Strategic Capacity in Fragmented Urban Governance: How Real a Policy Innovation?

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Introduction

Changes to the British urban governance system have been the subject of an impressive volume of research in the last twenty years. This research has considered many intriguing aspects related to urban governance institutions, their political functions, and the social and economic implications of their restructuring. The research agenda has tended to emphasise the political and economic motivations concerning the restructuring of local government and governance (Cochrane, 1993); the relationship between wider processes of state restructuring and changes in urban governance (Goodwin and Painter, 1996); the internal working and management of local government (Stewart and Stoker, 1989); the implications of change to service provision (Hill, 2000); and a wide range of studies on the politics of urban governance to include debates on the respective roles of public participation, the private sector, and public institutions in local policy-making (for example, Atkinson, 1999; Cochrane, 1999; Jonas, 1996; Miller, 1999; Ward, 1997). More recently, the very notions of 'change' and 'newness' in contemporary urban governance have been challenged and debated (Imrie and Raco, 1999; Ward, 2000).

While institutional fragmentation and change have been strongly implicated throughout most of the research strands mentioned above, the implications of this to the capacity of the urban governance system to engage with issues *strategically* – indeed to re-consider what strategy *means* within the wider context of governance – have not been researched systematically. Particularly, there is little doubt that the structure of urban and regional systems in Britain is characterised by institutional fragmentation, and that the multiplicity of partners is coupled by different statutory provisions, agendas, time horizons, resources and spatial scales. This, in turn, raises all kinds of questions related to policy co-ordination and implementation, different institutional capacities, the ability to obtain certain goals, to know what the problems are, to negotiate and compromise with other institutions; and to have a view of the city that takes into account linkages and inter-dependencies.

This paper is written as part of a wider research project which aims to investigate the links between economic competitiveness and social cohesion in Central Scotland. The aim of this paper is to consider the extent to which 'strategic capacity' as (i) an organising concept, (ii) a research agenda, and (iii) policy practice offers insight into the current state of urban governance in Scotland, and the extent to which it might be considered a policy innovation. The discussion is organised along a set of propositions which taken together provide rationale for our own view of what strategic capacity means and how it might be approached and researched empirically. In doing so the paper draws on a range of approaches to urban governance, strategy-making, urban development and policy studies so as to arrive at a view of strategic capacity that is conceptually critical yet empirically operational.

Strategic Capacity in Urban Governance: A Timely Concept?

While the institutional fragmentation of the British urban governance system has been well documented, we know significantly less about the actual <u>ability</u> of the system to deliver on a range of goals and objectives, and

indeed to balance between (at times) conflicting pressures related to urban development. The relationship between urban economic competitiveness and social cohesion has been a particular (and increasing) concern among policy-makers. Given the fragmented and uneven nature of urban governance institutions across British cities, what is the capacity of the system to support both goals? In addition, policy discourse in Britain has increasingly referred to the concepts of strategic management, strategic governance and strategic capacity (albeit with little in the way of precise definition), arguing that Britain lacks a strategic perspective across a range of policy areas. Four major elements seem to stand out in outlining the importance of strategic capacity:

i. Governance institutions are organisations which are open to political pressures, yet (increasingly) have to respond rapidly to changing economic, political and social circumstances: what is the trade-off between democratic responsiveness and strategic ('technocratic') necessities?

ii. Governance is operated through networks of institutions and actors: multiplicity of organisations and agencies with different agendas, resources, time horizons, and so on which raises questions about effective co-ordination.

iii. The timing of the research: UK devolution; RDA's in England; re-introduction of 'Strategic' regulators (e.g. SRA); EU context.

iv. A normative element:
- The desirability of evidence-based policy formation.
- The benefits of collaborative governance.
- The advantages of viewing the city as a 'system': linking competitiveness and cohesion.

Conceptions of Strategy

The notion of 'strategy' in itself is of course, not new. Strategy, strategic planning, strategic management, strategic behaviour, and increasingly strategic capacity, are ubiquitous concepts in a diverse range of literature and academic disciplines. These concepts have resonated frequently in the urban planning literature, as well as in studies of public and private organisations, management and policy analysis (Anderson, 2000; Bryson et al, 1986; Kaufman and Jacobs, 1996; Kupreanas et al, 2000; Pittman, 2000; So, 1984; Volberda and Elfring, 2000; Wit and Meyer, 1998). Strategic capacity has also become an important concept in policy discourse (Goodstadt and Buchan, n.d.). There is a danger, however, that such a concept might become fuzzy in that it would luck a clear definition and suffer from "porous boundaries" so that, for instance, all policy failures would be attributed to the lack of strategic capacity, or that instances of apparent consensus between policy-makers would be interpreted as a necessary outcome of the presence of strategic capacity. For that reason, we argue that the concept of strategic capacity needs to be carefully situated within the context of the research subject. In other words, there is a need to avoid a totalising definition of strategic capacity. In what follows we review a number of conceptions of what 'strategy' means, outlining the relevance of those conceptions to our interest in the institutions of contemporary urban governance, to our view of the city as a system of inter-connectivities, and to our specific interest in the relationship between urban economic competitiveness and cohesion.

A useful point of departure to a substantially diverse literature is to re-consider some classic contributions to urban planning theory. In discussing the theoretical and normative implications of the strategic approach in urban planning, Kaufman and Jacobs (1996) have used a modified version of

corporate strategic planning in their formulation of strategic urban planning in the public sector. According to Kaufman and Jacobs corporate strategic approaches involve at their core a SWOT analysis, and include more specifically: scanning the environment; selecting key issues; setting mission statements and goals; undertaking analyses; developing strategies with respect to each issue; formulating implementation plans; and engaging in evaluation and monitoring (pp. 325-326).

Furthermore, they argue that despite the differences between the private and the public sector, particular elements of corporate strategic planning continue to be strongly relevant to strategic planning in the public sector: action and results orientation; participation; environmental scanning; competitive behaviour; and assessment of community strengths and weaknesses (pp. 328-333). As they argue, “especially in the area of economic development strategic planning has become an important technique to develop a program of action based on a public-private partnership” (p. 338).

While this might provide a useful starting point, this discussion leaves out many important elements which are central to the operation of contemporary systems of local governance in Britain and Europe: for example, institutional fragmentation and coherence; power and politics; the impact of contexts (national and local, for instance); and the possibility that strategy might mean different things to different actors, thereby affecting behaviour, capacities and policies. The last point in particular – the different meanings that the concept of strategy might hold – is especially acute if we are to avoid a totalising (and imposing) research agenda.

Here, it might be useful to recall that in the management literature on strategy there is little agreement what the concept actually means, and indeed whether one definition is appropriate. Thus, Mintzberg (1996) suggests that strategy can be defined in five different ways. In the first instance, strategy can be seen as a plan, which according to Mintzberg indicates “some sort of *consciously intended* course of action, a guideline (or a set of guidelines) to deal with a situation” (1996, p. 10). This would fit an environment in which rational decision-making processes are prominent, and would be roughly comparable with the comprehensive, rational school of though in urban planning theory. The question is whether such processes are theoretically, normatively and practically possible. Other assumptions enmeshed in this approach can also be challenged: rationality; predictability; coherent institutional frameworks; the desirability of technocratic expertise over democratic decision-making, etc.

Secondly, a strategy can be defined as a ploy, in other words some kind of manoeuvre to outwit competitors. As Mintzberg argues, this aspect of strategic action is particularly appropriate to environments that are feverishly competitive, pose ever changing challenges, and force managers and decision-makers to constantly evaluate threats from rival organisations and environments. This perspective, while over-emphasising competition and threats, might be useful inasmuch urban governance institutions operate in a competitive environment. Competitive aspects include both inter-urban, or spatial, competition for investment, and inter-institutional competition between (and within) governance agencies who compete for resources and political influence.

A third view of strategy is that it might be defined as a pattern. As Mintzberg views it, this implies that “strategy is *consistency* in behaviour, *whether or not* intended” (1996, p. 11). In the view strategy is not more than a succession of trial and errors, out of which a pattern of action emerges that is more or less consistent. Whether strategy as a plan often over-emphasises intent, the definition of strategy as a pattern focuses on outcomes. Admittedly, evaluating strategy as a pattern becomes an arduous task: how can we measure or identify ‘consistency’ in the action of urban governance institutions? What are the benchmark against which consistency

is assessed? There are other questions, more normative in nature: is consistency always desirable, or can it indicate inability to change or to accommodate change? In other words, there is the danger that consistency will be translated to inflexibility. This definition also raises difficulties associated with attempting to evaluate the outcomes of strategies: if strategies are merely consistent patterns of action then this raises questions as to whether outcomes are intended or largely accidental.

The fourth definition is that of strategy as a position, that is the act of placing an organisation in its environment. According to Mintzberg, this definition sees strategy as a mediating mechanism between the organisation and its environment, or between the internal and external context. Within that context, Mintzberg, following the work of Astley and Fombrun (1983), suggests that if this relationship between the organisation and its environment is taken seriously, then one can introduce the notion of "collective strategy" which is designed to enhance collaboration between institutions, even between those that are seemingly competitor organisations. This has important relevance to urban governance as it suggests that research on strategy in urban governance might underline the need to explore the very sources of understanding that institutions have of urban change as one way of interrogating their environment: what other institutions are doing, in what ways are they complementary, what are the benefits of further collaboration, sharing of knowledge, mobilisation of capacities, etc.

Finally, strategy can be perceived as a perspective. Here, Mintzberg asserts the meaning of strategy as a set of perceived notions – by those in charge of strategy development - of how the world operates. As he puts is "strategy in this respect is to the organisation what personality is to the individual" (p. 14). So the view of the strategy as a perspective puts its thrust on understanding those practices, cultures, routines, beliefs and 'ways of doing things' that are ingrained in organisations, thus assuming that different organisations have distinctive characters. A key element within that context is the notion that strategy emanates from a perspective that is shared by all members of the organisation. In other words, it is a collective enterprise. This could be applied both internally, but has the potential to be a useful guiding tool in research of institutional networks in urban governance: what is the extent to which they share a perspective? It also raises the question whether a shared perspective is sufficient to generate strategic capacity. For one missing element here is the issue of action: does the view of strategy as a perspective offer ways to understand the implementation of strategies? Furthermore, is this view not deterministic and simplistic by suggesting that organisations behave in specific ways because they are different? It also tends to overlook external environments, regulation and so on, that might shape internal cultures and perspectives. But is does provide a clue to the need to interrogate carefully perspectives and perceptions as part of analysing strategic capacity.

Furthermore, Mintzberg suggests powerfully that the notion of strategy should be viewed with caution (by the researcher as much as by anyone else):

> *"…all strategies are abstractions which exist only in the minds of interested parties. It is important to remember that no one has ever seen a strategy or touched one; every strategy is an invention, a figment of someone's imagination, whether conceived of as intentions to regulate behaviour before it takes place or inferred as patterns to describe behaviour that has already occurred" (p. 15).*

A further contribution to the notion of strategy as embedded in particular social and cultural contexts has been provided by Whittington (1993), who differentiates between the classical (i.e. rational), evolutionist (assuming intensely and close to perfectly competitive markets), processual (located in

between the first two), and the systemic perspectives on strategy. He advocates the latter approach, which seems to be one that emphasises the operating environment and embeddedness of institutions and organisations.:

> *The Classical approach sees strategy as a rational process "of deliberate calculation and analysis, designed to maximise long-term advantage" (p. 3).*

By contrast:

> *"the systemic approach is relativist, regarding the ends and means of strategy as inescapably linked t the cultures and powers of the local social systems in which it takes place" (p. 2).*

Following Granovetter's (1985) stress on the social embeddedness of economic activity, Whittington argues that:

> *"In the Systemic view, the norms that guide strategy derive not so much from the cognitive bounds of the human psyche as from the cultural rules of the local society. The internal contests of organisations involve not just the micro-politics of individuals and departments but social groups, interests and resources of the surrounding context. The variables of the Systemic perspective includes class and profession, nations and states, families and gender." (P. 28).*

So, in a nutshell, the Systemic view proposes that the objectives and practices of strategy depend on the particular social system in which strategy-making takes place. One implication for research on urban governance in this context is that one might ask whether a local social and cultural system be identified within the overall architecture of urban governance, and can this be linked convincingly to the particular shape that strategic capacity takes in different contexts?

Although this conception is derived from the business world, we can talk about it in the context of governance. For instance, this view would suggest that the strategic objectives of key actors in partnerships may not be the ones that we anticipate them to be if these were carried out on purely 'benefit maximising' basis. This is particularly the case since in urban governance systems economic development goals have to be balanced against political objectives in which participation, civic pride and even symbolism are play an important role.

Despite broadening our own understanding of 'strategy' as a concept which may in fact contain several meanings, and one which needs to be embedded in local contexts, the discussion has neglected to consider one of the most fundamental elements in contemporary British urban governance: institutional fragmentation. In the most obvious sense, if the notion of strategy is complex and at times ambiguous it becomes even more so due to the network (that is horizontal) dimension of urban governance. In this context, Jessop's (2000) recent discussion of governance failure is useful as he argues, in part, that strategic action and co-ordination for economic and social development is still possible through a range of practices and structures which he terms 'metagovernance', and which he defines as "the governance of government and governance" (p. 23):

> *"[Metagovernance]…involves managing the complexity, plurality, and tangled hierarchies characteristic of prevailing modes of co-ordination. It involves defining new boundary-spanning roles and functions, creating linkage devices, sponsoring new organisation, identifying appropriate lead organisations to coordinate other partners, designing institutions, and generating visions to facilitate self-organisations in different fields. It also involves providing mechanisms for collective feedback and learning about the functional linkages and the material*

interdependencies among different sites and spheres of action, and encouraging a relative coherence among diverse objectives, spatial and temporal horizons, actions, and outcomes of governance arrangements. It involves the shaping of the context within which these arrangements can be forged rather than the development of specific strategies and initiatives from them" (Jessop 2000, p. 23).

Jessop further argues that we cannot assume that 'technical' organisational solutions would provide assurance against metagovernance failure. Rather, "a repertoire of responses is needed to retain the ability flexibly to alter strategies and to select those that are more successful" (p. 25). He notes several tensions associated with addressing metagovernance failure: (i) ideological vs pragmatic orientation; (ii) learning vs forgetting; (iii) removing particulars vs retaining the general.

The emphasis on co-ordination in the concept of metagovernance brings attention to the importance of communication in providing 'links and channels' between institutions. Using Habermas's notion of communicative rationality, and applied to the field of urban planing, Healey (1996) argues that practices based on "inter-discursive communication", that is on reasoning based on dialogue and debate, might provide for a more open, democratic and even liberating form of urban planning. Her analysis might be extended more broadly to the practice of urban governance and our interest in strategic capacity. In particular, those aspects of strategic capacity that include knowledge 'creation', reasoning of urban problems and their solutions, and knowledge transfer and diffusion through collaborative dialogue across the governance network seem particularly apt to benefit from Healey's approach:

"A communicative approach to knowledge production – knowledge of conditions of cause and effect, moral values, and aesthetic worlds – maintains that communication knowledge is not preformulated but is specifically created anew in our communication through exchanging perceptions and understanding and through drawing on the stock of life experience and previously consolidated cultural and moral knowledge available to participants. We cannot, therefore, predefine a set of tasks that planning must address, since these must be specifically discovered, learnt about, and understood through intercommunicative process" (Healey, 1996, p. 246).

This has methodological as well as theoretical implications because it draws the researcher's attention to the need to ask participants of their perceptions of problems, and to attempt to understand what is the source of their own knowledge and conceptions of solutions.

Furthermore, since action – and overcoming barriers to action that exist in fragmented systems – constitute a crucial element in strategic capacity, Healey's approach provide a useful reference point in making the link between knowledge and action:

"…knowledge for action, principles of action, and ways of acting are actively constituted by the members of an intercommunicating community, situated in the particularities of time and place…'Right' and 'good' actions are those we can come to agree on, in particular times and places, across our diverse differences in material conditions and wants, moral perspectives, and expressive cultures and inclinations" (Healey, 1996, p. 243).

One key potential advantage of fragmented urban governance systems is the potential capacity of individual agencies to accrue knowledge about their immediate environment that is highly specific and therefore is unlikely to be made available to other agencies. If network relations are the ones which prevail, that is if there is a propensity among actors to apprehend

complementary strength, to promote inter-dependency and reciprocal relations, and to share knowledge, then the potential for strategic capacity – one in which the different components of the governance system are aware of each other's strengths and weaknesses – will be enhanced.

The linkages between knowledge generation at the level of the individual institution, the creation and diffusion of knowledge throughout the governance system, and the types of action that this knowledge support are therefore at the heart of our view of strategic capacity. In that regard the creation of an epistemic (or knowledge) community among actors is a fundamental element in building capacity for continued dialogue between institutions. As defined by Haas (1992, p. 3), "an epistemic community is a network of professionals with recognised expertise and competence in a particular domain and an authoritative claim to policy-relevant knowledge within that domain or issue-area".

> *"members of an epistemic community share intersubjective understandings; have a shared way of knowing; have shared patterns of reasoning; have a policy object drawing on shared values, share causal beliefs, and the use of shared discursive practices; and have a shared commitment to the application and production of knowledge" (Haas 1992, p. 3).*

While Haas's conception might exaggerate the extent to which stable epistemic communities exist, and the degree to which they share values and perceptions, it nonetheless calls attention to the claim that to have some level of efficacy, policy networks of governance institutions require an acceptable level of shared knowledge and ways of knowing.

This approach is echoed in Cooke's (1995) concept of institutional reflexivity which he identifies in the so-called "intelligent regions": the ability to not only respond to change but also to *anticipate* change by interactive learning (learning-by-producing, learning-by-searching, and learning-by-exploring). As Cooke (1995, p. 238) puts it: "change usually requires getting new, but also forgetting old, knowledge. Innovation involves assessing such knowledge and translating what is usable into projects with innovative intent." Moreover:

> *[Learning] "demands a tremendous capacity for association, concentration, discourse and willingness to engage with other interests…its weakness is that, sometimes, drastic remedies are called for, because of the unexpected, and it may be too inflexible" (Cooke, p. 239).*

Cooke argues further that successful regions demonstrate reflexivity "in the sense of demonstrating concern about regional performance and competitiveness threats for the future. The key question concerns the nature and extent of the action that follows" (pp. 240-241).

There is a fundamental tension, however, between the transition from 'being' a knowledge community to action that is consistent with this shared knowledge. Cooke and Haas have less to say about the process though which collective learning and common knowledge lead to collaborative action in governance. In a recent contribution, Phelps and Tewdwr-Jones (2000) have suggested a framework that might be useful in analysing the different shapes that strategic capacity might take, and in particular the organisation of governance networks and the type of actions undertaken by institutions. They firstly identify three types of social action that might be subsumed within strategic capacity-building:

1. Teleological action: action which is governed by the need to meet certain ends. In other words this type of action seems to emanate from clearly defined goals.
2. Normatively regulated action: here, action is governed by a set of shared norms and rules that are common to group members.

3. Dramaturgical action: action that is oriented towards the presentation of a certain image vis-à-vis others.

They then argue that each of these 'ideal' type is mediated and even distorted by a fourth type of social action:
1. Communicative action: action which comes about as a result of dialogue and communication between actors. Emphasising consensus building.

By providing a critique of the fourth type they argue that communicative action is embedded within each of the three types suggested above. In reality all types of action may be identified, depending on the context, so that institutions and actors adopt different kinds of behaviour/action depending on the issue, the objectives, the nature of the actors themselves, their 'audience' etc. So the important point is to unlock the relationship between these types of action in an empirical context, and to understand why particular types of actions take place.

They also draw on Amin and Housner's (1997) typology of different forms of strategic direction to connect them with what they term are the 'dominant types' of social action. Thus, Amin and Housner (1997. P. 27) argue that "the rationality of interactive governance is that of process and procedure, focusing on building capabilities, securing institutional innovation and adaptability, deriving efficiency through social cohesion and social involvement, and obtaining solutions through interaction, dialogue and confrontation."

Furthermore, Amin and Housner suggest three types of strategic directions which are said to be an important outcome of power relations between institutions and stakeholders. The first is 'strategic guidance' which is an outcome of truly collaborative and reflexive interaction between institutions, and in which leadership exists in an enabling rather than dominating role. The second type of strategic direction is characterised by hegemonic relationship in which structural inequalities in power relations are built into the system. Thirdly is the 'leadership' type of strategic direction which stands for formally, statutory and explicitly recognised (by all actors) hierarchical power structures.

In connecting between strategic directions and strategic action Phelps and Tewdwr-Jones (200O) suggest the following formulation:

Table 1. Forms of strategic direction and associated types of social action within local governance

Form of strategic direction	Dominant type of social action
Strategic guidance	Communicative
Leadership	Normatively regulated
Hegemony	Teleological

Source: Phelps and Tewdwr-Jones (2000), p. 118.

While this offers a useful typology of social action, there are nevertheless a few weaknesses in this framework. In the first instance, it is not clear how institutions learn, individually and as part of a network, about their changing environment in the first place. Secondly, there is a need for more systematic analysis of factors constraining and contributing to strategic (and collaborative) capacity. Thirdly, a more nuanced understanding of power might help to understand inter-institutional relations. And fourth, one might raise a question as to the applicability of the Welsh case to other contexts, especially in urban areas where the hierarchy between institutions is not as clearly defined.

Concluding Comments: Strategic Capacity in Urban Governance – A Policy Innovation?

Given the conflictual nature of urban politics in Britain, the degree of institutional incoherence, and the relative absence of formal strategic planning frameworks for urban and regional economic development (See Tewdwr-Jones, 1998, for example), we argue that the formation of strategic capacity across governance networks would represent a policy innovation to the extent to which it enables 'metagovernance', in Jessop's terminology, and epistemic policy communities to emerge and function in a consistent way. At its most basic form our view of strategic capacity in urban governance stands for the various ways by which governance institutions learn about their environment (for instance, urban economic and social change); the process through which this learning and subsequent understanding are spread throughout the complex governance network; and the network's ability to translate knowledge into the selection of strategic choices (that is prioritising goals) and, importantly, action. More specifically, we take strategic capacity in urban governance to incorporate the following elements:

i. The process by which the individual organisation learns how and why urban change occurs, both in its immediate environment and within the wider urban context.
ii. The creation of shared understanding and common conceptions of problems by the diffusion of ideas and knowledge throughout the governance network. This process would include the mediation of power relations and potential conflicts between organisations so that some level of trust is built between institutions.
iii. The mobilisation of common conceptions and understanding in the process of agenda-setting. In other words, the capacity to generate policy objectives that mobilise diverse sources of knowledge and resources (i.e. build upon comparative advantages), and at the same time are consistent with institutional constraints. Again, the negotiation of power relations between organisations is an important component in generating consensual and collaborative governance agenda.
iv. The capacity to engage in action that is consistent with evidence-based policy goals (i.e. as defined in point ii above), and with the collaborative governance agenda identified in point iii above. A key element here is the need to *maintain* a certain level of inter-institutional dialogue, coherence, and trust.
v. The ability to engage in strategic learning by monitoring and evaluating policy outcomes, so that 'new' policies are informed by past experience.

Our appendix demonstrates what this definition might mean in terms of empirical research. We are not suggesting that our definition cannot and should not be problematised, not least because it does suggest quite clearly that our view is skewed towards three fundamental elements which we see as inter-linked: knowledge, collaboration, action. It might be useful, then to outline briefly the various tensions and trade-offs associated with strategic capacity because these are likely to be the dilemmas with which urban governance actors have to contend.

One of the key issues associated with the strategic capacity of governance institutions is the mobilisation of understanding and 'collective knowledge' (that is knowledge accumulated throughout the governing network) in the process of agenda setting (part iii of our definition of strategic capacity). In particular, given the twin complexity of (1) the urban environment; and (2) the institutional landscape of urban governance, one

could argue that the acquisition and diffusion of understanding throughout the network—to the extent that they exist—and even the generation of consensual knowledge, do not in themselves guarantee the attainment of strategic capacity. In other words, understanding and knowledge do not necessarily translate themselves into the process of agenda setting in an explicit (or rational) way because this involves a complex weighing of trade-offs and opportunity costs. So consensus about problems does not necessarily lead to an agreement about policy goals. To consider what some of these trade-off might be, it might be useful to distinguish between those which are associated with the strategy process, and those which are associated with the content of urban policy. Four sets of trade-offs could be distinguished with respect to the strategy process (and there are possibly more):

i. Flexibility and responsiveness vs. long-term goals.
ii. Technocratic knowledge vs. popular control of issues.
iii. Adaptability/rapid response vs. democratic accountability.
iv. Political risk vs. opportunism.
v. Balancing competition and collaboration.

With respect to issues, possible tensions and trade-off might include:

i. Comprehensiveness vs. targeted (area-based) initiatives.
ii. Economic competitiveness vs. social cohesion/environmental considerations and possible negative externalities.
iii. Resource allocation.
iv. Balancing (inter-city and other forms of) competition and collaboration.

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APPENDIX:

1. Research Questions

The research questions that follow seek to address our definition of strategic capacity in a systematic way. While in reality the 'stages' or components of strategic capacity identified above might overlap, and are inter-connected, it is useful for empirical and analytical purposes to address each component through a series of clearly defined themes. Five key themes are thus identified.

Research Theme I: Learning and Problem Definition at the Single Institution Level

1. How do urban governance institutions learn about changes and challenges to their environment?
2. What kind of evidence is used in the generation of knowledge at the (single) institutional level?
3. What are the ways through which institutions arrive at 'problem definition'? What are the diverse sources, inputs and pressures that feed into the process of problem definition?
4. How do institutions perceive the causes of local/urban problems (e.g social exclusion, unemployment, housing, poverty), and how do they conceptualise 'solutions'?
5. What is the extent to which individual institutions learn about and are aware of the inter-dependencies between problems in their immediate environment and city-wide issues and problems? What is the current thinking about the possible complementarities between social cohesion and economic competitiveness?
6. What is the specific role of 'their' organisation in addressing the problems defined above? How do they perceive possibilities and constraints on their ability to take part in and contribute to 'solutions'?
7. How do tensions and trade-offs between participatory and democratic processes, and 'technocratic' learning conceptualised and resolved?
8. What is the extent to which this knowledge is translated into strategy? Are formal strategies consistent with the evidence gathered by institutions?

Research Theme II: Strategy Development at the Single Institutional Level

1. How do individual organisations perceive and define the concept of 'strategy'?
2. What do actors mean by the term 'strategy'? What is distinctive about it (e.g. as a process, a way of thinking, ways of acting, time horizons, etc.)?
3. In what ways do they differentiate between strategy and other forms of action? What is not a strategy?
4. What are the constraints on being strategic? What factors would enhance strategic thinking and action?
5. What is the importance that institutions attribute to strategy and strategic thinking? How do they perceive the trade-offs between being strategic

and being ‘non-strategic’? Do they have a conception of the positive (enabling) and negative (limiting) aspects of strategy making?

Research Theme III: The Governance of Collaborative Learning and Inter-Institutional Strategic Capacity Building

1. Overall, how do different institutions perceive the benefits of a ‘collaborative advantage’?
2. What is the extent and nature of collaborative learning between governance institutions? Is collaboration ‘built-in’ to governance networks in a systemic way? Which factors facilitate and which factors seem to hinder collaborative learning?
3. What specific forms does the process of learning take across governance networks? Is the process governed by ‘hierarchical’, ‘market’ or ‘network’ relations? What kinds of knowledge are shared between institutions, and what kinds of knowledge remain undisclosed?
4. How is trust built between institutions? What are the respective roles of formal and informal interaction?
5. Is there evidence that governance institutions are arriving at common conceptions of urban problems? How do they negotiate the definition of an ‘urban problem’ and its subsequent solution (i.e. agree on strategic objectives)? Which actors seem to be ‘driving’ the agenda and why?
6. What is the extent to which conceptions of urban problems and their prognosis link economic competitiveness and social cohesion? Does the involvement of ‘economic’ partners and ‘social’ partners lead to synergy between economic and social policy objectives?

Research Theme IV: Strategic Capacity and Social Action

1. In what ways do institutions work to implement strategic goals? What is the extent to which trust and collaboration are harnessed in (social) action?
2. What is the extent to which individual capacities and skills are harnessed as part of the governance network so that action is carried out successfully?
3. In what ways do inter-institutional communication and monitoring work so that the governance of action is effective? What mechanisms (hierarchies, sanctions, statutory requirements, communicative action and trust, etc.) are used to ensure the that the different components of the governance network ‘deliver’ in the implementation stage?
4. What are the constraints on successful implementation of strategic goals (skills, resources, statutory requirements, leadership, political factors, institutional change)?
5. What is the importance of collaboration to strategic action?
6. Is there continuity and consistency between learning and problem definition (i.e. issues covered in research theme III), and action? How does the network adapt to changing circumstances?

Research Theme V: Strategic Learning and Evaluation

1. How does the governance network learn policy lessons, and what is the extent to which past lessons are ‘told’ and used in the formation of new policy agendas?
2. How does institutional change or instability affect the ability of the governance network to evaluate strategies?

3. Do strategic learning and evaluation result in a repertoire of ready-made policy tools, or does it lead to (incremental or other forms of) policy innovation?