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Roar Amdam

# Institutional leadership in regional planning and development

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# Forord

Dette notatet er ein del av rapporteringa frå prosjektet ”Endra regionalpolitikk og nye regionale politiske institusjonar og prosessar”, som er ein del av Norges forskingsråd sitt program om forsking for regional utvikling. Bakgrunnen for prosjektet er at den regionale planlegginga er under omlegging både i Noreg og i andre land for å møte dei nye utfordringane som regionalpolitikken gir. Gjennomgåande for denne omlegginga er at regionar blir trekt fram som eigna arenaer for å skape ein regional politikk og dermed framstå som regionalpolitiske aktørar. Det er mi oppfatning at dagens plansystem og planpraksis er lite førebudd til å handtere dei utfordringane som den nye regionalpolitikken gir. Difor vil eg gjennom samanstilling av norske og internasjonale erfaringar bidra til forbetring av det norske plansystemet.

I dette prosjektet er målet å gi svar på det sentrale spørsmålet om det er slik at omsynet til offentligheit og demokrati i den nye regionalpolitikken, krev nye eller endra regionale politiske institusjonar og planleggingsprosessar for at regionane skal framstå som legitime politiske aktørar med innverknad også på lang sikt. Vidare skal eg drøfte kva for implikasjonar eventuelle funn bør ha på samansettinga av regionale plan- og utviklingsorgan, handsamingsprosedyre, deltaking, medverking, informering, gjennomføring, læring m.m. i dagens norske plansystem. Planlegging blir her oppfatta som eit reiskap for politikkutforming, om må difor kunne kombinere sentralstyrt kommandoplanlegging med lokal innovativ og mobiliserande planlegging.

Forsking viser at den nye regionalpolitikken med vekt på å sameine ovafrå ned og nedafrå opp politikk, til dels krev heilt nye regionale politiske institusjonar og planprosessar for at regionane skal framstå som politiske aktørar med gjennomslagskraft. Desse institusjonane synest å føresette partnarskap mellom styringsnivåa, og mellom offentleg, privat og frivillig sektor, i legitimerande planprosessar innafor ein demokratisk kontroll. Men slike nettverksinstitusjonar stiller spesielle krav til balansen mellom effektiv gjennomføringsmakt og demokrati, deltaking og ikkje minst offentligheit. I samsvar med Habermas legg eg til grunn at offentligheit er det sosiale rommet som blir skapt av kommunikativt handlande aktørar. Denne offentligheita er nødvendig for å hindre at partnarskapsorganisasjonane perverterer til lukka avgjerdsprosessar med mulegheiter for kameraderi og korrupsjon.

Dette notatet er ein  lett justert versjon av eit paper som blei presenteret på AESOP Congress Grenoble, France, July 1-4, 2004, Track 4: Local and Regional Economic Development

Volda, august 2004

Roar Amdam

## Abstract

In this paper I discuss the need for institutional leadership in regional planning and development processes. I define institutional leadership in accordance with Selznick (1984) as to bring the fundamental values for the existence of the region as an institution in to the regional planning and development process. I regard this process as political will forming activities that can contribute to the legitimating of municipalities, counties and other regions as political actors (Habermas 1995). We know that this is a very complex process that includes operative, tactical, strategic and institutional planning in a blend of top down and bottom up policy. The planners will as process leaders have different roles to play in this process, but in this paper I shall concentrate on the institutional leadership role. The hypothesis is that regions with lack of institutional leadership tend to take their existence for granted, to have an unclear mission, to have unsolved value conflicts, and to tend to have an unstable practice.

## Public sector reforms and modernisation

The first generation of public reforms brought new thinking and processes into public sector, but much of them in the form of management borrowed from private sector. In this process the well-established terms public sector and public administration became discredited, and private sector was put forward as an example to follow. The term public sector became very much associated with a bureaucratic and inefficient rule-bound system in contrast to the efficient private sector. Hence, the reforms focused on transforming the *input* managed rule-bund system to a more *output* and even *outcome* managed performance system. Management-by-objectives concepts and activity planning became central in the reforms. According to OECD (2003) this approach with emphasis on formal system of specification of ends and measurement of output and outcome failed decades ago, not only in private sector but also in the public sector in the command economies, because in could not address complex problems and because there are limits on how much information human beings can (or do) take into account when they make decisions. In addition, there is no area of activity more complex than the policy domain of government, and it has for a long time been recognised that public service production is controlled more by values and culture than by rules, a situation that is likely to continue despite progress in performance measurement and contracts.

Demands for better accountability and improved performance have resulted in administrative reforms that emphasise new leadership and leadership development models. The old and unreformed public sector had a "grow your own leaders" philosophy, and the new and reformed public sector tends to operate under the more private sector philosophy of "by or hire" a leader with the adequate skills to make the organisation perform better. By doing this we tend to evaluate public and private sector leaders much the same way, i.e. by their ability to lead their organisations to perform. But it is commonly recognised that public sector has a fare more complex and dynamic value and goal structure, than private sector. There is a growing awareness of something is missing between the existing public service culture and the public interests. There seem to be a lack of dedication to fundamental values of public services such as separated powers, democracy, transparency, accountability and efficiency. If these values shall guide the public sector actions, they must be embedded in the culture. Thus leadership has become a critical component of good public governance (OECD 2003).

The public reforms have had a big impact on the regional planning and development. We can talk about a shift in regional policy-making and planning characterised by a new process of governing. Regional *governance* has been added to the regional *government* structure. Government is used to refer to the formal institutional structure and location of authoritative decision-making in the modern state, like ministries, agencies, municipalities and counties. The concept of governance is wider and directs attention to the distribution of power both internally and externally to the state. Its focus is on the interdependence of governmental and non-governmental forces in meeting economic and social challenges. Governance is about governmental and non-governmental organisations working together. Its concern is how the challenge of collective action is met, and the issues and tensions associated with this switch in the pattern of governing (Stoker 1997:10).

The concept of governance has recently gained widespread currency across many of the social sciences, and many disciplines have struggled to analyse the broad set of changes in the relationship between state, market and civil society - the conceptual trinity which has tended to dominate mainstream analysis of modern societies. Jessop (1997) warns that the growing obsession with governance mechanisms as a solution to market failure or state failure should not lead us to neglect the possibility of governance failure. In the concept of governance, actors and institutions attempt to establish a capacity to act by blending their resources, skills and purposes into a viable and sustainable partnership. This co-ordination process has been characterised rather neatly as "managing a nobody-in-charge world" (Stoker 1997). One

major concern is the role and responsibility of the elected politicians. One should avoid seeing governance as necessarily being a more efficient solution to problems of economic or political co-ordination than markets or states. We should ask critical questions about those institutions and networks that emerge in their place. As a start, we can seek to examine the purpose of the new form of governance.

Similar to many other countries public sector in Norway is undergoing New Public Management inspired reforms, but so fare Norway has not had a fundamental discussion on the role of the government to evaluate what the public sector is best suited to take care of, and what is best performed by private players. The lack of an overall vision has led to an incremental reform activity, and to sector-initiated and sector-oriented reforms. We are faced with a structural pluralism more than uniformity and universality. Administration policy has been largely a by-product of processes and actions in many institutional arenas rather than the result of a homogenous and united strategy. The style of the reforms has been oriented towards compromise and this has given incremental results (Stromsnes 1999). On an international scale Norway can be presented as a reluctant reformer and slow learner (Olsen 1996).

The management-by-objectives concept and activity planning became central in the Norwegian public sector reforms. But the implementation of the concept has constantly been twisted between the need for freedom and control. The different ministries, agencies and offices in public sector have got some freedom to create their own policies within the management-by-objectives concept, but at the same time the concept has become very oriented towards details about ends, means, effects and results. The system has become very complex and control oriented with a strong demand for monitoring of output and outcome. The system now produces at lot of detailed reports from the bottom to the top, but the system does not have the capacity to handle all this information in an adequate way.

In this modernisation process there seem to occur an important and interesting difference between sectoral and territorial policies, and this difference is most clearly expressed in the two forms of regional planning.

1. *Planning in regional organisations (sectoral regional planning)*

   The one form is regional planning which in the main is planning and development work that is restricted to the service production areas that are the responsibility of agencies, municipalities and counties. In effect this is planning and implementing of welfare state service productions in regionalised organisations. This is a form of activity planning that

has many common features with private and voluntary sector planning. To the extent that these organisations refer to this form of planning as regional planning, I would characterise it as a sector-dominated and fragmented top down policy implementing form of regional planning.

2. *Planning in the regional society (territorial regional planning)*

The other form is the territorial regional planning that is carried out to a large extent across municipalities and counties, and is concerned with themes like industrial development, transport, communications, land use planning and co-operation in the production of services. It is typical for this planning that it, in addition to include municipalities and counties, also attempts to involve other public authorities, as well as private and voluntary sectors, in forms of partnerships in planning and implementation. The actual regional planning would thus appear to take place to a great extent in more or less formal network organisations or co-operation between basis organisations from public, private and voluntary sectors, and from the various levels of government. This is a cross sector and territorial bottom up policymaking form of regional planning.

In the Norwegian planning practice this means that formal political institutions like municipalities and county municipalities give priority to the sector planning of their own activities such as health, welfare and education, while new informal political institutions at the inter-municipal and inter-county levels start to appear and are given or take the responsibility for the territorial planning associated with industrial development, competence development, communications, land use planning etc.

This two-parallel system of regional planning seems to become both logical and desirable. It becomes logical that the territorial regional planning which in general emphasises regional development and innovation, in the main is carried out in network organisations based on the public, private and voluntary sectors. This is a development oriented and governance structured planning. Moreover, that the sector-based regional planning, which in general is a planning of sector activities, is carried out within the domains of the basis organisations, but that this planning both receives and delivers premises for the territorial planning. This is an allocation oriented and government structured planning. As governance seems to exist in the shadow of governance (Jessop 1997), the sectoral planning seem to dominate the territorial planning. In the following chapter I will try to explain that this situation in not unique for Norway, but is a consequence of the modernisation of the welfare state.

## Modernisation and rationality

Rationality regards in general the actors' relationship to the world, in other words, the way a person perceives and acts in relation to his or her surroundings. A minimum criterion for rationality is that there is co-existence between what a person intends to do and what the person really does. Thus, rationality includes a reflective attitude, meaning the capability to fulfil the requirements of knowledge and to learn and correct actions.

Instrumental rationality has formed the foundation for understanding the modernising as an expression of progress, and that progress is associated with better efficiency and rationalising. Instrumental rationality points towards the gains that the society can show through economy and science. If we use the instrumental rationality as a foundation for reforms in the "modern state", the state would become a more efficient instrument to produce output and outcome. But many argue that this is not enough to legitimate the modern state. I addition we have to raise the question to what extant the state has become more democratic, just and humane. Eriksen (1993) substantiates this by asking if there is done enough to ensure that every group and their needs, interests and demands for respect are being looked after. Eriksen also asks if the public sector activities are in accordance with valid moral and the standard court justice. He finds great shortages in today's presumption of modernising, and he argues strongly for the usage of other forms of rationality, especially communicative rationality.

### Instrumental and communicative rationality

Instrumental and communicative rationality can be perceived as extreme forms of rationality, and they can be connected with different epistemologies. The instrumental rationality is strongly connected with the positivists' theory of knowledge. The presumption here is that objective knowledge can be gained through a scientific, hypothetical-deductive process. The controlled experiment stands as the methodical ideal. The founding doctrine for positivism is to clear the world of religion and mysticism, and to achieve control of society through knowledge and technique. The only true views of the world were those, which were based on empirical observations. Assertions, which were not testable in an analytical or empirical way, should be disregarded entirely. This positivist science ideal causes an interest towards the hypothetical-deductive research aimed at unveiling connections between cause and effect and establishing "laws of societies" (Slagstad 1976).

Schön (1983) suggests, however, that instrumental rationality is a process for problem-solving, but not for problem-formulating. He claims this by saying that instrumental models of action do not catch the real world. The model cannot handle uncertainty in forms of non-stability and complexity, and it is not capable of handling conflicting needs, interests and values. Towards the end, he ads that instrumental rationality is not the only point of view existing, there are other competing forms of rationality. Schön (1983) asks us to eagerly admit the weaknesses of instrumental rationality and rather seek for an epistemology, which is based upon practice in creativity and intuitiveness similar to that which the practitioner use when they face unique situations with uncertainty, conflicts and instability.

Schön (1986) does not refer to Friedmann's work, but the intention of Friedmann (1978) was to make an alternative epistemology for use in social contexts as a substitute for the epistemology occupied with objective knowledge based on the positivist science ideal. He starts by establishing that the positivist epistemology is dominant in our time. This epistemology is based on the definition of objective knowledge. This means that it is possible to come up with knowledge that is independent of any knowing subject.

Friedmann (1978, 1987, 1992) rejects this positivist science ideal, and thus also the deductive research design's approach to obtain objective knowledge through verifying and falsifying of hypotheses. Friedmann put forward the epistemology of social practise as an alternative to the positivist epistemology. Friedmann means this epistemology can be traced back to Aristotle because social practise refers to moral actions in public connections, and because actions are based on norms regarding how we are supposed to live along with each other. Friedmann's epistemological model has one world and one living theory that place the facts inside the world. In this model, learning is linked to the world of events via social actions and the result of that action. The adequacy of the theory of reality, and/or the political strategy is therefore dependent on the results of action and the extent to which these results satisfy the given social values.

As a parallel to the positivist science's error elimination through verifying and falsifying, Friedmann argues for a constant critical evaluation and successive revision of the components in the model. This way, the social practise epistemology becomes a model for social learning where the learning happens with interaction between radical practise and critical reflection. The model shows that social practise grows through a continuous critical evaluation and successive revision of the components in the model as they malfunction. The model results in personal growth due to the fact that the participants tie together knowledge and actions when

they alter between critical acknowledging and new practise. Friedmann suggests further that even if the epistemology regarding social practise accedes the epistemology dealing with objective knowledge, it is far from a substitute.

**Collective action theory**

Collective action theory belongs to a school of thought within social theory known by the term rational choice theory, and which in later years has extended its influence, for example within sociology (Hagen 1995, 1996). Rational choice theory is based on *instrumental rationality* and the rational actor who seeks to maximise his individual benefit in situations where actors are mutually dependent in the sense that benefit for the individual depends also on the actions of others. This is expressed through the concept strategic rationality, which implies precisely that the individual actor tries to anticipate the reactions to his own actions from others. Collective action is one important type of such strategic action. Here, the actors depend on each other in such a way that they need to co-ordinate their action plans to obtain advantages for themselves.

When explanations of collective action are based on the model of the instrumentally rational actor, we encounter both problems and paradoxes. The tragedy of the common may be one example that assertion of individual interests does not produce rational collective action (Hardin 1968, 1982, Jentoft 1987). This was the theme in the book *The Logic of Collective Action* by Mancur Olson, published in 1965. According to Udéhn (1993), this is one of the most widely quoted, admired, and criticised books in modern social sciences. It is in other words a book that has had a far-reaching influence on later research.

In this book, Mancur Olson uses economics as a basis for his model of the rational actor who makes his rational choices based on cost/benefit evaluations aiming to maximise individual benefits. This implies an understanding of individual action as determined by rational self-interest. The book was a dissent from those in social science who took it for granted that self-interest could automatically explain how actors solve common problems and obtain common goods. In his book, Olson challenges the conventional knowledge of collective action by arguing that unless the number of individuals in a group is quite small, and unless there is coercion or some other device to make actors act for the common good, individuals motivated by rational self-interest will not act to achieve the group's common interests (Olson 1965: 2).

The problem is that if collective goods are to exist, these should be offered to all members of a group. But Olson claims that as long as this is the case, the most rational role for the self-

interested actor is that of a *free rider*, profiting from common goods without contributing to their costs.

Olson thus shows that benefit rationality based on the model of the logically self-interested actor only to a limited extent, and contingent on the size of the group, can motivate collective action. This conclusion was tied to special-interest groups in particular, and he emphasised that these usually operate within areas of collective, often public, goods. However, he limits his conclusion by excluding political, social, religious, and philanthropic organisations and mass movements. Collective action in such groups is what he calls *non-rational* and belongs to the discipline of sociology (norm theory). Further, Olson admits the existence of morality as an incentive, but excludes it from his consideration as difficult to identify. On the other hand, he does assume that social factors such as status, prestige and social pressure can work as incentives.

**The theory of communicative action**

Habermas' theory of communicative action is intended as an alternative to both benefit theory and norm theory. He tries to develop an extended universalistic concept of rationality, which not only covers instrumental and strategic rationality, but also *communicative rationality* (Habermas 1984, 1987). This is probably one reason why his theory is strongly criticised, but also eagerly embraced by many. In his later works he has partly modified his views in consideration of these objections (Habermas 1995).

A recurring line of argument in his works is based on the concepts speech act and communicative rationality. He proceeds from the basis that speech is an act. Whoever expresses himself verbally will through this speech act communicate a connection to an *objective* world of existing facts and circumstances, to a *subjective* world of personal experiences and emotions, and to a *social* world of accepted and valid norms. The listeners can evaluate how the statement relates to communicative *validity claims*, i.e. that a speech act must be true, sincere, right, and comprehensible. The listeners have the option to contradict what is said by means of a new speech act, and the actors thus become involved in a process with a mutual duty to give arguments for one's statements and with rules of procedure defined by the validity claims. To argue against these claims will mean involving oneself in contradictions. The actors thus do not relate their statements directly to existing self-interests or norms, but instead relate the statement to the possibility that others will counter the validity claims. In this way, the process itself yields a communicative rationality.

The communicative rationality emphasises the meaningful and action-coordinating potential of the speech acts themselves. Through discourse, the conversation partners may arrive at common understandings of correct action, by which one feels bound. But such a product assumes that the discourse can be understood as an ideal conversation, which in addition to the duty to argue also builds on parity of power and public sphere.

From the work of Habermas (1984, 1987 and 1995), one can draw the conditions for the *undistorted discourse*. All individuals who can speak and act are to be free to participate, free to question any proposal, free to make any proposal, and free to express their attitudes, desires and needs. No speaker is to be hindered by force, either from inside or outside the discourse, from making use of these conditions. Parity of power is important for the conversation to become a dialogue where the force of argument in the relationship between the actors decides the outcome of the conversation, not the power of one participant to force his views and norms on others. Furthermore, the ideal conversation presupposes a public sphere, so that the duty to argue applies even outside this particular group of persons in this particular discourse.

**Planning as a legitimating and institution building process**

Habermas joins the critics of modern society. He claims that the positivist cognitive theory increases the distance between theory and practice, and that the formation of policy in modern society is fragmented and instrumental. Habermas uses the terms *system* and *life world* to describe this development.

By system he means economic and political-administrative activity based on the steering media money and power, and demands for results aiming at the goals of functional ability and efficiency. This world is characterised by maximising of individual benefit and strategic rationality, and it is capable of creating systemic integration. In the life world, co-ordinated action builds on consensus created on the basis of ideal conversations. The focus is on the participants, and they are involved in communicative relations with each other. This results in a social integration, as opposed to systemic integration, and builds on an unspoken common evaluation of the situation, common goals and values etc. This world is tied to civil society and open, free, democratic processes.

Habermas claims that in the modern society the system colonises the life world, and that instrumental and strategic rationality thus displaces communicative rationality. As a counterweight to this development, he wants to strengthen the public sphere in society. By *public sphere* he means the social room created by actors acting communicatively. Thus, the

public sphere does not become a separate institution or organisation to which we can relate by studying structure, processes, norms, rules etc. Public sphere is rather a network of communication and a process of interaction which assists in putting issues on the political agenda, ensures that solution are passed and implemented, but also that the consequences are debated and evaluated. It is in the public sphere that moral judgements of what is fair, right, democratic etc. will be expressed most clearly, for only from an impartial and collective perspective is it possible to draw moral inferences about how a problem is to be solved. We can thus claim that the public sphere represents the *centre of democracy* (Eriksen 1994:16). It has to be added that the public sphere can be hiddenly abused and manipulated, but it cannot be subjected to open pressure without the actors having to show themselves and so weaken the force of their arguments.

Through his theory of communicative action, Habermas tries to develop concepts for understanding how norms and solidarity are created communally. In this lies an assumption that consensus is possible and that the actors want to achieve a common will. Many critics of such consensus building claim that this can be possible and desirable only in small groups. In his book *Between facts and norms*, Habermas returns to the problems he set out discussing in the fifties: i.e. the necessary conditions for rational communication on the problems of society, and the meaning of democracy (Habermas 1995). The perspective here is that with the construction of the democratic constitutional state in modern society, institutional arrangements for legitimising this constitutional state have arisen. The line of reasoning is that no external authorities exist which guarantees the legitimacy of the democratic constitutional state. It has to secure its legitimacy on its own through free processes of public will-formation. However, the public opinion-making process has little chance of being directly transformed into political action, and needs *rights* as a medium for creating loyalty and commitment. Rights contribute to stabilising expectations and actions, but this presupposes that the rights themselves have arisen legitimately. The communicative power from the free opinion-making process in the political public sphere is through the passage of laws and regulations transformed into *administrative power* in the shape of state power to organise, sanction, and implement. This means that it is not the individual morality of the actors that decides the ability to act collectively and in solidarity, but rather the procedures for democratic will-formation and collective decision-making that is institutionalised in modern constitutional states (Eriksen 1994:6). Societies need for a fundamental background consensus that makes it possible to deal with conflicts and instability. In this way, Habermas arrives at

the normative point of view that society should vitalise the connection between civil society and the political system through institutional reforms.

In this work, Habermas also accommodates the earlier criticism of the weight communicative rationality puts on the possibility for consensus creation. He does this by introducing several discourses with corresponding forms of rationality. Here, distinctions are made between benefit calculations, ethics, morals, and rules of justice; and ideal conversations are distinguished from negotiations. As a consequence, Habermas formulates a model for *political will-formation* that can be initiated with:

- Pragmatic discourse on benefit calculations and collective decisions on priority,
- continues with ethical discourse on individual and collective identity and understanding of the self,
- passes on to moral discourse on whether standpoints in conflicts of interest can be generalised into basic values,
- and ends in legal discourse on the consistency of rules of justice.

*Negotiations* must be seen as an alternative to discourse when there is no chance of consensus, but these are institutional arrangements or procedures that must be tested in moral discourse. Through this, Habermas conveys that a legitimate decision does not reflect the will of every individual, but is the result of a process where all concerned openly have discussed what is to be done. It is positively wrong to ascribe to Habermas and communicative rationality the view that the goal is a universal consensus reached through the ideal conversation.

In my understanding of Habermas' political will formatting or legitimating process the *juridical discourse* concerns the rules of juridical consistency. This is planning as a systematic process of developing a frame of reference for future decisions and actions by a relevant community. These issues concern the relation between the context and the regional planning institution, and the normative influence of the planning documents compared to other juridical norms. This discussion is about the reason to exist or the mission, acceptance and legitimacy, and is the topic of *institutional* planning and leadership.

The *moral discourse* concerns the conflicts of norms and values, and is a topic for mainly communicative planning, i.e. planning as a social interactive process between actors who are seeking consensus and mutual understanding. This also involves a discussion of whose needs;

interests and values are to be favoured. These are moral questions, which are the issues for mobilising and for *strategic* planning and leadership.

The *ethical-political discourse* concerns the conflicts of interests that are often connected with the utilisation of resources in coordinative planning, i.e. planning with the focus on how to deploy organisations to undertake the necessary actions at the appropriate time to accomplish mutual agreed upon outcomes. This refers to the questions of organisation, co-ordination and *tactical* planning and leadership.

The *pragmatic discourse* concerns the discussion of facts and data and is a discourse tied mainly to instrumental rationality, i.e. planning as a deliberative activity of problem solving, involving rational choices by self-interested individuals or homogenous social units. The objective of rational planning is for the actors to decide to what ends future actions should be undertaken, and what course of action would be most effective. These elements are at the core of implementation and the *operative* planning and leadership.

*Evaluating and learning* comes in addition to the four variables in a dynamic process, but must be an integrated part of all the four discourses in order to make a continuous process.

**Incomplete legitimating regional planning processes**

In my understanding the four discourses can be combined in a planning and development process that in a region is expected to empower and legitimate the region as a political actor. It is my experiences that only if all the four discourses are given active attention, are it possible to build a region as a strong and legitimate political actor (Amdam 2003). This model can be used to understand the difference in legitimacy between sectoral and territorial regional planning and development, see table 1 and 2.

# Table 1 Sectoral regional planning

| Political process | **Regional planning as activity plans for the public sector organisations as provider of welfare state services** |
|---|---|
| **Accept and institutional planning** | Becomes neglected at regional level because the national state decides to what extent the region is a efficient service provider |
| **Mobilising and strategic planning** | Becomes neglected at regional level because the national state are setting the agenda, pointing out the areas of efforts, defining standard of service etc |
| **Organising and tactical planning** | High activity at the regional level because it becomes important with internal long term and annual budget for each sector unit |
| **Implementing and operative planning** | High activity at the regional level because it becomes important with action plan for each sector unit, and plans for each project |
| **Reporting, evaluating and learning** | High activity at the regional level because the national state demands reports, but evaluating and learning normally limited to the operative and tactical levels |

# Table 2 Spatial regional planning

| Political process | **Regional planning for the territory as a social mobilising society** |
|---|---|
| **Accept and institutional planning** | Almost no activity at regional level to stand up as powerful regional development actors, because of no acceptance from the national state so fare |
| **Mobilising and strategic planning** | High activity at regional level in order to integrate people in the regional community, set at political agenda and give a direction to the development work |
| **Organising and tactical planning** | Some activity at regional level to coordinate actors in the horizontal and vertical power structure, and to set up common action programs, but lack of accepted institutions with power end means |
| **Implementing and operative planning** | Some activity at regional level to set up partnership contracts between actors from public, private and voluntary sector and from different levels of governing |
| **Reporting, evaluating and learning** | Some activity,at regional level but national state demands only sector, program and project report, not cross sector and territorial reports |

The sectoral regional planning belongs to the government structure and planning focuses on the production of public sector welfare services, which is delegated to them as organisations. Government structure, hierarchy, top down policy implementing within the national state characterizes this system. As part of the government structure these organisations get their legitimacy mainly from the national state. There is almost no need for these organisations to discuss institutional and strategic leadership issues, because the national state decides these questions. As a part of the national policy government structure, their role is to implement the national policies. They shall make output and outcome, not input in the policymaking process. Thus their leaders become very egoistic and self interested on behave of how their organisations perform. The instrumental modernisation of public sector makes the organisations in the government structure instrumental themselves, which has a tremendous impact on the different organisations interest and ability to participate in the territorial regional planning.

The territorial regional planning belongs to the governance structure. For the time being the 19 county municipalities are given the role as driving force and partnership builder in the regional planning. But they are not alone. Inter-municipal and inter-county planning and development organisations are set up, and they all focus mainly on issues where public, private and voluntary sectors are all involved, i.e. local economic development, environmental problems, transportation and communication, and land use planning across administrative boarders. Governance, partnership, bottom up policy making characterizes this system, and the planning and development organisations in this structure must to a large extent legitimate themselves trough their processes and performances.

The regions defined by inter-municipal and inter-county bottom-up planning and development work can be regarded as attempts to create a less bureaucratic, rigid and sectored structure and to facilitate more innovative work. These structures are interconnected clusters of firms, local authorities and associations, which come together within the framework of territorial planning and implementation. Actors in these structures of planning and implementation exist in a matrix structure and may concurrently have to operate within top-down policies and within bottom-up policies. This matrix structure is more likely to be self-selected than designed through authoritative relationships. It can be highly effective, but needs to be controlled from a democratic point of view (Hjern and Porter 1981). This is very important, because partnerships that consist of representatives from public, private and voluntary sectors can easily be suspected of taking special care of their own interests. The actual legitimacy and

acceptance of their work can therefore be drastically reduced through suspicions of favouritism.

The regional planning and development organisations must be regarded as legitimate and have to be accepted by the public, private and voluntary sectors and by local, regional and national levels of government. In contrast to the sector organisations these territorial organisations cannot (will not) be given legitimacy from a superior institution in the political power structure, because no one has the full and necessary cross-sector legitimacy in relation to the regional planning and development work. A regional political agency has to create its legitimacy through its work, i.e. in a political will-forming process. Letting people from public, private and voluntary sectors participate in the planning process can partly create the basic acceptance, but it is the work itself that can maintain acceptance and legitimacy. Territorial regional planning is an institutional capacity building process (Healey 1997, 1999). But so fare the national state in Norway have not been political interested in giving them the legitimacy and acceptance they need to perform as regional political actors. In a way we have regional policy but not regions. In addition, these regional planning and development organisations are networks made up by mainly self-interested organisations from voluntary, private and public sectors. When the modernisation of pubic sector makes even the organisations within public sector more instrumental and strategic, these network become very vulnerable and dependent on the participating sector organisations.

## Conclusion

In the Norwegian political power structure the regional territorial and horizontal power is weak compared to the sectoral and vertical power. But I do not think this is a particular problem for Norway. As I have argued below it can be said that the situation in general is a consequence of the modernization process in our societies. In this process instrumental rationality and top down policy seem to dominate over the communicative rationality and bottom up policy. In general modernization means to seek objective knowledge that can enforce more cost efficient productions in the government structure. The marked competition has become an end in itself in the modernisation process. Other values as democracy, participation, equality etc. normally become more or less neglected. Modern societies suffer under the instrumental rationalities and the neglect of communicative rationalities and collective process, and New Public Management reforms in public sector have enforced this process. When this modern logic becomes dominant, strong professions and their respective

sector authorities that base their existence on mainly instrumental rationality, can achieve a strong position in the society. The government structure, and especially the governance structure have a very strong need for institutional leadership and leaders with dedication to and ability to put fundamental values of public services such as separated powers, democracy, transparency, accountability, efficiency on the regional policy agenda.

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