"The City is Dead, Long Live the Net": Harnessing European Interurban Networks for a Neoliberal Agenda

Helga Leitner and Eric Sheppard

Department of Geography, University of Minnesota, MN, US;
helga.leitner-1@umn.edu (Leitner), shepp001@umn.edu (Sheppard)

A network discourse has emerged during the last two decades, representing networks as self-organizing, collaborative, nonhierarchical, flexible, and topological. Progressive scholars initially embraced networks as an alternative to markets and hierarchies; neoliberal thinkers and policymakers have reinterpreted them in order to serve a neoliberal agenda of enhanced economic competitiveness, a leaner and more efficient state, and a more flexible governance. The European Commission and the German state have initiated and financially supported interurban network programs, broadly framed within this neoliberal network discourse, despite their long traditions of regulated capitalism. Really existing interurban networks depart, however, from these discourses. Embedded within pre-existing processes of uneven development and hierarchical state structures, and exhibiting internal power hierarchies, really existing networks are created, regulated, and evaluated by state institutions, and often exclude institutions and members of civil society, making them effective channels for disseminating a neoliberal agenda. At the same time, they create new political spaces for cities to challenge existing state structures and relations and are of unequal potential benefit to participating cities, both of which may catalyze resistance to neoliberalization.

With the headline "Die Stadt is tot, es lebe das Netz" (The city is dead, long live the net), in August 1997 the renowned German newspaper *Die Welt* introduced to the German public a new way of thinking about cities. In this vision, cities cannot make it on their own in an era of globalization and increased interurban competition, but need to cooperate. Networks, in the form of public–private partnerships and interurban cooperation even across national borders, are thus presented as the key to urban futures. *Die Welt* was drawing on an emergent trend in both public policy and academic discourse that construes networks as a preferable mode of coordination and governance for coping with the vagaries of globalization and internationalization, facilitating a more efficient use of public resources, increasing competitiveness, generating economic growth, and resolving social problems.

Networks and networking have become particularly fashionable in the European Union, embracing scientific collaboration, telecommunications and transportation, and policy networks, as well as collaboration within and between localities. With respect to urban and regional policy, the European Commission has been promoting networks as new modes of governance at scales ranging from the local to the transnational: between firms, between public and private sectors, and between cities and regions (Amin and Thrift 1995; Cooke and Morgan 1993; European Commission 1994; Leitner and Sheppard 1998, 1999). This has been replicated within some member states. Germany in particular has made interurban networking integral to its regional policy (Bundesamt für Bauwesen und Raumordnung 1999). Networks are also popular among academics who, inter alia, have portrayed local interfirm networks as a preferred organizational strategy for localities, catalyzing economic efficiency, flexibility in response to changing market conditions, collaborative innovation, and robustness in the face of global production and finance networks.

Certain aspects of networks are emphasized when they are promoted as an alternative to markets and hierarchies: their self-organizing, collaborative, nonhierarchical, and flexible nature. This representation has proved attractive to progressives and neoliberals alike (Barry 1996). Whereas progressives conceive of networks as an alternative to markets, neoliberals have come to embrace them as a vehicle for promoting free markets (cf Brenner and Theodore [paper] this volume; Jessop this volume).

In this paper, we trace how, and the extent to which, interurban networks have become enrolled into the neoliberalization of spatial policies in Europe. We first examine how network discourses have represented networks as having certain properties, and how these properties have proven attractive to and been given distinctive interpretations by both progressive and neoliberal perspectives. We then show how neoliberal interpretations have become central to policy discourses framing the promotion of interurban networks in the EU and Germany. Finally, we compare these discourses with practices of interurban networking, examining the degree to which really existing networks depart from the discursive claims, reasons for this, and their role within European neoliberalization.

Network Discourses

By definition, networks are relational: the conditions of possibility and actions of network participants are defined by their relationship with other participants, rather than by their own inherent characteristics. During the last two decades, however, network discourses have emerged that go beyond this broad definition to represent networks as possessing a particular set of "natural" properties (cf Castells 1996; Cohendet et al

1998; Latour 1993; Leitner, Pavlik and Sheppard forthcoming; Powell 1990). This representation is contested, particularly in social network analysis, but is now broadly accepted in the interdisciplinary writing on this topic (Leitner, Pavlik and Sheppard forthcoming).

First, networks are *self-organizing*. Networks evolve a relational organizational structure that is bottom-up, rather than externally imposed. Self-organizing systems are path-dependent and evolutionary, and unpredictable in the medium run because network dynamics can be dramatically affected by small changes in external conditions. In this sense, networks are often thought of as archetypical complex systems. Second, networks are *collaborative*: "modes of transaction which presume some form of *mutual orientation* and usually *obligation*" (Amin and Thrift 1997:152; emphasis in original). Third, networks are *nonhierarchical*. Network participants are linked by two-way, horizontal relationships that give each participant a voice over the collective outcome. Fourth, networks are *flexible*. Two aspects of flexibility are typically invoked: (1) network linkages are continually subject to change, and network structures are periodically restructured; (2) network boundaries are fuzzy: participants can leave networks and potential participants can join. Fifth, the spatiality of networks is *topological*. By this, we mean that networks evolve by creating linkages between participants who were not previously connected, thereby constructing mutuality between previously isolated actors. They connect actors, or places, that previously seemed distant from one another. "Technological networks … are nets thrown over spaces, and they retain only a few scattered elements of those spaces. They are connected lines, not surfaces" (Latour 1993:118).

Many also impute desirable performance characteristics to networks, bestowing a general spirit of optimism on network discourses (Hay 1998). In this view, networks minimize the destructive aspects of market-based competition and encourage collaboration by facilitating tacit mutuality and trust between participants. The rigid bureaucracies of the state and corporate capital break down in networks, making them "lighter on their feet" (Powell 1990:302) than hierarchies. Their flexibility and self-organizing properties promote learning and innovation. As a consequence they are more robust and efficient and less bureaucratic than markets or hierarchies. Geographically, local networks facilitate the survival of localities (and of the nation-states to which they belong) in the face of the uncertainties of global capital mobility (Amin and Thrift 1994; Storper 1997), and interurban networks allow localities to participate in alliances with a geographical scope better matching that of corporations and state agencies (Leitner and Sheppard 1999).

As yet, however, the evidence linking performance with network characteristics is weak. The common approach has been to examine

successful places, to identify network characteristics of those places, and to assert that their success is due to these characteristics and that less successful places either lack network characteristics or lack the right balance of network characteristics. To date, little has been done to demonstrate that less successful places indeed do not have the right kinds of networks, or to show exactly how network characteristics translate into success. Such claims thus run the danger of functionally attributing the success of a place to its network characteristics without demonstrating exactly how this works (Hay 1998; Leitner, Pavlik and Sheppard forthcoming).

Both progressive and neoliberal thinkers and policymakers have been attracted to these network discourses. In the remainder of this section we discuss these contrasting interpretations of network discourses, why network discourses have this degree of ideological flexibility, and why neoliberalism is now appropriating network discourses.

Progressive Interpretations

The importance of local urban networks was initially recognized by progressive scholars seeking a "third way" for European urban and regional policy, an alternative to a managed economy and neoliberalism. Cooke and Morgan (1993, 1998) and Amin and Thrift (1992, 1995, 1997), in particular, provide programmatic statements about how local urban and regional networks can serve a progressive agenda in a globalizing world.[1] Table 1 summarizes this interpretive grid.

Local networks are seen as drawing on the advantages of proximity for facilitating nonroutine interactions, which can advance the prospects for cities and regions adopting a network approach. Spatial proximity enhances relationships between firms in ways that promote innovation and learning, between the public and private sectors in ways that direct economic restructuring in positive directions and improve labor market information and training, and between the state and civil society in ways that deepen political participation. The result is what Storper (1997) has termed the creation of local "relational assets."

The self-organizing nature of networks promotes continual innovation in the private sector, complemented by local political processes enhancing institutional thickness—the development of territorially based cultural complexes that underwrite trust and support associative democracy. Collaboration should reduce destructive competition in the private sector, antagonism between capital and labor, and fissures between local civil society, the state, and the private sector. Amin and Thrift (1995:61) call for "a flatter, more permeable state … for which it is much more difficult to draw a dividing line between state institutions and institutions of civil society." Full participation in governance makes local networks nonhierarchical: Marshallian industrial districts give all firms a voice, and associative

Table 1: Progressive and Neoliberal Interpretations

Network Properties	Progressive Interpretation	Neoliberal Interpretation
Self-organizing	Dynamic economic clusters; bottom-up associational democracy	Dynamic economic clusters; bottom-up professionalized network modes of governance
Collaborative	Democratization of the economy; collaboration between firms, workers, and the state; democratization of the state, empowering civil society	Strategic alliances between firms promote innovation; workers collaborate with capitalists within firms; public–private partnerships foster state entrepreneurialism
Nonhierarchical	Full participation: many small firms disperse economic power; equal voice given to all	Full competition: no favoritism for firms, industries; no state monopolies; no unions; political pluralism
Flexible	Open information exchange between firms, state, civil society; inclusive governance	Flexible workforce, flexible capital, flexible governance
Topological spatiality	Integrating firms, workers, civil society, and the state within place-based alliances; fostering collaboration among cities	Local and extralocal interfirm networks and public–private partnerships; fostering flows of commodities, capital, information, and people within and among cities
Performance characteristics	Innovative, learning-intensive, strongly democratic; promoting social justice, respect for difference, and societal and ecological sustainability	Efficient, innovative, entrepreneurial; promoting a competitive local economy and state, good profits and wages, and sustainable development

Source: Authors; Amin and Thrift (1995).

democracy gives all residents a voice. Flexibility is achieved through both an open information exchange between firms, the state, and civil society, and an inclusive governance structure.

The topological spatiality of networks is primarily envisioned as a local process, drawing more local residents into governance. Amin and Thrift (1995) stress the difficulties of opening the boundaries of currently existing networks to include new voices, however. They express concern that this kind of opening up is too important and too difficult to be left in the hands of networks themselves, and may require intervention from higher levels of the state.

The strong performance of places like Silicon Valley, Emilia-Romagna, and Baden-Württemberg is seen as exemplifying the benefits of such networks, although analysts of these examples often

stress the economic advantages of network (or "learning") cities and regions without looking too closely at the inequalities evolving within such regions (Amin 1989). A more radical democratic agenda seeks broader performance criteria (Amin and Thrift 1995:60). Central to all these discussions of network performance is the geographical claim that local networks empower cities and regions (particularly those residents whose voices have typically been ignored). Networked regions will be more democratic, economically vibrant, and more secure from the vagaries of globalization than other regions. This can be extended to claim that cities and regions can further empower themselves, relative both to mobile finance capital and the hierarchical power structures of territorial states, by joining interurban networks (Church and Reid 1996; Leitner, Pavlik and Sheppard forthcoming). Cities in competition with one another are easier targets for capital than are interurban collaborative networks, and networks transcending the boundaries of political territories create new political spaces for challenging existing territorial state structures.

Neoliberal Interpretations

Neoliberalism falls squarely on the free-market end of the long and complex tradition of liberal thought. Its advocacy of more market and less state has run into difficulty, however, in academic and policy circles. New institutional economists find that firms may rationally prefer a hierarchical organizational structure to markets. Economic sociologists and industrial-district theorists argue that networks provide the mutuality and trust necessary for markets to function. Simplifying a complex argument, such networks enable economic agents to trust one another, to engage in strategic alliances to take advantage of economies of scope, and to avoid writing contractual agreements for every conceivable economic transaction and eventuality (Granovetter 1985; Hodgson 1994; Saxenian 1994; Scott 1989; Storper 1997). In the policy arena, the practical experience of market failure and criminal capitalism in transitional economies such as Russia and the chaos of the 1999 Asian financial crisis have convinced some influential proponents of neoliberalism that really existing capitalism can be destructive and exploitative unless it is embedded in an appropriate institutional context. As a consequence, a modified neoliberal position has emerged, accepting aspects of this criticism while still arguing that free market capitalism, appropriately catalyzed, is the best guarantee of prosperity for all (Sachs 1999).

Michael Porter (1989, 1995, 1996) exemplifies this position, with recommendations that have been widely adopted by urban policy-makers around the world. He argues that the key to urban prosperity lies in developing a competitive advantage, and that the key to competitive advantage is to be found in clusters of firms forming industrial

districts, networking with one another in ways that promote dynamic external economies, innovation, and growth. These clusters should be in leading-edge industries that take advantage of a locality's strengths. In principle, every location can identify such a cluster and rely on it to generate good (high-wage and interesting) jobs and an improved physical environment. Porter envisages a role for the state, but one confined to helping cities identify their appropriate competitive advantage and to correcting market imperfections (for a critique see, inter alia, Sheppard 2000).

More generally, contemporary neoliberal thought emphasizes the importance of efficient and professionalized governance. While state institutions have a role to play, policy networks can ensure that political decisionmaking is flexible, dynamic, and efficient (Martin and Mayntz 1991). Policy networks, such as local public–private partnerships and those linking different localities, are seen as capable of ensuring competitiveness and innovation. Neoliberal governance is content to delegate authority to experts insulated from the democratic process, located in urban development agencies and the like, who can be relied on to develop best practices. Neoliberal policy networks are thus accompanied by a de-democratization of the political process.

In this neoliberal view, self-organization is best left to networked firms and professionalized network modes of governance; collaboration prioritizes entrepreneurial values; hierarchies are eliminated to free up economic and political competition; and flexibility in the economy and in political governance is crucial. Topologically, networks promote new collaborations and facilitate the flow of production factors within and among cities. In short, neoliberal networks are supposed to enhance urban competitiveness, allow workers and capitalists to prosper together, and not degrade the environment (Table 1).

The ability of network discourses to be retrofitted with interpretations spanning the political spectrum is testimony to the attractiveness of the properties highlighted in this discourse. Network discourses, like those of sustainability, are unobjectionable at this level of abstraction. Few are opposed to bottom-up initiatives, learning, innovation, collaboration, the elimination of power hierarchies, flexibility, or connecting social actors and places together in novel ways. The claim that networks also perform better only reinforces the attractiveness of this discourse. Real differences remain, however, in what is included and valued in progressive and neoliberal interpretations (Table 1), and particularly in whether the values of the marketplace should dominate those of political participation and social justice. These differences create a space where the implementation of networks can be contested. In the following, we examine which interpretations are prioritized in interurban network discourses in the EU and Germany.

Interurban Network Discourses in the European Union and Germany

During the past decade the emerging interurban network discourse in Europe has been spearheaded by two principal institutions: the European Union (EU) and the German state.[2] While neither institution can be described simply as neoliberal, we seek to show that the representations of networks in these discourses are primarily framed within neoliberal goals.

European Union Interurban Networks[3]

Since the late 1980s, the European Commission has promoted and encouraged transnational interurban networks as a part of its structural funds. Reading across an enormous range of EU policy documents, it is possible to glean the following overarching goals for these networks:

- improving local responsiveness to challenges posed by an increasingly European and global economy, making cities and regions more competitive;
- achieving a more efficient use of public resources;
- facilitating the spread of innovative "best-practice" economic development practices; and
- strengthening economic and social cohesion by reducing economic and social disparities within EU territory.

To a large extent, these goals are framed by the neoliberal economic policy emphasis on competition, innovation, and efficient use of state resources. Improving competitiveness values activities in terms of their contribution to profit-making. A more efficient use of state resources implies the existence of public sector waste that needs to be reduced. The meaning of the third goal depends on how innovativeness is interpreted. Yet, if valued in terms of the first two goals, innovative practices should serve neoliberal goals. Unlike the other three, however, the fourth goal departs from a strictly neoliberal agenda. Its inclusion reflects the EU's own ambivalent position on economic policy. Whereas the Single Market resonates closely with neoliberal thinking, the EU continues to emphasize its structural-funds programs on the grounds that state intervention is necessary for addressing inequality—a position closer to state-regulated capitalism than to neoliberalism (Bache 2000).

Networks are presented as capable of achieving these four goals because they promote collaboration, involve bottom-up initiative (anyone can initiate or join, and networks are sensitive to participants' needs), promote learning through the dissemination of information and experiences and the diffusion of best practices, and link distant

and nearby participants (particularly more and less successful regions) (Commission of the European Communities 1992). An enormous variety of EU-sponsored networks now exists, with all kinds of individual agendas, including economic development, environment, energy and resources, health and social policy, youth employment, urban planning, public administration, transport, technology, and research. Such agendas are shaped by the interpretive frame outlined above.

Neoliberal thinking has clearly diffused through Commission policymaking, but the views of individual commissioners and bureaucrats within the EU range from neoliberal to social democratic. This leaves room for the development of EU-sponsored networks that may depart substantially from a neoliberal agenda, depending on the goals and beliefs held by the participants, by those offering sponsorship, and by those evaluating the program's performance.

German Interurban Networks

Although discussion dates back to 1993, the German "Städtenetze" pilot project was formally launched by the federal state in 1998. To gain official recognition, German interurban networks must involve at least three cities and must go beyond such pro forma interactions as city twinning. Ten criteria are listed for an effective network (Bundesamt für Bauwesen und Raumordnung 1999:38). These criteria (Table 2)

Table 2: Ten Criteria for Interurban Networks in Germany

1. **Voluntary**—participation is voluntary. Networks may change over time, as cities join or leave
2. **Equality**—all cities are equal partners
3. **Common goal**—everybody in the network contributes to and expects to benefit from this goal
4. **Common interest**—each city expects that cooperation will help fulfill its goals within the network
5. **Pluralism**—competition is not eliminated, but should not negatively affect the benefits of cooperation
6. **Multidimensionality**—cooperation should involve multiple initiatives in multiple areas, resulting in medium- and long-term improved performance
7. **Not a new scale of governance**—networks create a network structure among existing governance bodies, instead of shifting governance functions from one scale to another or creating a new scale of governance
8. **Concrete tasks**—networks must go beyond routine interactions, contribute to improved performance of certain functions, and provide benefits for residents of participating cities
9. **Territorial**—urban networks must be territorial, connecting cities within a region and fostering regional identity
10. **More effective spatial development**—networks should maximize the potential of the region and use its territory more effectively

Source: Bundesamt für Bauwesen und Raumordnung (1999).

represent networks as flexible (criterion 1), nonhierarchical (criterion 2), collaborative (criteria 3 to 5), self-organizing (criteria 6 and 8), and topologically connecting separate cities into new relational partnerships (criterion 9).

The nature and goals of the interurban network project are succinctly presented in Bundesamt für Bauwesen und Raumordnung (1999). The project is conceived as an additional instrument for regional policy to address the new exigencies of globalization and increased interterritorial competition. Two overall goals are highlighted, within the broader requirement that regional planning should promote national unity after 1989:

- "Standort Deutschland": Secure the competitiveness of Germany and its regions by creating more effective counterweights to other major EU metropolitan areas.
- Increase the potential and efficiency of resource use within a network.

These goals stress the neoliberal performance characteristics of competitiveness and a more efficient state. They are also consistent with changes in national policy priorities. Economic competitiveness, rather than sociospatial cohesion, is becoming the core priority of German national spatial planning, thus redefining regional policies primarily as an instrument for fostering locational competitiveness rather than reducing spatial inequalities (Brenner 2000). Strengthening the endogenous growth potential and capacities of cities and regions is seen as key to national competitiveness. It is assumed that interurban networks are effective tools for enhancing regional and national competitiveness, in contrast to centralized regulation or local initiative.

Networks are also presented as avoiding duplication across cities and as economizing on land and other resources. In addition, more cooperation is seen as fostering sustainable economic and ecological development. The pooling of resources and know-how allows communities to create a high-quality environment for residents and businesses and to increase competitiveness, thereby promoting sustainable development (Töpfer 1997). Instead of creating new state structures, regulation, and bureaucratization, networks' flexibility and relatively unregulated character stimulates creativity and expands the scope of action (Bundesamt für Bauwesen und Raumordnung 1999:37): "Wir brauchen keine neue Bürokratie. Wir brauchen nicht mehr, sondern weniger Staat" (Melzer 1997:498).[4]

In summary, despite their long traditions of corporate or regulated capitalism, the European Commission and the German federal government emphasize neoliberal goals of competitiveness and an efficient state in their interurban network discourses. Notwithstanding Germany's long and recently renewed tradition of corporate or regulated

capitalism, these goals are more central to interurban network discourses in Germany than to those in the EU. The German discourse even goes so far as to explicitly state that the naturalized properties of networks are sufficient to make them a superior mode of governance for securing competitiveness and increased resource potential and efficiency. This construes interurban networks as ideally suited to neoliberalization. There remains a dearth of empirical studies to support these claims, however, and the pre-existing conditions under which networks emerge, as well as their own internal dynamics, may conspire to create really existing networks that depart substantially from their discursive representation.

Really Existing Interurban Networks

Really existing interurban networks in Germany and the EU inevitably differ from their representation in network discourses. First, their development is embedded within pre-existing conditions: capitalist processes characterized by uneven development, and hierarchical state structures with a tradition of strong territorial regulation. Critics express concern that "Beneath … the celebratory discourses of 'learning,' 'knowledge' and 'innovation' that permeate academic and policy-related analyses hovers a capricious scenario of combined and uneven development, intense interterritorial competition, devaluation, and overaccumulation" (Jones and MacLeod 1999:308). Second, many networks exhibit tendencies towards hierarchy, inequality, and exclusion, in contrast to the claims made in the network discourse. In this section, we examine whether and how actual networks differ from the discursive claims, and the implications of this for their actual role in the neoliberalization of urban policy in Europe.

Interurban Networks and Neoliberalizing State Structures
Regulating Interurban Networks
The majority of currently existing interurban networks in Europe are not bottom-up self-organizing modes of governance, but owe their existence to discourses and practices of the EU Commission and individual member states. There is thus a disjuncture between neoliberal discourses of a smaller state, less regulation, and more efficient networked governance structures and the reality of new regulation and bureaucracies. This exemplifies the paradox, noted by others, that neoliberalization has resulted in new institutional sites of regulation coordinated by an activist state, rather than a rolling back of state power (Brenner and Theodore [paper] this volume; Jessop this volume; Peck and Tickell this volume). Of particular importance are state supervision over the creation of networks and evaluation of their performance.

The EU Commission offers substantial funding to interurban networks through a variety of network programs, supporting several thousand transnational network projects. The Directorate General for Regional Policy and Cohesion (DGXVI) alone has introduced four major network programs: PACTE, OUVERTURE and ECOS, RECITE, and INTERREG (Leitner forthcoming).[5] The Commission actively encourages cities to join interurban networks, even arranging "fairs" where representatives of cities can seek network partners. As part of a competitive bidding process, groups of cities are free to apply to (and gain funding from) a particular EU network program as a new network, proposing an agenda and budget consistent with network program directives. The stated goals of EU interurban network programs thus largely circumscribe both the broad agenda and the forms of cooperation pursued by networks within those programs.

Network programs also define the membership criteria (geographic in the case of territorial networks and socioeconomic in the case of thematic networks) that are used in decisions about whether a proposed network is eligible for support from that program. The ECOS program, for example, was designed to foster the exchange of information and experience between local authorities in the EU and in Central and Eastern Europe and particularly encouraged EU structural problem regions to participate. Networks supported by the ECOS program, therefore, had to include cities from Central and Eastern Europe and favored structural problems regions in the EU. Individual ECOS networks tackle a wide variety of local development issues (from service provision to economic development, tourism, and sustainable development), but forms of cooperation are similar. Cooperation concentrates on exchange of information and experience, particularly the transfer of know-how from highly developed localities in the EU to less developed ones (eg the MARKETS network) (ECOS-Ouverture 1998).

By contrast, the INTERREG and RECITE programs were designed to go beyond this more routine cooperation to include comparative research, pilot projects, and the implementation of joint development projects (European Commission 1997). Membership criteria also differ, involving the geographic criterion of contiguous regions spanning national boundaries for INTERREG (which was designed to develop cross-border cooperation in the EU's internal and external border regions), and various socioeconomic criteria matching individual thematic network goals for RECITE. For example, the RECITE "Demilitarized" thematic network connects sixteen cities and regions, in five member states, affected by the restructuring of defense-related industries and the closure of military bases (Figure 1).

In Germany, where interurban networks are being promoted by the federal (and Länder) governments, membership is based on regional
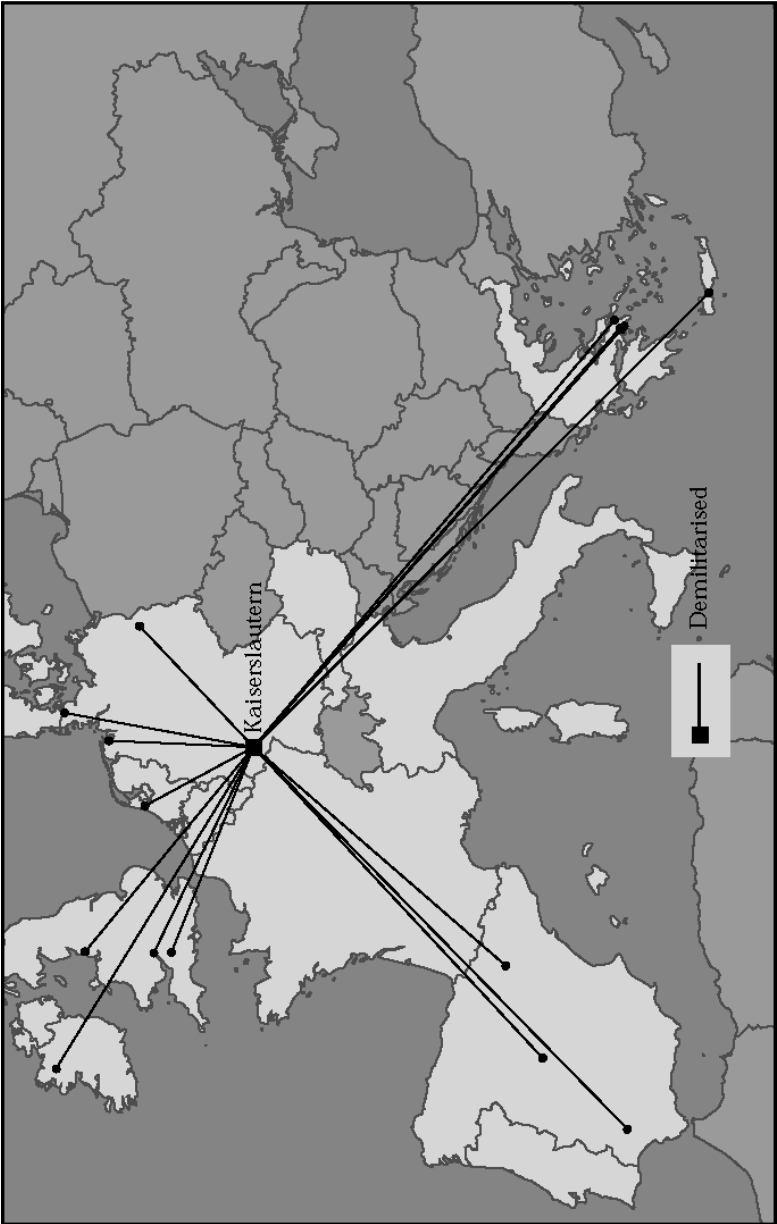
Figure 1: The EU RECITE "Demilitarized" network. Source: European Commission (1997)

location. Interurban networks have to be territorial, connecting cities within a region. Even though this is a national program, six of the twenty-six interurban networks currently under way extend across national borders to include nearby cities in the Netherlands, Luxembourg, and Austria (Figure 2). These interurban networks are in various stages of development, with a variety of specific agendas reflecting regional conditions (Bundesamt für Bauwesen und Raumordnung 1999), although the vast majority focuses on economic development. Forms of cooperation and network agendas are less regulated than in the EU case, in part because the networks developed in a more bottom-up manner: a number of them were already in existence and had developed their own approaches prior to the formalization of the federal program.

Figure 2: German "Städtenetze" (interurban networks). Source: Forum Städtenetze

State regulation is also exerted through the ongoing monitoring and evaluation of European Commission- and German state-sponsored interurban networks. Interestingly, evaluation is based on a belief that networks, once established, will achieve their expected goals. This is stated quite explicitly in the German case, where the assumption is made that interurban networks will achieve the stated goals of securing competitiveness and increasing resource potential and efficiency, and that evaluation should thus emphasize identifying what is needed to accomplish cooperation (Bundesamt für Bauwesen und Raumordnung 1999). In both the EU and Germany, evaluations focus primarily on documenting activities, outputs, and products of cooperation.

Much time, effort, and money are devoted to network evaluation of the EU-sponsored networks. The EU hires external consultants to evaluate each individual network project, and Eurocrats produce voluminous reports summarizing the achievements of individual networks and programs. Each network leader also is required to produce regular progress reports in a format specified by the Commission and to provide detailed summary statements of all expenditures. Expenditures may be subject to audits by member states, the Commission, and the European Court of Auditors, to ensure that funds are spent in accordance with the objectives laid down in the application (European Commission 1996:40). The considerable burden is evident to local officials. As one Irish local official commented,

> Europe has gone absolutely bananas in terms of the amount of information that it wants. It's incredibly slow, it wants an incredible amount of documentation. My god, when you go claiming money off them—it's unreal the whole thing: you have the possibility of a European auditor, you have the possibility of an Irish auditor, you have to get a local auditor to certify stuff. I think the way they are going with these things they are going to end up killing the initiative of people who will decide not to become involved. (quoted in Rees 1997:41)

Evaluation is often presented as an essential element of neoliberal policy. In this view, states are inherently inefficient by comparison to markets, and independent assessment is necessary in order to ensure accountability and that taxpayers' contributions are not being wasted. Evaluation and monitoring itself is often privatized, contracted out to consultants in the case of Commission-sponsored networks, supposedly to ensure efficiency.

Creating New Political Spaces
Notwithstanding top-down regulation, interurban networks provide new political spaces for localities. By creating space for cooperation among cities, and by operating across the boundaries of territorially

based political systems, such networks present participating cities with the opportunity to challenge extant state structures and relations. Interurban networks are also implicated in a complex neoliberal rescaling of political governance in Europe.

Interurban networks have created and enhanced communication among cities. Interviews with network participants in Germany reveal that the experience of cities discussing development issues with one another was novel, since it is rare that administrators in adjacent cities regularly communicate with one another (Strauss 1999). Initially there was widespread unwillingness to cooperate, but examples of successful collaboration within some early networks helped overcome this resistance (Bundesamt für Bauwesen und Raumordnung 1999). Similarly, the opening up of dialogue and exchange of information and experience among network participants has been cited as the most important positive effect in surveys and evaluations of EU network programs. According to Rees (1997:36), "At the very least there is more dialogue and exchange between the regions and cities in the EU as a result of the programmes … the regions themselves have become international in their outlook and in their willingness to become involved in regions with similar characteristics/problems."

Once in existence, interurban networks have the potential to enhance the power and authority of cities and contribute to the transformation of extant state power. By providing resources and political legitimacy for collaboration, EU interurban networks can empower local and regional authorities vis-à-vis the national government (Leitner forthcoming; Rees 1997). In Church and Reid's (1996) study of three cross-border networks between French and British local authorities, British local officials saw transnational networks as strengthening their political autonomy, especially in areas of local economic policy. "This was not viewed as such an important issue in the French urban authorities since their autonomy had been strengthened by the governmental reforms of the early 1980s" (Church and Reid 1996:1310).

EU interurban networks also have influenced Commission policy-making in their areas of interest (Benington and Harvey 1998). For example, collective efforts by the Demilitarized network played an important role in the creation of KONVER II, a Community Initiative providing EU funding for regions attempting to counter the effects of the decline in the defense industry, to promote industrial conversion, and to find ways to reuse military facilities. The European Action for Mining Communities (EURACOM) and EuroCities networks, bypassing their respective national governments, each successfully lobbied the EU Commission and the European Parliament for the introduction of new Community Initiatives (RECHAR II and URBAN, respectively).[6]

In sum, really existing interurban networks not only hinge upon but are also part of the transformation of extant state power and the complex rescaling of political power that are currently unfolding in the EU and its member states. By stretching across space and transcending the territories of hierarchical state structures, interurban networks present opportunities for participating cities to strengthen their power and authority vis-à-vis the national and supranational scales. The European Commission utilizes these networks not only to push its own neoliberal policy agenda of enhancing economic growth and competitiveness, but also to increase its power over member states. These tendencies, consistent with a hollowing out of the nation-state, have not gone unchallenged. The German state is reasserting its power to pursue a national neoliberal project of enhancing Standort Deutschland by promoting its own interurban networks. The British government has blocked some EU network initiatives and direct access of UK cities to EU funding (Benington and Harvey 1998).

Network Dynamics: Exclusion, Inequality, and Imitation

In contrast to the representation of networks as flexible and nonhierarchical, certain potential stakeholders have not been given a voice within the organizational structures of the EU- and German government-sponsored interurban networks. Many Commission-sponsored interurban networks are dominated by nonelected public officials, professionals (academics, state planners), and business interests (business organizations, business representatives) from participating cities. There is often little input from organizations of civil society such as unions, citizens' groups, and issue-oriented nongovernmental organizations (NGOs), and even local elected officials (Strauss 1999). Those who are included decide on network agendas and the allocation of resources, within regulatory parameters, generally taking their decisions behind closed doors. Church and Reid (1996) suggest that the absence of elected officials or citizens' representatives creates a democratic deficit, and that international cooperation for economic development, such as city marketing, may conflict with the ability of elected officials to provide local social services. A further concern of local politicians, they note, is that the complexity of participating in EU initiatives increases their dependency on professionals.

In Germany, Strauss's (1999) analysis shows that nine of eleven interurban networks studied focus exclusively on economic development. Despite considerable rhetoric about sustainable development, ecological concerns are given less weight unless they are crucial for harnessing the tourist potential of an area. Strauss attributes this in part to the exclusion of environmental and nature conservancy groups from both the initial federal planning group and individual networks. Even proponents of interurban networks have recognized dangers of

exclusion: "The challenge is to seek and use the input of the private sectors but ensure that they don't dominate the network agenda" (Melzer 1997:506).

The forms that exclusion takes, with discussions dominated by networked local elites relying on professionalized governance and decision-making processes, can facilitate implementation of a neoliberal agenda of competitiveness and innovation. The democratic deficit and the prioritization of competition over social redistributive issues are reminiscent of the public–private partnerships and growth coalitions characterizing urban entrepreneurialism in the 1980s (Leitner 1990), themselves an important aspect of "roll-out" neoliberalization (Peck and Tickell this volume). The principal difference is that competition is now at the interurban rather than the urban scale.

Unequal power relations among the cities within a network are also common, unlike discourses representing networks as nonhierarchical. Even where a network's organizational structure gives all participants equal voice in principle, initial differences in bargaining power can result in a correspondingly unequal distribution of the benefits of network participation. Because of uneven development, the cities joining a network bring very different resources and conditions of possibility to the collaboration. Differences in wealth and resources among network cities can make richer cities reluctant to share information or spread the wealth, placing poorer cities in a disadvantaged position. Asymmetric power relations may also be constituted as a result of the organizational structure governing networks. For example, EU regulations require that each interurban network have a lead institution/coordinator. This coordinator generally wields more power and control and may attempt to impose a dominant conception of network interest on other network members.

Power hierarchies within networks have been extensively analyzed in social network analysis, which focuses on aspects of networks left out of the emergent network discourses. In this view, internal network structures create power hierarchies: as a consequence of their distinct positions within networks, participants have unequal influence over network outcomes. Really existing networks may then experience hegemonic struggles to define the dominant conception of network interest. Cities at the center of interurban networks have more power, undermining the idea that all participating cities benefit equally. Indeed, the complexity of the linkages connecting network members makes it difficult even to measure the interurban distribution of costs and benefits within a network (Strauss 1999).

Unequal power relations among network participants have complex implications for neoliberalization. When inequality is a persistent feature of interurban networks, discursive claims that neoliberalism creates a level playing field are undermined. Disaffection among

disadvantaged participating cities may then threaten the attractiveness of networks as a channel for neoliberalization. Yet networks that compete successfully may increase the wealth of each member city, even though the intranetwork distribution of costs and benefits is uneven. In such cases, disadvantaged participants may also support neoliberalization.

Network discourses of self-organization promoting innovation are also problematic. Routine information-sharing dominates cooperation in EU-sponsored interurban networks (Leitner and Sheppard 1999: 240). Participating cities share knowledge and experiences, construct common databases, and learn about "best practice." The ECOS-Ouverture network program, for example, emphasizes all of these, within the overall goal of transmitting knowledge to localities in Central and Eastern Europe that facilitates their economic transition. Yet "the real transfer of skills and development tools … has certainly not been widespread" (Rees 1997:45). This is perhaps not surprising in geographically extensive networks that bring distant partners from quite different national and cultural contexts together for the first time. This makes it harder to achieve the kinds of tacit understandings argued to facilitate self-organization and innovation in local networks, whereas routine communication is easier.

Routine interactions may not be particularly innovative. Indeed, the emphasis is on adopting the same best practices in all cities, rather than on valuing innovation and difference as a source of change. The very idea of "best practice" assumes that practices exist that are best in every local context and should be adopted everywhere. The idea also gives interurban EU networks the potential to facilitate international fast policy transfer among cities, making them very effective channels for the propagation of new neoliberal urban policies. Paradoxically, their effectiveness for this purpose emphasizes a reality of imitation and adoption, contradicting discourses that emphasize self-organization and innovation.

Conclusion

Neoliberalism has successfully appropriated network discourses for its own purposes. The ability to give network properties and performance characteristics a distinctly neoliberal interpretation has enabled neoliberalism to take on board significant critiques from economic sociology and geography about the unrealistic nature of pure markets. The possibility of drawing on neoliberal network interpretations as a vehicle for promoting neoliberal goals of competitiveness and flexible governance has been realized in the EU and Germany, where such interpretations dominate interurban network policy prescriptions.

Really existing interurban networks depart in some significant ways from the properties emphasized in network discourses. They have, to

a large extent, been driven and shaped by top-down state-initiated actions, rather than by bottom-up self-organization; they exhibit tendencies towards hierarchies and exclude members and institutions of civil society, rather than being nonhierarchical and inclusionary; they show little promise of overcoming inequalities and uneven development; and their capacity for innovation, rather than imitation, is limited to date. This is not surprising, since network discourses ignore the embeddedness of networks in hierarchical state structures and capitalist markets. Networks evolve under pre-existing conditions where territorial state regulation, unequal power relations, and uneven development are pervasive. In addition, networks themselves exhibit tendencies towards hierarchy, inequality, imitation, and exclusion, each of which departs from the naturalized network properties.

In some ways, these differences between network discourses and really existing networks have helped make interurban networks into channels of neoliberalization. They have facilitated the top-down spread of the neoliberal gospel of competitiveness and flexible governance, as well as the promotion of professionalized elite decisionmaking, insulated from the democratic process, and fast policy transfer. At the same time, however, really existing interurban networks have created new collaborative possibilities and new political spaces for cities to challenge extant state structures and relations.

Yet this possibility that interurban networks can increase the power and authority of cities need not result in a significant challenge to the neoliberal agenda promoted by higher tiers of the state. Further research is needed to identify under what conditions interurban networks might become arenas of progressive political struggle. It is not encouraging that interurban networks are so closely embedded in state structures, and it is perhaps more likely that such challenges to the neoliberal agenda will come from outside the types of interurban networks discussed here.

Indeed, there is evidence that other networks, pursuing a progressive/ social justice agenda, are challenging neoliberalization. Within cities, the possibilities of local-exchange trading schemes (local currency networks) that seek to realize local exchange outside the regular market have received much attention, notably from the British state and the EU (North 2000). In the United States living-wage movement, grass-roots activists from many different cities have developed an interurban network that has helped force some local states to take steps towards raising the minimum wage (Pollin and Luce 1998). At the international scale, activist networks moving beyond borders have received much recent publicity for their successes in challenging neoliberal discourses, although questions remain about the degree to which these transnational network discourses will be able to shape

policy outcomes. From a progressive perspective, the nonhierarchical character of networks, their flexibility, and their capacity to jump scale and challenge corporations and states, remain attractive. At the same time, however, progressives should not be seduced by this network ideal. There are innumerable examples of progressive social movements, pursuing ideals of unity and collective action, whose effectiveness has been undermined by realities of internal power hierarchies, rigidity and exclusion.

Acknowledgements

Endnotes

[1] Nonlocal networks, interurban, interregional and translocal activist issue networks have been neglected by progressive urban scholars until recently (Church and Reid 1996; Keck and Sikkink 1998; Leitner and Sheppard 1998, 1999; Leitner, Pavlik and Sheppard forthcoming).

[2] To our knowledge, Germany is the only EU member state that has formally adopted urban networks as a new regional policy instrument.

[3] See also Leitner, Pavlik and Sheppard (forthcoming).

[4] "We do not need any new bureaucracy. We need less rather than more state" (authors' translation).

[5] OUVERTURE, ECOS, and INTERRES are detailed below. PACTE has provided opportunities for the exchange of know-how and experiences between local and regional communities of the EU on a wide range of issues. RECITE (Regions and Cities for Europe) seeks to promote collaboration among local and regional communities on economic development and the sharing of experiences.

[6] The thematic EURACOM network links 450 local authorities in seven EU member states for collective lobbying of the EU on coalfield issues. EuroCities represents over 40 "second-tier" EU cities, lobbying EU directorates and promoting joint concerns. Unusually, it began as a bottom-up initiative by Rotterdam in 1986. RECHAR provides EU support for areas affected by coal-industry decline. URBAN provides EU support to revitalize the economy and social fabric of urban areas.

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Helga Leitner is a Professor of Geography and a faculty member in the Institute of Global Studies and the Interdisciplinary Center for the Study of Global Change at the University of Minnesota. She has

published two books and has written numerous articles and book chapters on the political economy of urban development and urban entrepreuneurialism, the politics of citizenship and immigrant incorporation, and the politics of scale. Her current research interests include geographies of governance and citizenship, and interurban policy and activist networks.

Eric Sheppard is a Professor of Geography and member of the Interdisciplinary Center for the Study of Global Change and the Institute for Social, Ecological and Economic Sustainability at the University of Minnesota. He is a former editor of *Antipode* and currently coeditor of *Environment and Planning A*. His current research interests include interurban policy and activist networks, the spatiality of globalization, and geographies of the information society. He is coauthor of *The Capitalist Space—Economy* (Unwin and Hyman, 1990), *A World of Difference* (New York: Guilford Press, 1998), and *A Companion to Economic Geography* (London: Blackwell, 2000).