networks work sufficiently and present an effective strategy to solve local problems.

3.5. Coordination of territorial governance across cases

The coordination mechanisms in childcare, VET, ALM, regeneration, economic growth policies are discussed in the sub-chapter. The cross-cases analysis approach is used in the sub-chapter looking at different government arrangements and interlocking networks.

Coordination of childcare policies across cases.

1. Vertical coordination in the domain of the childcare policies is imbalanced and to some extent, this is echoed across all cases. Childcare is the part of the educational policies and informants in all localities evaluated this branch of the public policy as weak and chaotic. As the result in many localities there is a shortage of the teachers, ECEC careers and education specialists, there are unfavorable age structure of the educational personnel (especially in relation to kindergartens). One

respondent from the urban locality noted *“all these problems are rolled over municipalities shoulders, but at the same time it is obvious they cannot be solved at local level, because it is national wide and systemic problem which should be solved on national level and in a complex way. But at this moment national education policy seems to be very fragmented and dispersed”* (LM_KDM_SBG0111). The systemic national level problems related to the educational specialists are even more pronounced in the rural areas, where it is very hard to attract young teachers, careers or educational specialists (Local authority actor, IM_PDM_RG03).

However, the horizontal coordination sometimes is also distinct through the top-down approach, which might result in too high level of control of ECEC institutions. As one informant from the educational sector explained, the problem is centralization of implementation (not centralization of ideas), there are too many control mechanisms, surveillance, bureaucratic control etc. In addition, the problem is the tempo of the implementation of the centralization and optimization policies. National and local governance aims to implement changes in two years, but the time span supposed to be 30 years. There are also management problems at the municipality level.

“I think the problems arise when we do optimization and do not consider the quality, as the result we get stagnation. There would be no problems if we would optimize routine functions; all functions, which could be accomplished without any personalization, and then there would be no problems. However, if we want to optimize functions closely linked with the relationships, education, then we will lose quality [of education]. Optimization is good, but the directions need to be chosen rightly” (IV_KCM_UG06).

2.The horizontal coordination mechanisms between municipality, ECEC service providers, voluntary organizations and other stakeholders is less hierarchical than the vertical coordination and presents the integration of both - top-down and bottom-up approaches. Within each municipality, there is formal structures, which ensures the implementation of the ECEC services (Departments for Education). However, across all cases there are various ways of horizontal co-operation. For example, in urban case, there is the Family Council, which consist of various NGOs, community representatives and which is important actor in the policy formation and implementation process at the municipality level. In relation to the horizontal co-ordination one local community activist notes: *“it’s been already three years as the Family Council is established, representatives of NGO’s and municipality are included. We meet regularly and we discuss problems, we inform municipality and react to their decisions. It’s not always very efficient, but still, we move forward step by step and there is mutual understanding, and this is very good”* (R_KCM_UC05). The other representative from the urban case also noted that educational community has possibility to advocate their interests in municipality. Informant thinks that it is easy to reach local clerks and to communicate with them. This communication process between community and local government actors is seen as very flexible and friendly.

In rural case, the horizontal coordination is based more on informal approach, because the small scale of the locality activates the social networks and co-ordination mechanism build on trust. Limited number of educational institutions in the rural area also fosters the informal connections between municipality and service providers. Thus, on the one hand, the representatives of the municipality have a deep and detailed knowledge about the situation in all ECEC institutions (Local authority actor, IM_PDM_RG03). On the other hand, the service providers (heads of the kindergartens) might contact the authorities in less bureaucratic way (meeting them also in the community events, cultural festivities).

The involvement of social stakeholders in developing and implementation of the childcare policies across the cases follows two patterns. Direct involvement is related to the parental committees, which are established in every ECEC institution. Parental committees mostly work on the level on ECEC institution and are involved in solving operational issues related to the educational

program, quality of service provision (nutrition, small repairs or reconstruction works). In some cases, parental committees consolidate their capacities in joining other, larger, sometimes national level NGOs (National parents association), when there is need to solve issues related to all ECEC institutions in the locality and to exhibit more pressure to the municipality actors. As an example, for this, are parents protest the centralized food provision in urban municipality. In the rural case, an example could be the actions related to protest the foreclosure of the schools and other educational institutions. The indirect involvement is related to NGOs, citizens' alliances and other voluntary organizations. These organizations rise wider issues related to the welfare of the local residents and ECEC becomes only a part of the working agenda. For example, demographic growth of the young population in the suburban municipality rises the demand for the expansion of the ECEC places in some areas of the municipality.

3. Territorialized collective actions in relation to the ECEC or pre-school services are specific to each locality. For example, there was intention to solve the shortage of the ECEC places in the urban municipality by building the modular system kindergartens involving private enterprise. However, the initiative was widely debated amongst the stakeholders, service providers and municipality. The decision was taken to reconstruct old buildings and have more sustainable infrastructure (IV_KCM_UG06). The other example of the territorialized collective actions on the suburban case is the cooperation between the municipality and private ECEC service provider as a response to satisfy the demand for the childcare places. Kaunas district municipality was the first in the country to offer families partial compensation to cover the expenses of the private childcare institution. In rural case, the example of territorialized collective actions could be the protests of local communities against the re-structuring of the local educational network. However, the collective actions in the ECEC domain in rural municipality are rare, while the supply of ECEC services corresponds the demand and generally, the ECEC infrastructure is of good quality.

Coordination of VET policies across cases.

As it was already described in D.4.1., D.4.4. and D.4.5., the localities are involved in the VET only to the very limited degree and this is related to the specificity of national legislation on education services. The main VET policy implementation mechanism and instruments is defined in the Law on Vocational Education and Training (approved in 1997 with later amendments). Ministry of Education, Science and Sport is responsible for all stages of vocational policy system, including planning, monitoring, quality and coordination of VET network. The ministry is the founder of all VET institutions, which operate on municipal level. According to the Law on Vocational Education and Training the Ministry of Education and Science maintains the main control and steering of the vocational policy. The network of vocational training schools is centrally planned and controlled. Municipalities are responsible only for organization and coordination of guidance services at schools at municipal level, which is defined as a minor role. The level of local municipalities (LAU) autonomy for implementing the VET is relatively low, except the indirect impact of answering the needs of local labour market and offering practical training for local employees in vocational schools or labour market training centers. In 2018 the Ministry of Education, Science and Sport has adopted the *Plan for the Development of Public VET institutions*¹⁵, which among others sets the priority to optimize the supply of the VET study programs according “to the territorial principles”. The Plan underlines: “New re-structuring and optimization provisions are intended to combine the content of training programs delivered in vocational training institutions with the needs of business companies in the

¹⁵

Plan for the Development of Public VET institutions, approved in 2018 March 29, Ministry of Education and Science.

regions”. The Plan will be implemented by the end of 2020. Thus, there is no horizontal coordination regarding VET, local stakeholders are not involved in the VET domain.

Coordination of active labour market policies across cases.

As it was specified in previous analyses, the active labour market go beyond the municipal level planning and intervention policy since these areas are centrally planned, controlled and monitored. Usually, active labour market policy measures are indirectly incorporated into the overall strategic planning documents on economic development of three municipalities.

1. Vertical and horizontal coordination of implementing active labour market policies. The Ministry of Finances underlines that the need to maintain a competitive advantage under limited labour supply conditions encourage the Lithuanian industrial enterprises to search for ways to increase labour productivity through modernisation, automation and more effective work processes (Lithuania’s Economic Development Scenario 2018-2021, Ministry of Finances). The document draws attention to the risks of limited labour supply which is particularly relevant to Kaunas city and Pakruojis district municipality.

Although the labour market policies are not considered as a priority in the list of municipal responsibilities, a variety of policy documents related to all three cases identify the main strategies to improve the labour market: an increased investment in education and professional development; the creation of special training programs; the investment in new enterprises; and the improvement of social services that help the workforce to adjust to the labour market requirements. On the national level the regional economic policy mostly focuses on the support to entrepreneurship, SME’s development and investment policy which has the direct effect to labour market intensity and economic productivity by regional level.

It could be argued that because of the central control and monitoring the dimension of vertical coordination dominates in the coordination of active labour market policies.

2. Participation and involvement of social stakeholders in labour market policies. Despite of centrally controlled labour market policies, some policy documents related to three cases declaratively indicate the importance of different stakeholders in implementing active labour market strategies. The example of Kaunas city municipality is illustrative in this regard. The policy documents related to Kaunas city municipality continuously mention the development of workforce capacities, greater involvement of social partners including business and NGOs and the stimulation of responsibility both among potential employees and employers. Thus, the principle of partnership is emphasized in the policy documents: local governance, the Labour Exchange, NGOs and entrepreneurs should be involved in the process of setting up plans for employability of Kaunas inhabitants. It could be inferred that two additional discourses are manifest in the policy documents: the discourse of local governance as a partner in solving the labour market problems and the discourse of human capital which requires investment (to invest in people’s education and life-long learning process).

To increase the employment capacity of the workforce it is necessary to deal with the problems of the labour market such as limited educational possibilities for workforce and the lack of comprehensive professional development system that would respond to the changing needs of the labour market. According to the *2013-2015 Strategic Action Plan of Kaunas City Municipality* (2013), “...in implementing the action programme of the development of human resources it is sought to attract and keep people in the labour market, to encourage a more active life-long learning approach, to develop the labour force of the highest qualification and to perfect public administration.” The same policy discourses on the involvement of social stakeholders in labour

market policies apply to Kaunas district and Pakruojis district municipalities. Here the joint actions of different stakeholders, particularly local businesses, are considered a significant stimulus to mobilizing labour force capital and improving labour market efficiency.

3.Territorialized collective actions for active labour market policies. In the cases of Kaunas city, Kaunas district and Pakruojis district municipalities, territorialized collective actions are implied in policy documents by pointing to the process of partnerships between local governance and social partners such as business owners and NGOs and academic experts. For instance, the document related to Kaunas city municipality entitled the *Program of Sustainable City Development* (2013) states that it is important to “*to encourage the cooperation of business, science community and local governance in order to make the development of scientific research, technologies and innovations.*” The participation of citizens in contributing to the formation of active labour market policies through surveys and other mechanisms is also envisioned in these policy documents. The active participation of citizens for their own good is considered desirable.

However, because of the dependence of active labour market policies on the EU and central government funding, strategies related to labour market are rather uniformed and lack diversity. It could also be argued that collective actions in the field of both labour market policies and strategies are not sufficiently territorialized in the Lithuanian policy documents related to all three analysed cases. Central government control authority of labour market policies cannot guarantee the access of three municipalities to make interventions considering territorial development problems. Moreover, labour market policies reflect the increasing centralization and cost optimization tendencies.

Coordination of urban regeneration policies across cases.

As it was discussed in the previous research, in the Lithuanian policy documents related to Kaunas city, Kaunas district and Pakruojis district municipalities urban regeneration refers to life quality, the improvement of urban environment, economic growth, reduction of social exclusion and poverty. In these documents, such terms as urban ‘renewal’, ‘renovation’ and ‘revitalization’ have positive connotations. Urban regeneration policies encompass the modernization of public buildings and their energy efficiency, the continuing of the development of social housing, the development of better communication services and the increase in the efficiency of local governance and competences of human resources. Thus, the urban regeneration policies are socially oriented; they reflect the need to increase attractiveness of the target territories for inhabitants and reduce social exclusion by integrating socially vulnerable groups

1.Vertical and horizontal coordination of implementing urban regeneration policies. The vertical dimension of implementing urban regeneration policies is important because it concerns the issues of fiscal autonomy of municipalities, financial self-reliance, policy scope, institutional depth, political discretion and shared-rule factors. In Lithuania, the municipalities have relatively low financial self-reliance and fiscal autonomy that limit the planning and implementation of large-scale, long-term urban regeneration projects.

For this reason, a top-down approach dominates in the vertical coordination of urban regeneration policies when centrally-imposed tasks, planning and funding programs for territorial needs derive from the central government’s decisions. The relationships between the municipalities and central authorities could be characterized as hierarchic and centralized. Long-term investments and territorial development projects of the municipalities depend on central government budgeting. The vertical interaction with upper-tiers of government or the EU Funding programs is significant factor for urban regeneration projects and policies. It is applicable to all three cases. Most informants from three municipalities were rather critical towards the vertical coordination. According to a public

authority actor from Pakruojis district municipality, *“The problem in Lithuania is too much centralization, which makes our local governance very weak. We have very limited power in controlling finances, decisions and taking responsibilities”* (Public Authority Actor, SG_PDM_RG01).

As the case of Kaunas district municipality demonstrates, often there exists a mismatch between central authorities' regulations and territorial needs and urban development strategies. For instance, the central government regulations on the construction process and private investments in real estate development negatively affected urban regeneration projects. Chaotic development of private housing areas without appropriate public infrastructure, recreational zones, streets lighting, etc. enabled by the government regulations brought along a number of public service problems in Kaunas district municipality.

The horizontal coordination of implementing urban regeneration policies are more efficient in mobilizing the participation of different stakeholders in urban regeneration projects. For instance, in Kaunas district municipality, the horizontal coordination is formal and informal cooperation, particularly between the public authority actors and business associations or entrepreneur networks (for example, Kaunas Chamber of Commerce, Trade and Industries). Tripartite councils and boards which include local governance, community, and business stakeholders, for example, Council of Business Development, Council of NGO's, Council of Youth Affairs, Kaunas Regional Development Council are also active in Kaunas district municipality.

The dominance of horizontal coordination is also reflected in the policy documents of Pakruojis district municipality. On the other hand, the urban regeneration schemes proposed in these documents imply an active intervention of local governance that reflect the most important policy priorities in Pakruojis district. However, the need for a public-private partnership led by the municipality with the involvement of local companies and communities could also be inferred from the analyzed policy documents that mention such financial resources for urban regeneration as a municipality budget, state budget, special state subsidies, private enterprises and other funds. The public, private and civil society sectors must participate in collaborative processes of urban regeneration. The balance between public, private and NGO sector is considered a key goal of urban regeneration policy.

In all three cases, the horizontal coordination is enabled by the participation of the municipalities, local communities and local businesses in the regeneration of public green zones, public sporting activities, streets lighting, and road maintenance works. Despite the efforts of horizontal coordination in which the municipalities play a leading role, the problem lies in long-term impact making and continuing civic participation in collective matters.

2.Participation and involvement of social stakeholders in urban regeneration policies. As the research shows, the municipalities are the dominant actors in evaluating and monitoring urban regeneration policies in the urban, suburban and rural areas. For instance, Kaunas city municipality puts much effort in regenerating different elderships and in promoting the construction of the new apartment and office buildings in the city.

In Kaunas district municipality, it is local politicians and political parties and corporations that make strategic decisions on the suburban locality and allocate financial, informational or social status resources to different urban regeneration projects. In Pakruojis district municipality, the main responsibility for urban regeneration policies lies on the municipal administration, mayor and Council decisions. However, the legislation provides for the involvement of different stakeholders in the discussion of the investment projects for area regeneration. However, the research shows that the involvement of the stakeholders, particularly local entrepreneurs, in working groups are sporadic and inefficient.

Despite the main role of public authority actors in urban regeneration policies, the involvement of other stakeholders, particularly in small-scale projects, are encouraged in all three

municipalities. For instance, in Kaunas city municipality, local community organizations are relatively active in conducting cultural and area regeneration projects. Such areas as Aleksotas and Šančiai are characterized by a high level of communal activism that contributes to bettering of the city. Here the most active local communities of Šančiai and Aleksotas could serve as examples of successful mobilization of local interests among different stakeholders in the area. These areas are characterized by a high level of communal activism that contributes to urban regeneration. The example of Šančiai shows how previously problematic and abandoned spaces and buildings could be reconstructed due to local community initiatives supported by private businesses.

In Kaunas district municipality, the local community organizations are very active in fostering the small-scale projects on environmental issues or public services provision (kinder playgrounds, recreation zones, street maintenance works, etc.). On the other hand, although the business stakeholders understand the importance of their activities to suburban regeneration, only a limited number of them is socially orientated. Most businesses prefer profits, cheap labour force and minimal interaction with local community and institutions.

In Pakruojis district municipality, the governance and community actors attempt to focus on the common understanding of the urban regeneration issues and public interests which helps to mobilize local inhabitants to solve the specific infrastructural or environmental issues (for example, local community centres implement different activities in relation to local quality of life together with suburban municipality or local business support: regeneration of public green zones, public sporting activities, streets lighting, road maintenance works, kinder playgrounds, etc.). Despite the fact that the local NGOs and rural community centers in Pakruojis municipality are very active in empowering local leadership and trying to balance local needs, their intervention in urban regeneration policies could be defined as marginal.

3.Territorialized collective actions for urban regeneration policies. As the research shows, territorialized collective actions for urban regeneration are designed to respond to the social, economic, demographic and environmental state of three municipalities. The municipalities usually consider the specificity of each locality and attempt to implement urban regeneration projects according to its legislation. However, some projects or programs could not be implemented without central government interference through intensive regulations or public procurement procedures.

Public authority actors recognize the territorial characteristics of the area as an integral part of urban regeneration policies and projects. One high-level public authority actor of Pakruojis district municipality argues that *“Regeneration should be oriented towards the strategy, which would enable to make the municipality the satellite municipality (miegamasis) of the bigger cities (Šiauliai, Panevėžys). There is only 50 km distance. For this, we need to provide good roads and services – childcare, leisure, coffee shops or restaurants. [To develop this] we need money. We have a cinema, there are a lot of cultural activities in the town already going on”* (Public Authority Actor, EK_PDM_RG09). Thus, the urban regeneration is treated as an integral part of territorial development.

This example also demonstrates that, in Pakruojis district municipality, urban regeneration policies are considered a part of wider regional policies of urban regeneration related to a) the formation of a socially safe and healthy society (effective provision of social services, promotion of social inclusion and quality services, better health of population achieved by an effective work of healthcare institutions); b) the improvement of community environment (the infrastructure favorable to the community and NGOs and support of youth and other NGO initiatives; c) the increase of public safety (education and informing of the community and the provision of public order and safety).

In Kaunas district municipality, collective actions for urban regeneration policies targets the increasing population of young families with kids, industrial zones, growing economic productivity and explosive development of suburban residential areas. The main goal is to make Kaunas district

“a flourishing area whose progress encompass a favorable natural and geographic location, developed infrastructure, favorable conditions for investments, active communities, educated and enterprising people who have possibilities of growth and improvement” (2013-2020 Strategic Plan of Kaunas District Municipality, p. 9).

In all cases, territorialized collective actions for urban regeneration policies target the issues of social inclusion and participatory democracy. They aim to improve the accessibility of public health services and their quality, to secure safe living environment (crime prevention and the reduction of alcohol consumption) as well as to encourage social activism of local communities. Moreover, the promotion of new innovative communal initiatives aimed at improving living environment and life quality and the advancement of the initiatives of communal safety and educational safety programs are considered as catalysts for urban regeneration.

Coordination of economic growth strategies across cases.

As it was analysed in COHSMO deliverables D.4.4. and D.4.5. on territorial cohesion discourse and implementation of different policies on local level, the economic growth policies dominate in strategic planning documents in all localities. In all cases the main territorial approach concentrates on the keywords of economic productivity, competitive advantages of the territories and improvement of economic position of the municipalities by recognising the special urban areas for investments. In general, the economic growth strategies are perceived as macro level policies that have a huge impact on territorial wealth. For example, the national policy framework on regional economic competitiveness defines economic growth conception in national *White Papers on Regional Development for 2017-2030* (approved by National Regional Development Council in 2017 December 15). Referring to the document, all Lithuanian regions should focus on their economic specialization by consolidating and enacting the economic and labour assets to develop specific economic branches. For example, Kaunas region advantage is logistics, developing industrial zones and innovation centres. *White Papers on Regional Development for 2017-2030* defines the need for increasing the functional discretion of municipalities. One of the main important Actions is “*assigning an independent function of improving the economic environment to municipalities and continually improving the conditions to carry out this function*” that is aligned with the “*the creation of jobs and the promotion of business and investment*”.

Local economic growth policies are prioritized by all groups of local stakeholders, especially by business actors. Contrary, social investment programs or initiatives are formulated as a collective responsibility of local authorities and the participation and involvement of civil society and community interests. Considering strategic planning documents of Kaunas city, Kaunas district and Pakruojis district municipalities, the keywords of “*creation of economically attractive areas*”, “*encouraging entrepreneurship through establishment of technological parks and business incubators*”, “*entrepreneurship and the creation and development of small and medium-sized businesses*”, “*development of public spaces and infrastructure*” and “*attracting domestic and foreign investments*” defines the dominated discourse in constructing economic growth narrative and placing the role of different stakeholder in territorial governance arrangements.

The main characteristic of local economic growth policies and territorial governance characteristics across the cases are as following:

1.Vertical and horizontal coordination of implementing economic growth policies.

Lithuania Progress Strategy - Lithuania 2030 (approved in 2012) and the guidelines in *Program of EU Structural Funding for Lithuania in 2014-2020* determine horizontal and vertical national development priorities. Smart society, smart economy and governance comprise the vertical priorities group. While culture, regional development and public health is acknowledged as horizontal ones. Thereby, the regional development policies should be implemented using horizontal governance

approaches and combining different local level interests and collaborations. Our interviews with different stakeholders and documents discourse analysis demonstrate that the economic growth policies are implemented mostly by municipal efforts within one or several neighbouring jurisdictions. The local authorities' approach to develop economic growth policies is rather formalized and depend on managerial, financial and organizational skills by local municipal officials. Hereby, the idea of territorial management refers more to functional governance rather than networking governance (Blatter, 2004).

For example, in urban Kaunas city case local authorities underline that the municipality is responsible for many independent and delegated functions that include investments, infrastructure and different social sectors (Public Authority Actor, RS_KCM_UG01). The municipality bundles many tasks in attracting financial investments and creating local jobs and implementing better access to a variety of public services including transportation, ECEC, other social welfare services (Public Authority Actor, SK_KCM_UG02). The urban stakeholders represent the importance of networking governance as well, demonstrating that the municipality and investors have the same vision on urban development in the city. The goal of local governance is to create a sustainable business ecosystem in Kaunas (Public Authority Actor, PM_KCM_UG03). Interviews from the suburban area of Kaunas district demonstrate the problem of managerial capital, expert knowledge and lack of networking governance mechanisms. The discrepancy between national legislation and territorial economic growth needs is an important example in Kaunas district. Many governance actors use the example of the disintegration of strategic visions on sustainable suburban zones development and central government regulations on the construction process and private investments to real estate development in suburban areas. Suburban locality should take more advantage from the successful development of Kaunas Free Economic Zone or Kaunas international airport, negotiate with state authorities and private real estate developers on the urban development projects. In all localities business actors mostly criticize the functional governance on territorial level because of the inefficiency and mismatch of different interests, visions on the city and differences in organizational and bureaucratic cultures (Business Actor, EJ_KCM_UB01). Only a small number of local entrepreneurs take the proactive role in local development policies and municipal strategic and territorial planning.

2.Participation and involvement of social stakeholders to economic growth. Recently approved *White Papers on Regional Development for 2017-2030* underlines the importance of “*The active involvement of economic and social partners in regional processes contributes to creative, effective and responsible solutions that bring benefits to the entire region*”. The data from the urban, suburban and rural localities represent very little on the involvement of different social stakeholders which could contribute to economic growth policy. In all cases we cannot trace the impact of large-scale public-civic-private interventions to improve local welfare policies. Looking from the functional governance perspective, the social stakeholders can participate in the primary phases of strategic planning process taking a part in public deliberations or consultations. But their voice is almost invisible in the final version of the documents, especially referring to large scale economic investments projects or urban regeneration programs.

Few examples of networking governance could be identified in interviews with local authorities or community actors. For example, the encouragement of more active citizen involvement is emphasized by urban local authority representative: “*Residents must articulate their needs and justify them. Afterwards, it's the administration's job to respond to their needs and implement solutions*” (Public Authority Actor, AK_KCM_UG05). In Kaunas municipality case, community stakeholders prioritize the delivery of social services and infrastructure development which is municipal responsibility rather than involvement to large-scale economic development programs. The lack of shared vision and community mobilization is characteristic to the city (DS_KCM_UG08). The civic actors mostly contribute to small-scale local welfare interventions rather than focusing on economic

growth strategy. As an additional example is rural locality where the business actors contribute only to small-scale community initiatives:

Every elder has the circle of local businesspeople and asks them for help because the budget funds are not enough. And usually, businesspeople help. Because they understand that residents work for him and if he improves something, everyone would be satisfied (Public Authority Actor, SM_PDM_RG02).

In suburban Kaunas district locality, the municipality supports the synergy between non-governmental initiatives and provision of social and cultural services. The local institutional networking should be enacted using “*private initiatives, non-governmental organizations and promotion of voluntary work for Integration of socially vulnerable groups or individuals*” (Kaunas District Municipality Strategic Development Plan for 2013-2020). Moreover, the impact of social stakeholders to economic growth policies is limited. The community stakeholders can use formal and informal participatory practices and strategies to participate in territorial policy interventions, for example, through institutionalized consultative bodies such as Council of NGO's, Councils of Local Initiative Groups (bodies operate in all localities). However, the effectiveness of formal and informal participatory democracy practices is somewhat limited, especially considering territorial economic growth projects or initiatives.

3.Territorialized collective actions for economic growth. Territorial aspect of local governance refers to the perception of the territory as common good where identification of territorial capital is needed. The collective actions of local stakeholders emphasize specific territories within the municipality geographical boundaries that are needed more specific economic investments. In urban Kaunas city locality, the municipal strategic documents prioritizes two territories - elderships¹⁶ of Aleksotas and Zaliakalnis which have established local action groups (LGA's): “*According to local development strategies prepared by Aleksotas and Žaliakalnis LAGs in territories the local communities initiatives are implemented in cooperation with municipality, enterprises and business associations, communities and other NGOs. The main goals are related to the social and cultural initiatives of local communities to increase social integration*”. The local action groups have prepared their own development priorities and demonstrate the case of successful collaborative initiatives. The documents underline that the economic competitiveness, entrepreneurship and labour market problems overcome the boundaries of single elderships territory; economic development should be treated as an integral part of city infrastructure development.

Another example of territorialized collective actions for economic growth is related to the role of elderships. Most of the stakeholders in the localities argue that the municipality needs to reconsider the public services implementation and to more responsibility to the elderships of the localities. Referring to urban local authority representative, the elderships should be more active in responding to citizen demands that currently reach the municipality and become the important issues in the territory (Public Authority Actor, SK_KCM_UG02). The successful examples of Šančiai and Aleksotas elderships in urban Kaunas area or Ramučiai, Rindaugai and Neveronys elderships in suburban area are the cases of effective involvement and collaborations of local communities and business for small-scale interventions.

Another example is development of Free Economic Zone in suburban Kaunas district municipality. It represents the case of territorial inter-institutional interaction between Kaunas international airport, the local community of Ramučiai eldership and municipality administration to find a common solution for economic development and transportation network. More specifically, Kaunas international airport is involved into the process of territorial strategies and suburban

¹⁶ According to the Law on Local Self-Government the eldership is an administrative territorial sub-unit of municipal administration with a range of specific functions in social welfare, maintenance of public spaces, etc.

planning, including privatization of land in specific areas of the territory, planning, and construction of private housing and real estate market and changing legal procedures on the land usage. The channels of formal communication and negotiations with territorial stakeholders are used. The company is trying to sustain geographical distance between residential areas and airport territory and minimize conflicts between local community and airport:

With us, there are plans for all the territories around Karmelava, Ramučiai elderships and so on. We immediately try to catch the track, saying that there is a risk ... guaranteeing that in certain areas there would not be the construction of residential buildings, any land-change procedures so that we avoid this noise due to the expansion of the potential industrial zones (Business actor, KM_KDM_SBB03).

In general, the analysis in the localities demonstrates that the plurality of territorial stakeholders' interests is being transformed to territorial coordinated actions. In some case the interest' mobilization is more efficient, for example, small-scale educational, social services delivery or urban regeneration initiatives in active elderships. In other policies, for example, active labor market, vocational training or economic growth, the variety of governance arrangements (formal, informal, horizontal and vertical) does not have a significant impact on territorial development.

3.6. Relation to other scales of government

Lithuania is characterized as a single-tier self-governance system where regional scale of governance level is absent. During the period 1994-2010 the self-governance system was deconcentrated to higher level (regional) administrative units (10 counties) and decentralized to local governmental units (60 municipalities, LAU1 level). the management of regional counties administration was supervised by central authorities allocating the functional and financial discretion. Each county consisted of 6-8 municipalities. In 2010 the reform of dismantling the regional county level was implemented stating that there is a problem of competence distribution and overlapping between the levels of governance. The main reasons for the county reform were related to the lack of strategic goals and actions, dissatisfaction of citizens with the function implementation by county administrations, lack of control and monitoring, governmental efforts to reduce the administrative burden thereby simplifying the provision of public services to citizens, and to strengthen self-governance (Gaulé, 2011, 417-418).

This chapter focus on the discussion on the relations between municipal and central government levels in terms of vertical and horizontal coordination. The aspect of EU funding programs for territorial development policies is also explained. We refer to regional level of the place-based policies implementation; however, in Lithuanian case the concept of regions reflects the geographical boundaries of several neighbouring municipalities and cannot be identified as institutional constraints.

The dimension of vertical coordination refers to the level of hierarchical arrangements between central authorities and municipalities. It also reflects the principle of subsidiarity and definition of the scales involved in territorial decision-making constraints. hereby, the role of central authorities is important in delegating the functions and fiscal autonomy to municipalities. The principles of allocation of powers are related to improvement of the efficiency in public services delivery in municipalities and local democracy. In case of Lithuanian localities and analyzed policies (VET, ECEC, active labor market, urban regeneration and economic growth) the competences distribution varies across the policy domains. Vertical subsidiarity principle characterizes the implementation of VET and active labor market policies that are centrally organized and implemented. These policies also receive a large EU structural funding injection from the central authorities. ECEC system is also defined as an example of vertical coordination (supervised and

financed by the Ministry of Education and Science). However, the municipalities are responsible for the personnel, institutional infrastructure development, availability of places for childcare, organization of meals. The competences of urban regeneration projects and economic growth is transferred to the autonomy of municipalities. The coordination of sectoral policies has a territorial impact defined in municipal strategic planning documents. From this general perspective, vertical coordination dimension in implementing analyzed policy domains concerns not only coordination problems between central and local level. But also, the quality of connections and relations between sectoral policies at different spatial levels are important.

Secondly, the empirical data from the stakeholders' interviews reflect the recent discussion on self-government autonomy level in Lithuania. Questions on fiscal autonomy of municipalities, financial self-reliance, policy scope, institutional depth, political discretion and shared-rule factors (referring to Ladner, Keuffer, Baldersheim, 2016) become the main topics in the interviews with business and local authorities' actors. In Lithuania, the municipalities have relatively low financial self-reliance and fiscal autonomy which limits the implementation of large-scale investments projects. the strict supervision of national legislation and public procurement procedures is also considered as one of the bureaucratic burdens for more effective policies initiatives. According to stakeholders in all localities, the importance of the coordination and supervision between municipality administration and state authorities is crucial. The coordination mechanisms between actors, stakeholders and institutions demonstrates the specificity of Lithuania within the vertical subordination between the central government and municipalities.

Nevertheless, the governance actors consider the lack of autonomy in financial budgeting and local development planning initiatives. In general, the relationships between the municipalities and central authorities are characterized as hierarchic, subordinated, imperative-drawn decisions and programming. Municipality's long-term investments and territorial development projects depend on central government budgeting. The coordination of interests between the municipality and state authorities demonstrates a problem of fiscal regulations for municipal budgeting and changing state regulations. Moreover, it has become a systematic approach in the country to delegate additional functions to the municipalities without providing additional budget resources. A suburban example demonstrates the effects of vertical subordination in municipal fiscal policy. The annually revised fiscal policies and municipal budgeting procedures causes the planning of municipal budget for implementing economic growth and urban regeneration programs. For example, in 2018 Kaunas district municipality received 16 million euro less because of newly implied municipal budget calculation formula (Public Authority Actor, GK_KDM_SBG05). The "anti-democratic" approach in defining relations with central authorities is a typical label. The example demonstrates the problems for overlapping of state level policies with municipal functions and political discretion:

This is usually the case: there is a problem at the national level, then it is dropped to the municipalities. You will solve the problems of migration, solve problems of kindergartens. Well, it seems like a municipality's function is to control everything (Public Authority Actor, EM_KDM_SBG01).

Dependence on EU Funding is a challenge for all localities. The allocation of the EU Structural Funds on infrastructural and public services development in analysed localities and regions of Kaunas and Šiauliai is based on a top-down approach. The local stakeholders underline the risk of decreasing EU funding that is considered as a significant disadvantage for Lithuanian municipalities because of the high dependency of financial input to public services delivery projects and long-term public infrastructure projects. Municipalities considers the decrease of the EU funding as a main risk for a sustainable territorial development projects and initiatives:

In my opinion, the biggest threat, is not the power or the politicians, but the failure to see possible threats in the future. The one I mentioned is the money of the European Union because there

is absolutely no mechanism for the functioning of the municipality without them (Public Authority Actor, GK_KDM_SBG05).

Regional aspect. Regional Development Councils were established in 2001 for the implementation of the regional policy in Lithuania. Councils were formed from county's governor, mayors and 1-3 appointees of each municipality councils. They were responsible for approval of regional development plans and social and economic growth projects and participated in the initial selection of EU structural funds projects. Nevertheless, the role and decision-making powers of Regional Development Councils are decreasing. They are responsible only for 2-3 percent of EU funding allocation within the regions. The decreasing role of Regional Development Councils is a part of centralized regional policy. *White Papers on Regional Development for 2017-2030* defines the strategic priority on the expansion of powers for the Regional Development Councils. The expansion of decisive powers involves not only allocating more EU funds, but also making use of state investment program funds, attracting private investments, planning and coordinating the provision of regional services, and marketing the region. The aim for Regional Development Councils is to foster inter-municipal cooperation and manage regional competency offices (development agencies) or regional service centers. However, the empirical data from the stakeholders in the localities do not prioritize the role of Regional Development Councils. contrary, they are defined as instrumental inter-municipal networking without any real decisive powers. For example, The Kaunas Regional Development Council enables local business actors to access the negotiations on the local development policies through participation in Kaunas regional Council, but the body has a limited decision-making power at the regional level.

The dimension of horizontal coordination refers to horizontal forms of cooperation among local authorities and other local stakeholders that gives an added value for a territory. Here, the capacity to implement coordinated strategies is crucial for implementing place-based policies. Also, the integration of available territorial assets and resources and implementation of cross-cutting sectoral policies guarantees continuum for sustainability of territorial policies. Referring to the analysis in the Lithuanian urban, suburban and rural localities, the horizontal dimension of governance is analyzed in terms of the importance of municipal administrative sub-divisions (elderships). The elderships play one the most critical roles in connecting the functional obligations of municipalities and locality needs. Elderships have some autonomy in small-scale decisions in public infrastructure improvements, or social and cultural services, but mostly they dependent on municipalities' programs, funding and strategic development plans. In all localities the data demonstrates that the main actor in territorial governance mechanism is municipal administration and administration sub-units of elderships. thereby, the importance of social stakeholders in governance decision is rather limited. For example, a community stakeholder from rural locality argues:

Municipality understands that main task is to work for the people for them not to leave the area. To provide services, to make life more comfortable. And they do their job through the eldership, so we are very connected (Public Authority Actor, SM_PDM_RG02).

Elderships have quite a lot of autonomy in small-scale decisions, but mostly depend on municipalities' programs, funding, and planning. Referring to community actor from suburban Kaunas district case: *We really have that autonomy. Cash, accountant, decisions are taken here.... We have a budget and work on it. No one here asks us where we spend our euros. We have junior elders, and joint decisions are made if needed, for example, streets maintenance works* (Community actor, VZ_KDM_SBC05).

The rural case of Pakruojis district demonstrates the importance of elderships in rural peripheral areas that are disconnected from the municipal urban center. At the lowest level – elderships and their sub-divisions (LT: seniūnaičiai) work closely and involve the local community leaders in the decision-making process. There are local councils, which decides upon the agenda and budget spending:

There is in eldership council, which includes junior elders and community leaders. In our case, we work very efficiently, but I know from other municipalities, there are sometimes such heated fights. Some people try to use them [the councils] as a political weapon before the elections. It is not a case with us. We discuss the projects, what needs to be done. One year we decided to do the child playground, the other – the street lightening (Public Authority Actor, SM_PDM_RG02).

Summarizing, the system of self-governance jurisdictions defines the functional governance collaboration across the regions and on inter-municipal scale. Large part of analyzed social investment and territorial development policies are vertically subordinated, giving less decision-making and autonomy power for municipalities.

3.7. Conclusion

Summing up the theoretical debates of territorial governance, the dimensions of the participation and consensus-building among public and private actors, the devolution of powers and resources to lower levels of decision-making and territorial cohesion implementation could be identified (Stead, 2013). Also, the aspect of different forms of collaborative efforts for decision-making in different policy domains is important for territorial governance. For example, ESPON (2014) sees the dimensions of coordinating actions of inter-related stakeholders, integration of policy sectors, mobilization of stakeholders and importance of territorial context and territorial specificities (ESPON, 2014). Summarizing the main aspects of territorial governance in three urban, suburban and rural Lithuanian localities, we could distinguish few main conclusions in terms of participation, coordination and conception of the territory (Davoudi et al, 2009). Thereby, the synergy of policy areas are not always traceable because of the (1) centralized coordination approach to VET and active labor market and (2) strategic planning documents in analyzed localities are not coherent in drawing the bundles between the analyzed policy domains.

1. Vertical and horizontal territorial coordination modes and decision-making. The relational dimension of territorial governance refers to the level of hierarchical arrangements between central authorities and municipalities in implementing different policies (VET, ECEC, active labor market, urban regeneration and economic growth policies). The municipal authorities are the main actors taking the responsibility for the integration of analyzed place-based policies in planning, development and implementation of collaborative projects or initiatives in economic growth and urban regeneration. Labor market and VET services are marginal on the local government agenda because the strategy and provision of these services are designed and supervised on the national level. However, in most cases the role of central authorities is important in delegating the functions and fiscal autonomy to municipalities, for example, the case of ECEC policies subsidized by the Ministry of Education and Science but implemented and coordinated on municipal level. On horizontal level the local inter-organizational networking and interconnectedness is an important factor for economic development and urban regeneration programs. In urban and suburban cases, the horizontal coordination and collaboration is more based on developing area regeneration and public infrastructure projects. The rural case demonstrates the dependence on informal mutual networking based on neighborhood interrelatedness and rural communities' activism.

2. Different levels of participation and stakeholders' involvement and promotion of consensus-building. The involvement of stakeholders and public/private partnerships is necessary for the design and implementation of the territorial mobilization process. The second problem is the diffusion of the different interest' groups and stakeholders with a different practice, understanding of the territorial needs and common good. The differences between these different groups of stakeholders include the objectives of participation and the modes or strategies through which involvement or participation is

promoted. The cases analysis demonstrates that local communities do not get enough capacities to interfere in the implementation of territorial development plans, and their impact could be described as only small-scale interventions. In all cases they are proactive in small-scale and short-term projects related to cultural projects, public infrastructure and the provision of public services (public transport, recreational zones, street maintenance, and care for the elderly). Local communities are characterized as the most active units in improving the local quality of life. Also, the shortage of leadership and expertise of local community activists as main impediments to successful implementation of public services. The lack of the common understanding of public interests and ineffective negotiations between the municipality and businesses limits the initiatives of entrepreneurs from more active role in territorial development. As an example of more efficient collaborative initiatives is ECEC services in all cases. The services are high on the municipality agenda, and there is a mutual understanding of the relevance of the high-quality childcare services. The municipality, ECEC institutions, and communities have strong links in securing the ECEC provision. The outcome is the services, which are incoherent, non-adapted to the local needs. Another example of urban regeneration could be the collaboration and coordination in the area of tourism, where public-private collaboration encourages the spin-off of various adjunct small-scale enterprises (suburban and rural cases).

3.Territorial aspect of collective action and place-base policies and delivery of territorial cohesion. Territorialized actions are based on the shared understanding of local specificities and refer to the territory as a common good. The results of the analysis in three different localities in Lithuania demonstrate the attachment to specific geographical territory. The collective actions of local stakeholders emphasize specific territories within the municipality geographical boundaries that are needed more specific economic investments. The urban regeneration and economic growth policies are based on the distinction between more urban and more rural elderships that require different policy coordination and implementation approach. For example, in all cases, territorialized collective actions for urban regeneration policies target the issues of social inclusion and participatory democracy. The improvement of the accessibility of public health services and their quality, to secure safe living environment as well as to encouraging social activism of local communities should be implemented using collective efforts. Another territorial aspect is related with the need to increase the functional autonomy of the elderships. Most of the stakeholders in the localities argue that the municipality needs to reconsider the public services implementation and provide more responsibility to the elderships that recognize the local needs.

4. Discussion and conclusion

Summing up the findings from different Lithuanian localities (urban Kaunas city municipality, suburban Kaunas district municipality, rural Pakruojis district municipality in Lithuania) on territorial capital mobilization, collective efficacy and territorial governance we focus on general trends. The D.4.6. analyses if the territorial governance, collaboration, and coordination efforts utilize collective efficacy and territorial capital, what is the role of welfare and growth policies (childcare, labour market, regeneration, VET and growth strategies) in defining territorial specificity. The importance of specific territorial assets for place-based policies is important. There are differences in identification of the territorial capital importance across the cases. In urban and suburban cases, the important asset is territorial interconnectedness and functional dependence in public infrastructures that defines the significance of more functional governance approach rather than networking approach. Contrary, the rural locality demonstrates the emphasis on the local social networking and institutional inter-connectedness.

We propose the summary of the report in separate tables identifying the relationship between territorial capital mobilization, collective efficacy and territorial governance and impact on analysed territorial policies development (childcare, labour market, regeneration, VET and growth strategies). Thereby, the level of impact to territorial policy domain (strong, average, low) refers to relation between territorial asset or territorial disadvantage to implement specific policy field. For example, the demographic decline in the locality implies the cost optimization of ECEC services network.

1.Territorial capital dimension. As it was discussed in previous chapter 3, the academic discourse on territorial capital refers to the complex understanding on how locality matters in different contexts in relation to important territorial resources (local policies and institutions, services provision, local engagement, and bottom-up community collaborations and initiatives) (Cox 1998; Cox, Mair 1988). The revival of locally-based policies and territorialization is related to locational embeddedness, community mobilization, and different territorial coalitions to solve economic growth and social welfare problems (Cox 1998, 22–25). Moreover, the reference to the importance of local knowledge, bottom-up initiatives and place-informed understandings is important to ‘exploitation’ and ‘enhancement’ of local assets (Servillo, Atkinson, Russo 2011). The analysis of D.4.6. is based on the relational approach to territorial capital. We interpret territorial advantages and disadvantages from a supply-based framework. The composition and use of territorial assets and advantages forms the specific of territorialisation in the locality. Thereby, referring to Camagni and Capello (2013), the factors of economic competitiveness, economic productivity, flows of capital and labour and infrastructure endowments are shaped mostly by exogenous (external) determinants (Camagni, Capello, 2013).

Looking from the relational territorial capital perspective, the Lithuanian localities have different access to territorial assets and resources. The organizational and relational territorial capital characteristics are embedded in territorial inter-institutional cooperation and territorial governance context. However, in urban and suburban cases the territorial competitiveness is based on economic production and economic competitiveness factors; contrary, the rural case emphasizes the competitiveness in territorial identity, trust and viable local communities. The important advantage of social and relational capital in all cases considers the capacities for collective action and inter-institutional cooperation initiatives and projects. Though, the effectiveness of territorial social capital is different across all cases, small-scale effect of collaborations on public services provision, environmental issues, public infrastructure quality and general welfare of the territories is significant.

For the detailed summary of territorial capital identification across the cases see the information in the Table 6.

Table 6. Territorial capital perception in Lithuanian localities.

Locality	Territorial assets ¹⁷	Territorial disadvantages and problems	Territorial policies challenge (level of impact, strong, average, low) ¹⁸				
			ECEC system	Active labour market policy	Urban regeneration policy	Vocational training	Economic growth
Urban locality (Kaunas city municipality)	Socio-economic context: increasing foreign investments in industries, entrepreneurship, the potential for creating polycentric urban districts and functional transportation system.	Organizational capacity: development of SMEs business and more active entrepreneurship.	Strong impact, depends on decreasing birth-rates	Average impact, indirect impact because of labour force drop, policy depends on centralized approach	Strong impact, territorially organized	Limited impact, centrally organized	Strong impact, territorially organized
	Organizational capacity: capabilities for collective action and inter-institutional cooperation, especially on territorial communities' level.	Organizational and relational capacity: lack of civic leadership and community resources (management, finances, decision-making), low level of trust in institutions, sporadic actions of business actors in territorial development programs.					

¹⁷ The elaborations in the table are based on territorial capital notion by Camagni, Capello (2013).

¹⁸ Hereby the level of impact refers to the relation between territorial assets or territorial disadvantage and specific policy field implementation. For example, the specificity of territorial capital in Kaunas city municipality (demographic decline, importance of public services infrastructure, etc.) implies the overall re-organization of ECEC services network in municipality (strong impact).

	Organizational capacity: expansion of economic competitiveness and public infrastructure endowments; spatial public services development.	Organizational capacity: over-lapping municipal services with metropolitan zone.					
	Organizational capacity: the interconnectedness with the suburban zone that help to minimize the negative consequences of scale economies in municipal services in low income elderships.	Socio-economic context: internal spatial inequalities between different elderships in terms of income and employment.					
	Relational capacity: territorial identity and history supplied by its geographical location, history, and tourism resources.	Socio-economic context: demographic decline and working-age population shrinkage, outer-inner migration.					
	Socio-economic context: participation in regional economic production competitiveness chains and transport infrastructure development	Political context: unstable regional policy and <i>national level policy principles</i> , oriented towards centralization, cost optimization, low fiscal discretion of municipalities and ignorance of local needs.					
Locality	Territorial assets	Territorial disadvantages and problems	ECEC system	Active labour market policy	Urban regeneration policy	Vocational training	Economic growth
Suburban locality (Kaunas district municipality)	Socio-economic context: increasing foreign investments in industries, the potential for creating polycentric urban districts and functional transportation system, the extensive development of new residential	Organizational capacity: development of SMEs business and more active entrepreneurship.	Strong impact, depends on increasing birth-rates and demand-	Average impact, indirect impact because of labour	Strong impact, territorially organized	Limited impact, centrally organized	Strong impact, territorially organized

	districts and an increasing number of working-age families.		supply chains	force migration, policy depends on centralized approach			
	Socio-economic context: the strategic geographical position of the locality that becomes a pre-condition for the higher socio-economic indicators (higher income of households, low unemployment rate).	Organizational capacity: the diversity of internal spatial and socio-demographic inequalities that effects the arrangements of public services infrastructure and increase public cost.					
	Organizational capacity: the interconnectedness with the metropolitan zone that help to minimize the negative consequences of scale economies in municipal services in low income elderships.	Socio-economic context: internal spatial inequalities between different urban and rural elderships in terms of income and employment and access to public services.					
	Relational capacity: the interconnectedness and interrelatedness of different local community groups active in small-scale initiatives and collaborations.	Relational capacity: lack of civic leadership and community resources (management, finances, decision-making), low level of trust in institutions, sporadic actions of business actors in territorial development programs.					
	Socio-economic context: participation in regional economic production competitiveness chains (Free Economic Zone) and transport infrastructure development (Kaunas International Airport)	Political context: unstable regional policy and <i>national level policy principles</i> , oriented towards centralization, cost optimization, low fiscal discretion of municipalities and ignorance of local needs.					
Locality	Territorial assets	Territorial disadvantages and problems	ECEC system	Active labour market policy	Urban regeneration policy	Vocational training	Economic growth

Rural locality (Pakruojis district municipality)	Socio-economic context: high productivity and automatization of the agriculture sector, development of cultural tourism sector.	Socio-economic context: demographic decline and working-age population shrinkage, outer-inner migration and dependence non-diversified agricultural business.	Strong impact, depends on increasing birth-rates and demand-supply chains, remote elderships challenge of municipal services, especially to ECEC.	Average impact, indirect impact because of labour force drop, policy depends on centralized approach	Strong impact, territorially organized	Limited impact, centrally organized	Strong impact, territorially organized
	Organizational and relational capacity: potential from the local communities and close interconnectedness within different local stakeholders; local community groups active in small-scale initiatives and collaborations (entrepreneurship in crafts).	Relational capacity: lack of civic leadership and community resources (management, finances, decision-making), low level of trust in institutions, sporadic actions of business actors in territorial development programs.					
	Organizational capacity: re-modifications of economic growth strategy and public service delivery institutional network (establishment of multi-functional social services centers in rural territories).	Organizational capacity: internal spatial inequalities in the geographical access to municipal services between more urban and rural elderships.					
	Relational capacity: territorial identity and history supplied history, and tourism development.	Organizational capacity: limited investments to territorial revitalization policy and territorial strategic planning issues.					
	Socio-economic context: border region with Latvia, development of cross-border initiatives in transportation and tourism.	Political context: unstable regional policy and <i>national level policy principles</i> , oriented towards centralization, cost optimization, low fiscal discretion of municipalities and ignorance of local needs.					

2. Collective efficacy dimension.

The chapter 4 analysis on the level of collective efficacy demonstrate the different approaches used by local stakeholders in perceiving territorial capital and collective capacities. Referring to theoretical discussion on collective efficacy, the collective initiatives are more effective in inter-related communities compared to disorganized communities. The empirical analysis demonstrates that in all cases the localities depend on development and empowerment of interpersonal trust and social networks on territorial level. The exception is rural locality of Pakruojis district municipality that is defined as an example of dense and inter-connected organizational networks in peripheral areas and strong effects of neighbourhoods. Secondly, the analysis demonstrates that the collective elaborations and initiatives concentrated on territorial level mostly refers to the public services delivery and local quality of life.

Summarizing the collaborative and coordination efforts to incorporate collective efficacy to problem-solving strategies in different urban, suburban and rural areas, the significant differences in territorial capital perception are important. In general, community stakeholders underline the importance of interpersonal and inter-organizational networks. Although the collective efforts have a relatively small-scale effect on quality of life and public services delivery, the impact for strengthening social capital is significant. Local authorities' stakeholders (municipality and their administrative sub-units' as elderships) maintain the role of mediator between social and business stakeholders improving accessibility and availability to public services. Thereby, territorial collective efforts and initiatives are also shaped by central government authority. Legislation, procedures, financial control, public procurement rules and control of investment to large-scale projects defines the municipal agenda more than the needs of local communities. The "traditional" top-down tendencies of cost optimization and cost efficiency highlight the prioritization of sectoral policy approach to tackle the problems with childcare services, social welfare services, public transportation, waste disposal, recreational zones. For example, the rural locality underlines the geographical (*spatial*) accessibility to ECEC services and public transportation, urban and suburban municipalities face the problem of the supply and demand problems in pre-school and secondary school system. Central government control authority on VET or labour market policies cannot guarantee the access of municipality to make interventions considering territorial development problems.

The summary provided in Table 7 looks at the three main characteristics of collective efficacy based on empirical data from Lithuanian municipalities: (1) bottom-up leadership as a basis for territorial mobilization, (2) collective efficacy as a basis for public services delivery and (3) limitations of business actors' involvement and distinction of social and economic growth policies (see Table 7).

Table 7. Territorial collective efficacy across cases (in Lithuanian urban, suburban and rural localities).

Dimensions of collective efficacy	Characteristics of collective efficacy	Territorial policies challenge (level of impact, strong, average, low) ¹⁹				
		ECEC system	Active labour market policy	Urban regeneration policy	Vocational training	Economic growth
1. Bottom-up leadership as a basis for territorial mobilization.	<ol style="list-style-type: none"> Community actors - mutual trust, interpersonal and inter-organizational networks, territorial identity and local leadership (level of territorial efficacy is relatively higher in rural locality compared to urban and suburban cases). Developed network of territorial communities and NGOs. Small-scale neighbourhood mobilization and local welfare interventions (for example, Aleksotas, Šančiai, and Žaliakalnis territorial communities as examples of successful engagement in urban regeneration and cultural projects). Small-scale interventions to entrepreneurship (rural case). Limited interventions to local decision-making through policy-making channels. The strong dependence on external resources and "top-down" EU funded programs. 	Limited impact	Very limited, not integrated, vertical coordination	Average impact	Very limited, not integrated, vertical coordination	Limited impact

¹⁹ Hereby the level of impact refers to the relation between the characteristics of collective efficacy across the cases and specific policy field implementation. For example, the bottom-up leadership and networking of community actors in all localities has a limited impact and interventions for ECEC services delivery (limited impact).

	7. Limited interventions to economic growth or public services (ECEC policy) improvements because of the lack in financial, managerial and decision-making resources.					
2. Collective efficacy as a basis for public services delivery improvements.	<ol style="list-style-type: none"> 1. Focus on quality of life factors and public services delivery and reply to the needs of the changing population. 2. The organizational infrastructure reflects the unequal distribution of the local resources where local communities depend a lot on institutional municipal support. 3. Strong impact of legislation, fiscal planning, public procurement procedures and centrally planned large-scale investments of municipal programs. 4. Low functional autonomy of municipalities and limited financial abilities to improve ECEC system. 5. The local communities and NGOs are recognized as a resource for the provision of social services but for the intervention to large-scale investment and economic growth projects. 6. The services provision projects or PP initiatives are rarely implemented (an exception in urban locality that has more financial resources for outsourcing social services to civic sector). 7. Mutual distrust between communities and municipalities and lack of institutional recognition and negotiations (all three localities). 	Average impact	Very limited, not integrated, vertical coordination	Average impact	Very limited, not integrated, vertical coordination	Limited impact
3. Limited involvement of business actors and distinction of territorial social and economic growth policies.	<ol style="list-style-type: none"> 1. Limited involvement of business actors to place-based policies, except private urban regeneration projects and economic growth. 2. Limited inter-connectedness between local needs and business interests' in territorial planning agenda or domination of large business companies (urban Kaunas city municipality case). 	Limited impact	Very limited, not integrated, vertical coordination	Large impact	Very limited, not integrated, vertical	Large impact

	<p>3. Limited development of PP collaborations (exception is the provision of private ECEC services in urban Kaunas district and urban Kaunas city municipalities that reflects the problem of services supply).</p> <p>4. Low level of public services outsourcing.</p> <p>5. The main factors that can foster local entrepreneurialism are related to strong inter-organizational networks within large companies in Kaunas Economic Zone and their small and medium-sized subcontractors, especially from the localities around.</p>				coordination	
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3.Territorial governance, coordination and collaboration. The theoretical debates of territorial governance elaborate the complex and multi-dimensional understanding of the dimensions of the participation and consensus-building among public and private actors, the devolution of powers and resources to lower levels of decision-making and territorial cohesion implementation. The dimensions of coordinating actions of inter-related stakeholders, integration of policy sectors, mobilization of stakeholders and importance of territorial context and territorial specificities are the main domains of territorial governance understanding. Chapter 5 provides a comprehensive overview of territorial governance dimensions across Lithuanian cases in terms of different analyzed policies (VET, ECEC, active labor market, urban regeneration and economic growth).

In all localities, vertical and horizontal coordination networks are important as an interest's negotiation and decision-making mechanisms. The involvement of stakeholders and public/private partnerships is necessary for the design and implementation of the territorial governance process. The relational dimension of territorial governance refers to the level of hierarchical arrangements between central authorities and municipalities in implementing different policies (VET, ECEC, active labor market, urban regeneration and economic growth policies). From the one side, horizontal inter-institutional and neighbouring networks combines the territorial strategies providing a formal basis for negotiations, consultancy and deliberations. However, the municipal administration takes the responsibility for the integration of place-based policies in planning, development and area regeneration. The governance actors tackle the ongoing tensions between the variety of interests of different stakeholders, especially business. Although the local communities' organizations are active in small-scale interventions, their voice in developing the territorial strategies is unarticulated. Nevertheless, the problems of common definition of public interests, negotiations and business leadership create detached clusters within different visions of territorial development and growth in all three localities. The second problem is the diffusion of the different interest' groups and stakeholders with a different practice, understanding of the territorial needs and common good.

The summary the main aspects of territorial governance in urban, suburban and rural Lithuanian municipalities is provided in Table 8. The data draws the conclusions in terms of participation, coordination and conception of the territory (Davoudi et al, 2009) (see Table 8).

Table 8. Level of territorial governance across cases in Lithuanian localities.

Dimensions of territorial governance	Characteristics of territorial governance	Territorial policies challenge (level of impact, strong, average, low) ²⁰				
		ECEC system	Active labour market policy	Urban regeneration policy	Vocational training	Economic growth
Vertical and horizontal territorial coordination modes and decision-making.	<ol style="list-style-type: none"> 1. Vertical coordination dimension - municipal authorities as main actors in integration place-based policies, top-down policies (VET, active labor market), state subsidies for large-scale economic and urban interventions. 2. The significant the role of central authorities in delegating the functions and defining fiscal autonomy of municipalities. 3. Horizontal coordination level – importance of local inter-organizational networking and interconnectedness is 	Strong impact	Strong impact from vertical level	Strong impact from vertical and horizontal levels	Strong impact from vertical level	Strong impact from vertical and horizontal levels

²⁰ Hereby the level of impact refers to the relation between the characteristics of territorial governance across the cases and specific policy field implementation. For example, the vertical and horizontal coordination and decision-making in all localities has a strong impact and interventions for ECEC services delivery (e.g. ECEC services are centrally organized and subsidized, however, the development and organization of ECEC institutional network in the territory is a municipal responsibility).

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	<p>economic development and urban regeneration programs, especially with business stakeholders.</p> <p>4. Dependence on informal mutual networking based on neighborhood interrelatedness and rural communities' activism (rural case).</p>					
<p>Different levels of participation and stakeholders' involvement and promotion of consensus-building.</p>	<p>1. The diffusion of the different interest' stakeholders with a different practice, understanding of the territorial needs and common good.</p> <p>2. Limited interventions of local communities and small-scale local welfare services interventions.</p> <p>3. The shortage of leadership and expertise of local community activists as main impediments to implementation of public services (an exception in provision of ECEC services in all cases. The services are high on the municipality agenda, and there is a mutual understanding of the relevance of the high-quality childcare services).</p> <p>4. Business stakeholders' capacities to interfere in the implementation of territorial development plans.</p> <p>5. The urban and suburban cases –examples of interconnectedness between the territories with an example of successful leadership and integrated local production systems (as an example, tourism sector development in suburban and rural localities).</p>	Limited impact	Strong impact from vertical level	Limited impact from horizontal levels	Strong impact from vertical level	Limited impact from vertical and horizontal levels
<p>Territorial aspect of collective action and place-base policies</p>	<p>1. Shared understanding of local specificities and refer to the territory as a common good.</p>	Strong impact	Strong impact from	Average impact from	Strong impact from	Average impact from

and delivery of territorial cohesion.	<ol style="list-style-type: none"> 2. Strong attachment to specific geographical territory (all cases). 3. The identification of municipal territories that are needed more specific economic investments 4. The plurality of territorial stakeholders' interests is being transformed to territorial coordinated actions based on territorial identity (urban regeneration initiatives in active elderships and rural entrepreneurship projects in rural locality). 		vertical level	horizontal level	vertical level	horizontal level
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Annexes

1. List of interviews' transcripts and notes with stakeholders in rural locality (Pakruojis district municipality).

Category		ID Code
PUBLIC AUTHORITY ACTORS	1	SG_PDM_RG01
	2	SM_PDM_RG02
	3	IM_PDM_RG03
	4	ZD_PDM_RG04
	5	RM_PDM_RG05
	6	RS_PDM_RG06
	7	SS_PDM_RG07
	8	SL_PDM_RG08
	9	EK_PDM_RG09
	10	MS_PDM_RG0110
BUSINESS ACTORS	1	VU_PDM_RB01
	2	ED_PDM_RB02
	3	AN_PDM_RB03
	4	JJ_PDM_RB04
	5.	LK_PDM_RB05
COMMUNITY ACTORS	1	PK_PDM_RC01
	2	VS_PDM_RC02
	3	RJ_PDM_RC03
	4.	DP_PDM_RC04
	5	MZ_PDM_RC05

2.List of interviews' transcripts and notes with stakeholders in urban locality (Kaunas city municipality).

Category	ID Code
PUBLIC AUTHORITY ACTORS	1 RS_KCM_UG01
	2 SK_KCM_UG02
	3 NM_KCM_UG03
	4 VM_KCM_UG04
	5 AK_KCM_UG05
	6 ES_KCM_UG06
	7 LN_KCM_UG07
	8 DS_KCM_UG08
	9 NP_KCMUG09
	10 RS_KCM_UG0110
BUSINESS ACTORS	1 EJ_KCM_UB01
	2 BZ_KCM_UB02
	3 RD_KCM_UB03
	4 JB_KCM_UB04
	5. MR_KCM_UB05
COMMUNITY ACTORS	1 RM_KCM_UC01
	2 VG_KCM_UC02
	3 RN_KCM_UC03
	4. MB_KCM_UC04
	5 RZ_KCM_UC05

3.List of interviews' transcripts and notes with stakeholders in suburban locality (Kaunas district municipality).

Category	ID Code
PUBLIC AUTHORITY ACTORS	1 EM_KDM_SBG01
	2 NM_KDM_SBG02
	3 AB_KDM_SBG03
	4 AS_KDM_SBG04
	5 GK_KDM_SBG05
	6 DB_KDM_SBG06
	7 RV_KDM_SBG07
	8 NT_KDM_SBG08
	9 VA_KDM_SBG09
	10 AU_KDM_SBG0110
BUSINESS ACTORS	1 VJ_KDM_SBB01
	2 SN_KDM_SBB02
	3 MG_KDM_SBB03
	4 VS_KDM_SBB04
	5. VB_KDM_SBB05
COMMUNITY ACTORS	1 RS_KDM_SBC01
	2 OD_KDM_SBC02
	3 AK_KDM_SBC03
	4. DJ_KDM_SBC04
	5 VZ_KDM_SBC05