The democratic character of new institutional governance arrangements: comparing Dutch and Belgian experiences

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1. Introduction: governance networks as solution and problem for fragmentation

In most European countries regional economic development is a policy issue managed within networks of public, private and semi-private organizations. Besides government actors (from national, regional and local government organizations), there are a range of business and social interest groups that play a role in the decision making process. Mostly these networks of actors involved in forming and implementing public policy or service delivery are called governance networks. Governance networks can roughly be defined as: *more or less stable patterns of social relationships (= interactions, cognitions and rules) between mutually dependent public, semi-public and private actors, that arise and emerge around complex policy issues or policy programmes.* Governance networks are an expression of the dependency of public actors of a wide variety of social actors to develop and implement public policy goals or service delivery.

**Forming and implementing policy through governance networks: fragmentation and connections**

Governance networks emerge out of the necessity of public actors to achieve results in a ‘world where no one is in charge’ (Bryson and Crosby, 1992). It is a world where fragmentation is dominant because we are dealing with wicked problems. And the development of port and industrial areas, like the one we are dealing with here, are precisely the kind of wicked problems that need governance networks to solve them. Wicked problems are characterized by dissensus among participants about the nature of the problem and the possible solutions. This for instance is clear with the extension of the Rotterdam Harbour one of the two cases analyzed in this chapter. Should we prioritize economic developments and promote the extension of the harbour or should we prioritize nature conservation which is threatened by that same harbour extension. So what we see because of this wicked character is that various actors are trying to influence government decisions and thus become part of a network around policy decisions. But the fragmentation of actors and strategies is also complicated by the fact that these problems have various aspects which are dealt with in specialized agencies both public (separate ministries with different sectoral interests) and private. And public initiators of governmental policy can not tackle the problem without the cooperation of specialized groups and to respond to various societal groups that are attracted by the issue.

Thus as an empirical phenomenon governance networks are the result of growing interdependency, growing complexity and growing fragmentation in decision-making in modern societies (see Rhodes, 1997; Castells, 2000; Koppenjan and Klijn, 2004). The result is a loosely coupled set of actors that are engaged in decision-making about the expansion of ports, service delivery for elderly, restructuring inner cities. Indeed, the decision making in governance networks is primarily conducted through specially organized arrangements and procedures. They are typical expressions of the increasing co-production between government organizations, business entrepreneurs and other social groupings (Agranoff and McGuire, 2003).

**Governance networks as solution and problem: democratic legitimacy**

So in that sense governance networks and the new institutional arrangements that evolve along with them are both a solution and a problem for the problem of fragmentation and connection. They clearly provide a solution for the fragmentation problem that originates from the growing specialization and the need to develop integral solutions to wicked policy problems. They connect actors who are otherwise disconnected and they involve actors in
decision-making that are crucial or important for achieving outcomes either because their support is important or because they possess indispensable resources. But they also are potential connections to achieve information from various actors that is important to develop good policy solutions. So governance networks and the institutional arrangements that are part of them are thus an answer to fragmentation and create connections, not withstanding how difficult it is to manage those connections in the complex policy making processes. But governance networks also create a new problem of disconnection and that is the disconnection of politics and especially representative institutions and the disconnection to clear principles of democratic legitimacy. Governance networks means the involvement of many actors and imply that they receive influence over political decisions and authority, but also raises two questions:

- to what extent is this involvement a threat to the classical political legitimacy by representative institutions?
- how is the involvement of these actors democratically legitimized?

The aim of this chapter is to look at two institutional arrangements that have been designed and emerged (not everything is as planned as sometimes is suggested) in two governance networks around economic developments. These are the networks around developing the Ghent Kanaalzone in Belgium and the development of the expansion of the port of Rotterdam in The Netherlands. We are especially interested in the question how these institutional arrangements reconnect actors and decision-making processes to democratic criteria of decision-making and the classical representation institutions.

In the first section of this chapter an analytical framework for examining institutional arrangements of governance networks is presented. This is followed by an examination of the way that problems of democratic governance have been managed empirically. Our empirical findings are based upon two longitudinal case studies including the expansion of the shipping harbour Mainport Rotterdam, and the development of the Canal Zone [Kanaalzone] in Gent. Both initiatives illustrate how democratic decision making institutions developed over a period of more than 10 years. The chapter concludes with a discussion of the implications of the analysis for both policy makers and researchers.

2. The design of democratic governance institutions: A framework

Principles for the democratic governance of local economic development
Governance arrangements concern activities where both government actors are active and where the decision making effects the redistribution of wealth for particular groups and society as a whole. This means that these processes should be legitimized democratically. We argue that there are three basic problems that should be resolved in governance networks (Skelcher, 2005). These are:

- How to guarantee the legitimacy of the institution and its jurisdiction
- How consent for the policies and expenses of the institution can be ensured ex ante
- How the accountability for the activities of the institution can be ensured ex post

Traditionally these matters were addressed by incorporating these processes directly into the accountability notions of the elected democratic organs. The solution of representative democracy has for a long time been recognized as the best (or rather the least undesirable) answer to these issues. This response entails electing representatives who are formally
responsible for political decision making within a particular area or for a particular administrative unit (the demos). It is for us not relevant as to whether this representative system functions better or worse than new sorts of multi-level or multi-actor arrangements. Such an assessment depends upon the way in which the representative demos functions and evolves, and varies from country to country (De Rynck & Voets 2006; Hendriks 2002). It maybe that new arrangements are an attempt to respond to declines in the democratic quality of the representative demos (Klijn & Skelcher 2007). Irrespective of this the three basic demands of both old and new arrangements are of relevance. The features of governance arrangements concerning social economic developments, as well as for other policy fields (such as urban planning) present challenges to the classic ways of ensuring democratic legitimacy and support. Indeed they cut across the boundaries between government, business and civil society and are characterized by inter-organizational cooperation between different levels and departments within government. As a consequence a number of different formal democratic decisions (from departments, local government and provinces) within this field clash with one another... We elaborate the three principles for democratic governance, legitimacy, consent and accountability below.

Legitimacy: the mandate for actions and decisions
Governance arrangements must first resolves questions of legitimacy – the political mandate and capacity to function in a certain jurisdiction or with certain authority (see also input legitimacy as it is defined by Scharpf 1997). Legitimacy can be understood as both a formal or informal feature of a governance arrangement. The formal mandate for authorization to function is inherent to the mandate of a governance arrangement and it flows from the decision of a government organization to delegate authority to such an institution. Legitimacy through the inclusion of an important business or social interest group (such as the chamber of commerce or a coalition of city groups) is a way to ensure the legitimacy of a project. Individual business and social leaders can be mobilized by the government to obtain support from the followers of such actors. The recruitment of formal legitimacy through other parties may be apparent in unified expressions of support for a new institution, the use of different logos and publicity material and contributions of political, financial or human resources.

Informal legitimacy is more subtle and often more important in governance networks and is expressed through the engagement of individuals, groups and organizations that actively participate in the governance arrangement. Implementation theory has shown that legitimacy is more dependent on the support of relevant actors than of the formal mandate of actors in important positions (Pressman & Wildavsky 1974; Barret & Fudge 1981; Hjern & Porter 1981). The initiative must be experienced as legitimate by the actors at the operational level, such as social interest groups or organizations that are invited to deliver aspects of the development program to the target group e.g small businesses or the unemployed. Informal legitimacy can be recruited by making agreements wherein the governance arrangements are identified (e.g declarations of intentions of the stakeholders) or prizes are granted (e.g as will be seen in the Gent case a planning prize had been awarded). Such informal legitimacy is more diffuse and therefore more difficult to measure as an aspect of legitimacy.

Formal legitimacy can be interpreted as the most meaningful from the perspective of (representative) democracy... By means of this formal legitimacy the connection between the governance arrangement and their ‘grass roots’ are reestablished. Formal legitimacy is not only crucial to the initial creation of new institution but also, and primarily, with respect to the results of the process. Informal legitimacy is more concerned about the support for the
operational implementation of a program and the capacity for the arrangement to achieve the expected results (see ‘output legitimacy’ as defined by Scharpf 1997). Such legitimacy is more instrumental: it is primarily relevant to the degree with which implementation agents or the receivers of policy outcomes realize their expectations of a program.

Consent: possibilities for voice

The second element to consider in democratic institutional design is consent. Consent is concerned with the processes wherein citizens (and the followers of partners to a governance process) are able to voice their opinions about the proposals, policies and decisions within the governance arrangement. A distinction between legitimacy and consent is that legitimacy is about the mandate to undertake general decision making and delivery activities, while consent is about the specific actions taken within the governance arrangement. Governance institutional arrangements must be able to answer three design questions with regard to consent:

(a) which items were made the subject of accord?
(b) how were the processes, for which accord were required, organized?
(c) what is the status of the opinions of citizens and other stakeholders in relationship to the prevailing institutions?

The first of these design questions concerns the issues for which accordance has been requested. These sorts of arrangements are often privatized in order that the decision making not be subject to classical political decision making procedures. In this respect a mandate is given to an institution to be relatively autonomous in its actions, and thereby be, among other things, quicker and more efficient and flexible in operations. This is a very organizational perspective upon the requirements for guaranteeing both the input and output stadiums of the policy process. Arrangements for economic development are made with public goals in mind. The second question concerns the mechanisms to express/deny accordance. In participation theory this is the questions about the width of participation: how many actors (and subjects) are allowed in the participation process (Berry at all, 1993) Representative democracy organizes this via periodic elections. In addition some western countries attempt to include citizens and other stakeholders with the policy making and implementation decisions. Examples of these arrangements include forms of direct participation (referred to by various names such as deliberative democracy, interactive decision making and participative democracy) or forms of stakeholder/consumer assessments (e.g citizen forums, consumer panels etc.).

Finally there is the third question regarding the status of the collected visions, opinions and reactions from the various stakeholders. The contribution of a range of opinions aims to promote variety in the problem formulation around a policy issue, but also to expand the possibility to develop solutions. It is still necessary to make choices among the variety in possibilities. In other words there must be a mechanism whereby the initial variety generated in the decision making process is reduced. One choice is to continually increase the consent demands upon stakeholders during the decision making process, but the administrative organization responsible for the arrangement should be allowed to maintain their decision authority. Alternatively the nature of the governance arrangement can also require that detailed decisions must be accepted or designed by the stakeholders, thereby to promote the realization of effective implementation. The questions about veto rights are in essence typical of the institutional design. These are generally not questions of legal regulations but rather process agreements in the process design that has been formulated prior to the initiation of the decision making process (De Bruijn et al. 1998; Koppenjan & Klijn 2004).
Accountability: responsibility to the outside world

Accountability, the final component of democratic design, has two dimensions: to take accountability for something and be held accountable for it. The first dimension concerns a process of explaining the decisions that were taken through the governance arrangements and demonstrating performance to the relevant stakeholders. These stakeholders are primarily the organizations that have participated in the governance arrangement or have given the mandate to allow such an arrangement. The stakeholders can also include other followers of the process or other concerned groups such as the users of certain services or local economic and social interest organizations.

This process of accounting gives insight into the way in which the governance arrangement maintains and gives form to relationships with other actors. Accountability expressed in a (final) report wherein an overview is given of the decision making process and the decisions that were taken within a governance arrangement is one possibility. Another is reporting to a public hearing. The dramaturgy of accountability has its own dynamic: where does the reporting take place, by who or whether questions could be asked, how these events are communicated and the reports are prepared, what is the impact of the operations.

A second aspect of accountability concerns the way in which the mandate of the decision makers is confirmed, changed or ended. Representative democracy is a design that resolves this problem through cyclical elections. The governance arrangement may or may not include the organization of an election to appoint administrative leaders. If elections are used, the question then becomes how should the electorate be described, and which stakeholders are then included and excluded from the election process. Governance arrangements usually have an informal character and the administrators and managers are mostly appointed via forms of cooptation. A frequently used method to establish membership of the administrative organ in the arrangements where no actor has a majority include the nomination or appointment by a stakeholder (e.g the chamber of commerce and civil action groups) or selection by the administrative organ itself. Each has different implications for the process wherein the population and members of the institution are required to demonstrate collective and individual accountability.

It is essentially a question about how people are appointed through stakeholders, the kind of mandate they are granted, which accountability they are required to take internally.

Three democratic criteria and their indicators

The three principles elaborated above form a democratic triangle which can be used to evaluate governance networks and their institutional arrangements. They provide a measurement of how well the democratic anchorage in governance networks is designed and thus also what connections have been made with both representational democratic institutions and general principles of democratic process.

Figure 1: The democratic triangle
To apply the three principles in evaluating governance network arrangements we have to translate them in specific questions that direct the evaluation. Table 1 provides those evaluation questions that will be used to analyze the two cases in this chapter.

**Table 1: Three democratic design principles and their indicators**

<table>
<thead>
<tr>
<th>Democratische criteria</th>
<th>Indicators</th>
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<tbody>
<tr>
<td><strong>Legitimacy</strong></td>
<td>Formal:</td>
</tr>
<tr>
<td></td>
<td>- are representative institutions responsible for formal decisions?</td>
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<td></td>
<td>- Are responsibilities mandated from representative institutions to governance arrangements?</td>
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<td></td>
<td>- Are there signs of formal recognitions of stakeholders of the governance arrangements (thus ex ante legitimacy)?</td>
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<tr>
<td></td>
<td>Informal:</td>
</tr>
<tr>
<td></td>
<td>- are stakeholders engaged in the governance arrangement</td>
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<td></td>
<td>- do stakeholder support the overall idea and purpose of the governance arrangement?</td>
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<td></td>
<td>- do they support the (preliminary) outcomes of the governance arrangements?</td>
</tr>
<tr>
<td></td>
<td>- can signs of agreements (like signed agreements, gentlemen agreements etc) be recognized (thus ex post legitimacy)?</td>
</tr>
<tr>
<td><strong>Consent</strong></td>
<td>Items/ issues:</td>
</tr>
<tr>
<td></td>
<td>- which issues, both in terms of content and in terms of characteristics (tactical or strategic for instance) are open to consent?</td>
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<tr>
<td></td>
<td>- what is the variety of the issues open to consent?</td>
</tr>
<tr>
<td></td>
<td>- which information can be brought in?</td>
</tr>
<tr>
<td><strong>Mechanisms</strong></td>
<td>- which mechanisms are chosen for procedures for consent (like consent, majority etc.)?</td>
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<tr>
<td></td>
<td>- which stakeholders are allowed to participate by these mechanisms?</td>
</tr>
<tr>
<td><strong>Status</strong></td>
<td>- what is the degree of influence of stakeholders in governance arrangements?</td>
</tr>
<tr>
<td></td>
<td>- how is this degree of influence arranged (formally)?</td>
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<tr>
<td></td>
<td>- is there significant difference between stakeholders in this degree of influence?</td>
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<tr>
<td></td>
<td>- What mechanism are used to reduce variety of generated solutions and ideas (related to the legitimacy question)?</td>
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3. Democratic steering in collaborative economic developments: Two cases

As said in the introduction we find a wide variety of governance arrangements in governance networks in Europe. The motivations for setting up these institutional arrangements are different. Sometimes the main motivation is to reach consent of important actors with indispensable resources; sometimes the main motivation is to involve citizens in decision-making processes. In the two cases that are presented in this section both motives are clearly visible.

The framework that has been introduced in the previous section can now be applied to empirical practices of administrative design. For purposes of illustration two cases will be briefly analyzed in this article, one from the region of Flanders in Belgium and the other from The Netherlands. Both cases have been selected because they provide longitudinal information about the evolution of the economic development. Longitudinal analyses are particularly important in this area of research because governance forms beyond representative government often appear to operate in a more flexible and adaptive institutional context (Lowndes & Skelcher 1998).

**Case 1: The project Gent channel zone**

The first case analysis concerns the long term development of an network arrangement created for economic development, environmental policy and urban planning the channel zone in the city of Gent (ROM-Gent), Flanders (Voets & De Rynck 2004; De Rynck & Voets 2006; Voets & De Rynck, 2006). The urban development of the area was conducted in an uncoordinated way for decades, and as a consequence there were increasing tensions between different sorts of uses. The area played an important economic role and provided valuable living areas in the channel villages. It was also the source many environmental problems which became clearer in the 1990s, and thereby demanded a more coordinated approach. The project developed from bottom up and was initially a relatively informal and interpersonal arrangement, but it became more formal over time (Voets & De Rynck 2004). The arrangement had established legitimacy with most participating actors from its beginnings. The insight that the problems were connected to one another and that the existing sector approach had failed and offered little assistance promoted the support for another kind of arrangement.

The trajectory of the project can be distinguished by three main phases:
1. The initial phase (March 1993-October 1996)
2. Planning phase (December 1999- May 2007)
3. Implementation phase (June 2002 -)
Initial phase: Seeking legitimacy for the sub regional planning process

The project came about organically. It entailed a number of actors in the area having a similar problem perception, the support of consultants, and a range of organized discussions with privileged witnesses/experts(?) and the development of a preliminary process design. This was all summarized in report describing the existing problems. This report was approved by the limited group of actors involved in the process and legitimated the formal beginnings of the arrangement. The proposed approach was a collaborative planning perspective which included working upon three aspects (vision forming, daily action and stakeholder participation) simultaneously (Van den Broek 2001). On the basis of this formal legitimacy, studies were financed by the partners and by the then Inter regional programs and the Euregio Scheldemonde. In this period the legitimacy of the arrangement was promoted by expanding the network of actors involved, although in this phase it primarily concerned a small group of administrators and urban planners.

The formal legitimacy and accordance for a number of options was then strengthened by the approval of a concept goal, which included bringing together the problem perceptions, as well as the values and interests of the different actors. These were discussed and the first elements for establishing an integrated vision of the desired development for the region emerged. Accordance flowed from the shared involvement and engagement of the organizations and the unanimous support of the concept goal. In order to maintain transparency around the matters of accountability and accordance a two-part structure was given to the arrangement. The steering group consisted of those responsible for policy and there was a project group consisting of administrators and experts. These two-part structure flowed from perspectives of representative democracy, with elected politicians considered to be the legitimate decision makers, while administrators and experts were responsible for planning policy and implementation.

Planning phase: expansion and depth

A number of new planning documents were developed during the planning phase. First of all the concept aim was revised into a goal, this was done through research projects in a number of work groups where new stakeholders were introduced. In addition the accordance
mechanism was adjusted by discontinuing the distinction between the steering group and the
project group. All the issues were to be now addressed in one group. The accountability was a
question of the representatives of the different stakeholders: each actor maintained their
authority and were encouraged to maintain accountability among their own followers. In this
way accountability was maintained. Accordance was given through unanimous acceptance of
the intention goals which were accompanied by long term goals and a concrete action
program. There was also a range of core decisions undertaken including a plan of action
regarding different working methods. In this period there were also a number of activities
undertaken including an important change in plans for which the informal legitimacy of the
arrangement among the actors was promoted.

At the conclusion of this period the steering group proposed that the necessary goals of the
group required further depth. The result was a proposal for a strategic plan in June 2002. This
plan had a binding and direction giving aspect and was actualized through a number of
decisions. All of the involved actors were accord with the document (including the local
council of the three involved municipalities), with the exception of the Flemish government.
These increased the realization that the formal and informal legitimacy in the area was in
itself not enough to guarantee the support of the Flemish government. The government
rejected the proposal of the strategic plan because a number of issues had not been researched
to their satisfaction (primarily through new legislation such as environmental reports, urban
safety reports). This increased the pressure on the arrangement to obtain legitimacy among the
Flemish government.

As a consequence a second planning period was undertaken and was pursued parallel to the
implementation phase. The steering group suggested that the proposal for a strategic plan had
not satisfactorily considered a number of changes such as the new legislation and a more
sustainable scenario regarding the economic development and the assessment of the impact of
the environmental legislation (e.g. recognition of important bird life area).

The actualized strategic plan was adjusted after consultation with the involved actors. In May
2007 this report was then unanimously approved by the members of the steering group. In
order to promote the legitimacy, accordance and accountability as much as possible, the
document was also presented to the Flemish government for approval, as well as within the
relevant organs of each of the steering group members. The fact that the aim to obtain
authentic approval was actually surrendered by the Flemish government, demonstrated the
continuing difficulties to extend the support for the project from the local stakeholders and
Flemish administrators to broader political stakeholders. Nevertheless this official act of
seeking approval can also be seen as strengthening the formal legitimacy and accordance with
the main options for the region. It was sought with the hope that it would bring about more
informal legitimacy in the negotiations and actions taken among the Flemish actors around the
channel area.

**Implementation phase: identifying an adapted mix of democratic principles**

Parallel revision of the strategic plan for the implementation phase was also undertaken in
order to maintain the legitimacy for the project among the other actors in the area. For
example a number of actions were undertaken in the implementation of the revised visions
such as a numerous evictions, the rebuilding of infrastructure and the development of an
industrial area. A vision for the design of the connecting areas was also elaborated upon. A
tension remained however between the speed of the implementation and the expectations of a
number of actors in the area.
An important step in the implementation was the definitive decision by the Flemish government in July 2005 regarding the urban implementation plan (RUP) which excluded the harbor region. This exclusion brought clarity around the role of the harbor company as the regional coordinator. It conformed to the harbor decree and gave commitment to a number of relocations that corresponded with the developed vision for the economy, sustainability, connecting areas and infrastructure. Although the vision that had been developed within the project had not been entirely translated in the RUP, the central themes had been included and created legal security for the realization of a number of the locations included in the project. In other words the legitimacy of the project was strengthened by the RUP, although the elements that deviated from the strategic plan indicated that the informal legitimacy for the project among some actors had not been as strong as initially thought.

In this phase the governance arrangement itself was restructured in more formal ways. The steering group was expanded and a number of new units were created such as the official advise organ (SRO-Gent) for the Flemish government. A juridical identity was also adopted in the form of a project business in the area (PROVAG) which was to give greater structure to the regional development. This adjustment to the structure was undertaken in order to provide an explicit mechanism for accordance and accountability and to enable the stakeholders to coordinate the realization of the implementation projects.

**Figure 3: The structure of Project Ghent Canal Area in 2007**

In 2003 the administrative design of the arrangement was adjusted further. This was to respond to the new demands of the decision making and coordination of the implementation and to realize the implementation more effectively. Changes included expanding the steering group to a sub-regional network which included a number of workgroups. In addition broader social participation was made possible as a response to the increasing interest in the initiative. For example a number of resident’s groups were organized to support the project and these
were also represented in the Network Gent Channel. In addition, delegations of employer and employees groups, as well as democratic political parties were included within the Network. The revised structure provided better mechanisms for legitimacy, accordance and accountability at a general level. It also promoted these features within the different policy sectors affected by the project.

These gradual changes from ROM-Gent to the Project Gent Channel zone (PGK) occurred because of the concern of the project team to promote the democratic quality of the process. They sought as much as possible to anticipate the complexity of the issues and the different nature and capacities of the actors involved. The arrangement that was developed with the resident’s groups in the villages along the channel is an example of the careful considerations that were undertaken. On the other hand, there was also a strategic motivation for these activities, not least the necessity of having to ensure satisfactory support among a variety of actors in order to realize the goals of the project. Partnership agreements were used and the project bureau was financed by all of the partners involved in the arrangement. The regular interaction with other policy arenas about other themes ensured that the governance arrangement became embedded in a broader negotiation context. This meant that there was more playing room to enable the project to proceed. This was significant given the high degree of mutual dependence among the actors in the concentrated institutional landscape which ensured that all levels of the administration were included in the project activities. The inter-dependency remained throughout the project although changed in level of degree at various times. The maintenance of inter-dependency was a consequence of the active management of the project management team. This aside the legitimacy of the project remained dependent upon the accordance of political circuits at the level of the Flemish governments. These were circuits with their own dynamic, they were separate from the channel area, and could only be penetrated by the Gents region with varying success.

Case 2: The expansion of Mainport Rotterdam

The second case concerns the decision making process around the expansion of the harbor of Rotterdam during the period 1990-2004 (Klijn & Koppenjan, 2000; Teisman & Klijn 2002; Van Gils & Klijn 2007). Rotterdam is one of the largest harbors of Europe and is of significant importance for the Dutch economy. Expansion plans were developed in the 1980s and came about in three different decision making phases between 1990 and the early years of the new millennium. The expansion of the harbor entailed themes about regional interests that cut across numerous municipal borders. Conflicting values were prominent such as economic values versus environmental demands. As a consequence different democratic arrangements were adopted over time to address the complexity of the decision making processes.

1. ROM-Rijnmond arrangement was created during the period 1990-1995. The ROM arrangement was a relatively loose cooperation between different public actors in the region (2 ministries, the province, 15 mayors and a number of regional groups). The aim was to develop an integral plan across the fields of economics and the environment.
2. VERM arrangement was created during the period 1996-1997. This was a project group created by the national government as an interactive decision making process. It was to assess the necessity of the harbor expansion and also to identify how the range of stakeholders involved in the expansion were to be included in the decision making process.
3. The PMR arrangement was active during the period 1998-2004. This was a formal project organization that was also created by the national government. It was to realize the expansion of the harbor, to ensure that the necessary environmental compensations were addressed, and to include private actors to ensure the realization of the project.

Figure 4: The history of Expansion Mainport Rotterdam (1990-2007)

Legitimacy and accordance in the ROM Rijnmond process

The initial ROM Rijnmond process began in 1990 and was primarily concerned with the development of an integral urban plan for the Rijnmond region. This region includes Rotterdam. One of the most important aspects of this project was the development expansion of the Rotterdam harbor and was referred to as the Maas area II. At the same time, the Ministry of Traffic and Infrastructure gave further advice regarding the continued development of this project. It was conceived of as a project of national importance. The legitimacy of this process was established through an explicit accord between the concerned local municipalities, the provincial authorities and two ministries (Ministry Traffic & Infrastructure – VROM, Ministry Housing, Urban Planning & Environment). This approach whereby regional integral urban planning was legitimized by the national government was pursued in 11 regions including Rijnmond.¹

Legitimacy was also attained by creating a project group in 1994 to articulate a detailed plan for the Rotterdam harbor. The accordance mechanisms which entailed presenting the participating organizations with the reports regarding the results from the ROM process included the finding that a new expansion area was necessary to provide the required space for the Mainport Rotterdam. Accordance was expressed through a new accord between the partners which was signed in 1993. A project team was mandated to prepare a report about the implementation of the expansion of the harbor via a new polder. This report was to be presented in 1995. This accordance was clearly in correspondence with a section of the participating stakeholders (in particular it was not the vision of the stakeholders with environmental interests). Given that the expansion of the harbor was a national issue, the

¹ In Flanders an analogy was made between the Dutch example and the ROM project in the Gent channel zone, but this latter project attained its own distinct trajectory.
ROM leaders of the project decided that the following phase of the negotiations should be undertaken by the national government.

**VERM: an interactive process without the desired impact**

In April 1996 the cabinet came to the conclusion that a ‘the usefulness and necessity discussion’ regarding the expansion was required. The necessity of expansion of the Rotterdam harbor was to be assessed, as well as alternative solutions. The coordination was put in the hands of the Ministry of Traffic and Infrastructure. An important goal of this process was reconciliation between economic values (the desire for an expanded harbor) and ecological values (maintaining nature). This goal legitimized the involvement of the national government but it also changed the focus of the debate for the local actors. It is increased the number of actors involved in the decision making since the government had created a new interactive decision making process referred to as VERM. VERM was legitimated by a formal decision from the cabinet and through establishing a project group that included administrators from 4 different ministries (VROM, V&W, LN&W, EZ). The project established legitimacy from other actors (such as environmental groups, citizens and others) through setting up a broad range of interactive processes. Round table conferences, workgroups and sound boards for voicing opinions were all established and provided the opportunity for a large group of actors to discuss the necessity of the expansion of the harbor.

In addition a number of research trajectories were began (zee Klijn 2003; Van Gils & Klijn 2007). The project group VERM functioned as an organizer and process manager of all of these activities.

Although a larger number of the stakeholders and citizens were involved, the administrators from the ministries, including from the top level of the Ministry of Traffic and Infrastructure, remained skeptical. They would have preferred it that the usual interest groups were consulted with rather than the citizens. One official made reference to the idea that such activities created an element of fun rather than support. The ministry also maintained the right to deviated from the findings of the interactive process. Politicians and the parliament were also rarely included in the activities. In interviews with the project group VERM that the exclusion of politicians was a conscious decision since such actors had their own areas of responsibilities (Klijn 2003; Van Gils & Klijn 2007). As a consequence the interactions and processes that constituted the interactive features of the decision making process were very weakly connected to the more formal decision making channels (see Klijn & Koppenjan 2000; Klijn 2003). The accordance mechanisms created within the VERM project were clearly not perfect. There was little trace of the inputs from the various actors involved in the interactive process in the final decisions that were taken by the Ministry of V&W. The final decision hardly deviated from the initial decision taken in the original proposals that had been identified by the earlier project group in the Rotterdam municipality (Klijn 2003).

**PMR: classic polder model with satisfactory outcome**

VERM was concluded in 1996 even though a difficult decision about the new polder had still not been reached. The government decided to create a third decision-making round in order to help the project proceed. In this decision making round it was the concerned national ministries, the Rotterdam local council and the regional and provincial governments that were included in the project group. The group was referred to as PMR. It was responsible for the preparation of the urban decision for which the expansion of the Rotterdam harbor was to obtain its form. They were also to identify adequate compensation for the perceived environmental damage from the expansion (they had a twofold aim).
In addition, a number of different interaction processes were established. Social groups, business and other participants were invited to a consultation forum the Not Government Parties. Negotiations also took place between public actors (BOM steering negotiations Mainport) including the PMR leaders. The project bureau PMR was to form the connection between the ONR and BOM. Since most of the administrators within the BOM worked steadily further on expansion plans and continued to be wary of external influences, the environmental organizations left the ONR in 1999. They only returned to the discussions when modest attempts were made to establish negotiations again in consultation with both the most important represented interests of the ONR and BOM. This was part of an attempt to establish a link between these latter two decision making arenas. In short although legitimacy was given to environmental groups by inclusion in this sitting in the ONR, their legitimacy and that of the project had to be continually fought for. The accordance of the environmental groups was only given after further mutual consultation around the compensation plan which included the participation of economic interest groups and the accordance of the municipality of Rotterdam. Through the connection in the negotiations such outcomes were incorporated into the final urban plan (PKB) (Van Gils & Klijn 2007).

Accordance was thus established in a rigid and difficult consultation process between interest groups themselves and between the interest groups and the government representatives. The different themes and interactions were conducted alongside one another rather than that they were connected. There was also another consultation round held simultaneously between private parties about the possibility of a possible PPS arrangement for the realization of the Maasvlakte.

A study of the public private partnership was initiated but the accordance mechanism had a traditional contracting out model rather than a partnership model. This alternative was difficult because the private parties engagement required certainty that they would obtain a contract. In addition, public actors had difficulty with letting go of their control over the project. The result was a compromise whereby an arrangement was made wherein the room for initiative and power remained by the public actors. This corresponded with the legal tradition of the Ministry of Transport and Infrastructure. The arrangement also made it possible for the Rotterdam Council to maintain complete control over the developments around the harbor and the national commission responsible for urban development agreements wanted to avoid a strong private interest in the negotiations.

The problem of accordance was thus in general resolved by continuing with negotiation processes between environmental groups, other private actors and public actors about the compensation for loss of environmental values with the expansion of the Rotterdam harbor (Gils and Klijn 2007). In this respect the institutional design of the arrangement was typical of the ideal type of Dutch consensual decision making. The parliament was also very positive about the attained result which indicated that environmental and economic interests could be reconciled.

4. Two cases of regional development: a comparison

Both cases have clear similarities: complex harbor areas with difficult considerations between different and conflicting spatial claims. The most primary function was the economy but reconciled with, among other things, living, environmental and mobility claims. Different government levels were involved in the decision making and private parties also participated
in the decision making processes. In both cases there was active management from a governance arrangement.

**Comparing the two cases: similarities and dissimilarities**

If we compare the two cases on the democratic principles we see a wide variety of mechanism, forms of legitimacy and accountability. We also see some striking differences between the two cases. Table 2 shows the main characteristics of the cases.

<table>
<thead>
<tr>
<th>Democratic principles</th>
<th>Gentse Kanaalzone</th>
<th>Mainport Rotterdam</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Legitimacy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Formal</td>
<td>- recognition of stakeholders of the institutional arrangement</td>
<td>- recognition of stakeholders</td>
</tr>
<tr>
<td></td>
<td>- no formal delegation of responsibilities by representative institutions</td>
<td>- no formal delegation of responsibilities, there is a formal assignment by parliament</td>
</tr>
<tr>
<td></td>
<td>- recognition between government institutions by cooperation agreements</td>
<td>- in general stakeholders support arrangement (although in VEREM there is some criticism about depth)</td>
</tr>
<tr>
<td></td>
<td>- legitimacy from other stakeholders from below</td>
<td>- legitimacy of other stakeholders: more informal/voluntary and through membership of the network</td>
</tr>
<tr>
<td>Informal</td>
<td>- membership of stakeholders and bilateral negotiations express legitimacy of stakeholders</td>
<td>- stakeholders are well engaged (in VERM wide variety of stakeholders, in PMR a limited number of well organized stakeholders are member)</td>
</tr>
<tr>
<td></td>
<td>- stakeholders support arrangements (although some criticism about lack of impact of some of them)</td>
<td>- in general stakeholders support arrangement (although in VEREM there is some criticism about depth)</td>
</tr>
<tr>
<td></td>
<td>- results are a bit disappointing for some of the stakeholders</td>
<td>- good support in PMR of outcomes by main stakeholders (environmental groups, harbor company, municipality etc)</td>
</tr>
<tr>
<td></td>
<td>- items: open in principle all kind of issues related to kanaalzone issues: strategic and operational</td>
<td>more different stakeholders</td>
</tr>
<tr>
<td></td>
<td>- items for consent determined by parliament</td>
<td>stakeholders en bilateraal overleg</td>
</tr>
<tr>
<td></td>
<td>- issue= strategic (question whether expansion harbor is useful)</td>
<td></td>
</tr>
<tr>
<td>Consent</td>
<td>Consultation procedures (in steering groups and workshops) consensus based with sometimes veto power</td>
<td>- consultation based on consensus (in VERM; among wide range of stakeholders, PMR: small number of stakeholders)</td>
</tr>
<tr>
<td></td>
<td>- externally (outside governance arrangement) mutual bargaining, information meetings</td>
<td>- externally (outside governance arrangement): mutual bargaining (with central departments and politicians), communication and information meeting (citizens especially PMR)</td>
</tr>
<tr>
<td>Status</td>
<td>- determined by process rules</td>
<td>- determined by combination of procedure set beforehand by Legal rights (environmental procedures) and obligations (in assignments of parliament)</td>
</tr>
<tr>
<td></td>
<td>- in principle equal access of stakeholders and of information</td>
<td>- in theory equal access (especially in the VERM arrangement less so in PMR). In practice more possibilities for well organized stakeholders (especially in PMR)</td>
</tr>
<tr>
<td></td>
<td>- no formal arrangements of access</td>
<td></td>
</tr>
<tr>
<td>Accountability</td>
<td>Communication by various documents</td>
<td>Communication by formal documents (at the end of each period) and a wide variety of reports (but content mainly less about process)</td>
</tr>
<tr>
<td></td>
<td>- accountability to constituencies: more incidental and ad hoc and a bit</td>
<td></td>
</tr>
</tbody>
</table>

Table 2: Gentse Kanaalzone and Mainport Rotterdam evaluated by the three democratic principles
Democratic principles | Gentse Kanaalzone | Mainport Rotterdam
--- | --- | ---
‘personalized’ | - accountability partly formal partly informal | - accountability partly informal (ad hoc)
- Process not easily accessible for non stakeholders | - stakeholders to constituencies: ad hoc/incidental
- process not easily accessible for non stakeholders (and in PMR only for well organized stakeholders)
Held accountable | - permanent memberships of arrangements (no voting procedures) | - permanent memberships of arrangements (no voting procedures)
- voluntary participation on invitation | - voluntary participation of actors
- restricted mandate of actors | - strong mandate of actors (especially in PMR)

In general the arrangements are more similar than they are dissimilar which is a surprising conclusion in itself since we are dealing with two different arrangements in two different countries.

Seen from the principle of legitimacy we do not see very large differences between the cases. Maybe that the informal legitimacy is a bit stronger in the VERM/PMR case compared to the Gent case because the resulting outcomes receive fairly strong support from the involved well organized stakeholders. And although the results were later rejected by the court (that is the first attempt) the agreements in the PMR case are still the basis under the current implementation process.

In the second principle consent we see also some similarities, although in the gent case the issues at stake are both strategic and operational while the issues in Mainport Rotterdam are largely strategic. Thye agenda is more open in the Gent case which fits better the complex nature of the issues as becomes clear in the Mainport case where the fixed nature of the questions in especially the VERM conflicts with the open process character. We see similar consent mechanism in both cases, although consensus seems to be slightly stronger in the Dutch case (which fits the generally acknowledged consensual decision-making culture in The Netherlands) and the formal anchorage of the consent mechanisms seem to be stringer in the Dutch case.

And the same picture in the accountability principles which are again fairly similar. The mandate of actors in the Rotterdam case seems to be stronger than in the Gent case.

**Dynamics in the evolution of institutional arrangements of governance networks**

It was significant that in both cases the governance arrangement for economic development changed over time as a reaction to the changed framing of the problem and the political arena in which it was situated. In both cases there was also needed for a different connection between actors and between formal and informal responsibilities. So governance arrangements in governance networks do have a flexible character and trying to adjust the type of connections and the strength of the connections that are being made.

In the Rotterdam case there was a shift from an initially technical dossier about harbor expansion to a case of a national urban planning strategy of for large (infrastructure) developments. This framing was adjusted through the decision to include interest groups and private actors in the decision making process through an adjusted mechanism for governance. The VERM clearly was an attempt to connect a wide variety of stakeholders to the decision-making process. Interestingly in this way a very wide consent was achieved in terms of access, but the possibilities to actually influence decision-making processes were very limited. PMR was more an example of a limited access of the process; only well organized groups, but with a much more possibility to really influence the decision-making process. So in terms of connecting many actors the VERM was better but in terms of making connections that really
resulted in consent the PMR was better. So we see that the governance arrangement was adjusted in each of the phases which made different forms of legitimacy, accordance and accountability possible.

In the Gent case the governance arrangement developed from the channel zone project itself. This was initially an arrangement primarily of interest to local politicians and administrators but which was steered with a certain ‘sense of urgency’. Despite the fact that the Flemish level had the most influential authority and resources regarding the area, the project group acted consistently – with varying success – to keep the project on the agenda of Flemish politics. In the framework of their three track approach to collaborative planning, much attention was devoted to ensuring accordance, legitimacy and accountability. To the degree that the scope of the project expanded (e.g. more themes) and changed (more towards implementation) there was more need for political, administrative and social support and the structure of the arrangement changed to respond to this. This conscious strategy was linked to a flexible organizational structure that was revised at different points in time so as to correspond with the new themes and functions of the network.

Arrangement: complex mechanisms for accordance, legitimacy and accountability

Arrangements are not only about overcoming the differences between actors, their constituents are also more complex (than traditional democratic arrangements) in terms of legitimacy, accordance mechanisms and accountability. This applies to both of the cases and was apparent in their use of a great variety of regulations and agreements to ensure the inclusion of the three principles in their practices. Classical legitimacy and accordance rules of the game originating from the usual decision making arrangements existed alongside newly created ad hoc mechanisms. In this respect the new arrangements around economic development processes corresponded to the processes that they were to guide: they are complex (compare Ashby’s classic rule of required variety, Ashby, 1969). There were nevertheless some more dominant forms that were adopted in the chosen arrangements such as voluntary accordance from the participating parties, the inclusion of private actors and generally lighter forms of organization (project groups, consultation procedures etc) as opposed to heavier arrangements (such as separately created organizations, more formal procedures etc.). In addition, connections were continually sought with the more formal decision making procedures. These connections were sometimes well and less well arranged.

The different rules in the arrangements also can conflict with the one another. The Rotterdam case for example demonstrated that the administrative structure can be established with conflicting mechanisms for legitimacy, accordance and accountability. The interactive process within the VERM was the public face of a dual arrangement where the private face was actually the political administrative arena for the decision making. The two very different institutional designs existed alongside one another. In the end the interactive process, which in theory was to facilitate unified decision making and thereby legitimacy and accordance, was undermined by the absence of politicians. It was also undermined by the absence of a link with the political/administrative process (Klijn 2003). In the Gent case there was a sub regional arena that functioned as a negotiating and consultation platform of political, administrative and social stakeholders. There was in other words a range of representatives included in the arena including local parliamentarians. Such parliamentarians as well as responsible implementing bodies were consistently included in the arrangement through advice procedures as well as through the passage of official documents and the request for political approval at various phases in the decision making process. The sub regional arena devoted much energy to influencing Flemish politics especially regarding certain decisions and the need for providing financial resources. There were also existing bilateral contacts
between stakeholders and the Flemish political level, but these interventions appeared to be in line with what had been agreed with at the subregional level. Extremely important channels for such good contacts were the political parties, which had both access to politicians, administrators, as well as social stakeholders (De Rynck & Voets 2005).

**Arrangements connect different actors and different interests**

Characteristic for the arrangements analyzed in this paper is that they not only, by their very nature, connect different actors but also actors with conflicting material interests. In the Rotterdam case it became apparent that the harbor interests of the harbor company and the Rotterdam municipality were in sharp conflict with those of the environmental interests and environmental groups and residents. Another problem was the tensions between control of the developments from the Rotterdam municipality and the Ministry V&W, and the need to include private actors who required a degree of independence in their operations. The consequence of this was that besides the analysis of the institutional design, it was also necessary to analyze the underlying interests and the interaction between both. This two level analysis was relevant to researching VERM where the political and administrative interests dominated the attempts to pursue an interactive process. In the Gent case this was less problematic: there were clear opposing interests, but the existing interdependencies between the stakeholders (both public and private) appeared large enough to allow the subregional governance arrangement to function. This is not to deny that the interest conflicts shifted partly to the Flemish level, where the inter-cabinet work groups formed an autonomous decision making circuit.

An important difference was the nature of the policy construction in the cases. The Rotterdam case was a politically supported initiative through the national government, and there was the clear goal of realizing an expanded harbor. By contrast the Gent case was initiated by a group of local actors who from bottom up developed their vision and then established coalitions and fought to convince the Flemish level of the need to make decisions, and make financial support available for the infrastructure programs. The story of the expansion of the Antwerp harbor has more similarities with the Rotterdam case in terms of being a central policy priority.

Aside from the different interests there were also actors involved with entirely different organizational and strategic capacities. In the Gent case it was shown that there was some tension between professionals and non professionals. While at first sight the Gent case had enough guarantee as democratic governance, it became apparent that the degree to which a number of stakeholders could process the themes, plans and actions satisfactorily and in time varied significantly. The smaller local government and residents groups had some trouble understanding the often bureaucratic documents and procedures satisfactorily. Comparable problems were also observed during the VERM phase in Rotterdam when individual citizens and groups of citizens clearly had less influence and access to certain arenas than other actors such as administrators and ministries (see Klijn 2003).

5. **Conclusion**

This article has sought to evaluate two governance networks, those around the Gent kanaalzone and the Mainport Rotterdam, and their institutional arrangements. These institutional arrangements are meant to connect the various actors, their different interests and
the complexity of the process. But they also have a function of reconnecting governance networks to democratic principles.

The analysis has shown that such complex arrangements are significant for policy making and as policy making forms. Characteristic of these arrangements are arenas wherein decision making takes place in consecutive decision making rounds over time and within different institutional forms. As a consequence both practices and the rules of the game within the decision making arenas also change over time. The case analyses provided the possibility to operationalize the three democratic concepts of legitimacy, accordance and accountability which are presented in the appendix to this article. This analytical model can be used to examine the processes of decision making although the various principles identified can also be refined into further sub-groups.

In the introduction to this article it was suggested that new forms of governance for complex problems had brought about revived interest in institutional design. Though it should be noted that ‘design’ in the cases we examined was not expressed through intentional considerations about the form of arrangements. Indeed, we found that such a carefully and conscious consideration of the design processes in such complex arrangements was limited. A consecutive phase in the trajectory of the process was more often a consequence of contingent combinations of internal and external factors, such as changes in the balance of interests. The impact of legitimacy, means to demonstrate accordance, and accountability were generally the product of change and not some other consciously rational explanation or motivation. Looking back it is possible to identify a ‘design’ in the process post hoc, but this is generally not the design that actually steered the process. Further steps in the process design are undoubtedly a consequence a consequence of the relationships and dynamic between actors. The considerations regarding the three quality criteria of democracy are primarily intuitively present in the way key decisions are taken by leading actors. The Gent case illustrated that attention for the three democratic principles – though enforced- were implicitly present in the consideration of a number of choices about design.

The relationship of these separate functional arrangements with the arena and the institutions of representative democracy is the most intriguing aspect of the comparative study. It was observed that the decision making within the policy network did not replace the decision making in the representative arena. In the Netherlands it was precisely the absence of politicians and the lack of a link with the representative arena that created problems for legitimacy. This was in contrast to the experience in Belgium where a permanent a link had been established with representative democracy. In Belgium political and administrative figures played a key role in the decision making procedures and negotiations within the policy network. This has been a well established feature of the role of representative democracy in Belgium where it was accepted that such key figures actively participate in the process. Experience in The Netherlands would seem to indicate that the elected representatives and the reigning political culture maintain greater distance from the negotiations between interest groups, experts and administrators. This contributed to problems of legitimacy. Our analysis indicates that that in both countries the arrangement examined created, out of necessity, new forms of legitimacy, accordance and accountability. These new contributions cannot however be understood as loose from the legitimacy, accordance and accountability that representative institutions lend to these processes. Through continuous feedback with the institutions of representative democracy the network arrangements and decisions become embedded within the procedures of representative democracy. The links and recruitment of such links with representative democratic institutions should therefore be seen as essential to complex
governance arrangements and their goals. When this crucial element of the process design is left to the contingency of interests and of the moment, the democratic legitimacy of the arrangements are vulnerable. It can be pleasant and useful to function in the shadow of the representative hierarchy, but when exposed to the full sun such arrangements are likely to get burnt.

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