Regional Development Agencies in Western Europe
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Publication date:
1996

Document Version
Tidlig version også kaldet pre-print

Link to publication from Aalborg University

Citation for published version (APA):

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Regional Development Agencies in Western Europe
A Survey of Key Characteristics and Trends

Henrik Halkier and Mike Danson

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Introduction

The last two decades have witnessed a considerable degree of change and experimentation in the field of regional policy in Europe. Perhaps the most conspicuous development has been the rise of 'bottom-up' policies conducted from within the regions rather than by central government on their behalf, and an important part in this process has been played by regional development agencies (RDAs). This type of semi-autonomous public organization operating on the regional level has been part of the institutional set-up in a number of European countries since the 1950s (Yuill ed. 1982), but in a decade of economic uncertainty they appear to have offered significant advantages for policy-makers. RDAs can easily be construed as the 'manageable' bottom-up alternative, avoiding the bewildering maze of local initiatives but allowing for flexibility and receptiveness to the specific problems of individual regions. And at the same time the position outside the mainstream government apparatus also generates a trendy business-like air that makes it possible for RDAs to pursue public policies without evoking the ghosts of interventionism or state dirigism.

The increasing importance of RDAs in Europe has, however, only been reflected in academic writings to a fairly limited extent, and the last major comparative analysis of RDAs on a European scale was undertaken by Yuill et al. in the early 1980s. The present paper updates and expands the analysis of this particular approach to regional policy on the basis of a survey of key characteristics of selected RDAs in seven Western European countries. Its primary aim is to clarify the extent to which existing organizations comply with the general qualities expected to be found in a 'model RDA', and hence the empirical study will focus on

- organizational issues,

* Thanks are due to Mr Christian Saublens, Director of EURADA, for making available the addresses of his membership, to British Council and Aalborg University for financial support, and to Helle Weiergang and Runa Olesen for help in carrying out the survey. Constructive comments from participants in the Regional Studies Association conference in Gothenburg, May 1995, and members of the European Research Unit, Aalborg University, are gratefully acknowledged, but full responsibility for the text in its present form remains with the authors. An earlier version appeared as a University of Paisley European Studies Working Paper (7, 1995).
- policy programmes, and
- methods of implementation.

The paper proceeds in four steps. Firstly, the methodology of the survey is introduced and basic information on the selected RDAs presented. Secondly, the key characteristics of the RDAs are analyzed with regard to organization, objectives and policy programmes, and discussed in relation to the general expectations of RDAs. Thirdly, patterns of policy variation are examined, and a typology of RDAs and other regionally based development organizations is proposed that could form point of departure for new research initiatives.

Methods

The task of conducting a survey of RDAs in Western Europe is made difficult by the ambiguity of the term 'region'. Denoting a level of territorial management below central and above local government, a region could be anything from a French urban conglomerate or a cluster of German local authorities, to a Spanish autonomous province or a nation within the UK. Furthermore, the situation is also complicated by the position of many of these bodies outside mainstream administrative structures, and in the absence of access to comprehensive European directories or databases, it was therefore decided to deal with the trivial, but nonetheless real, problem of locating a sufficient number of potential RDAs across Europe by basing the survey on addresses obtained from EURADA, an organization for regional development bodies within the EU.¹

Set up in 1991 and supported by DG XVI of the European Commission, EURADA has currently more than 130 member organizations in all 12 member states and thus fulfils the quantitative and geographical needs of the survey. The composition of the membership could, however, be biased from a qualitative perspective because development bodies may or may not choose to subscribe to the services of a particular international organization,² and as an important EURADA service is to keep its

¹ EURADA also includes a small number of RDAs from outside the EU, primarily Eastern and Central Europe.

² The membership requirements are formulated in very broad terms:

"Any organization having a mission of economic development encompassing the global interest of a geographical zone, significant ties with a local authority as much from the point of view of its financing or from its objectives: a sufficient important and relevant geographical working area."

(EURADA, 1992)
members informed about the possibilities for attracting EU support to regional
development activities (*EURADA 1992*), one could expect an overrepresentation of

- organizations working in areas designated by EU regional policies, and

- organizations with relatively few resources that are incapable of maintaining a
  presence of their own in Brussels.

This is, however, fairly straightforward to take into account, simply by making sure
that both large organizations and organization operating in relatively prosperous
regions are included in the survey.

At the same time the services offered by EURADA also make it likely that on
closer inspection some members will turn out not to comply with the definition of an
RDA because development organizations operating as integrated parts of e.g. regional
government also have an obvious interest in access to information on EU programmes
and projects through e.g. EURADA. It is, however, believed that the broad
membership base of EURADA may well turn out to be an advantage from an
analytical perspective because the possible presence of different types of development
organizations, including non-RDAs and border cases, will make it easier to assess the
relationship between varying degrees of operational freedom and different
development strategies and policies.

An initial postal inquiry was undertaken in Spring 1993, seeking copies of the
latest annual report and other relevant materials from 138 development organizations
in Western Europe.\(^3\) 57 organizations from 10 countries responded positively to the
request, and in excess of 400 - more or less glossy - publications were obtained. As
could be expected, the relevance of the materials varied greatly, and therefore the
quality of the information available with regard to all 57 organizations was assessed.
This made it possible to identify institutions for which sufficient information was
available, and on the basis of this a manageable sample of 30 organizations with a
reasonable geographical spread was selected for closer scrutiny. Due to the timing of
the postal inquiry, most of the annual reports etc. obtained covered 1991 and 1992, and
thus the results presented below reflect the situation in the early 1990s.

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\(^3\) The postal survey comprised all Western European EURADA members and similar development
bodies on the mailing list of the organisation. English and Welsh Training and Enterprise Councils
made up around one third of the addresses available, and as the activities of these bodies are fairly
similar due to central government regulation (see e.g. Bennett 1990, Evans 1991), it was decided to
let this group of organizations be represented by a smaller number of, supposedly representative,
TECs.
<table>
<thead>
<tr>
<th>Country</th>
<th>Region</th>
<th>Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>East Flanders</td>
<td>Gewestelijke Ontwikkelingsmaatschappen voor Oost-Vlaanderen</td>
</tr>
<tr>
<td>Belgium</td>
<td>Flemish Brabantian</td>
<td>Gewestelijke Ontwikkelingsmaatschappen voor Vlaams Brabant</td>
</tr>
<tr>
<td>Belgium</td>
<td>West Flanders</td>
<td>Gewestelijke Ontwikkelingsmaatschappen voor West-Vlaanderen</td>
</tr>
<tr>
<td>Belgium</td>
<td>Liege Province</td>
<td>Societe Provinciale d'Industrialisation (SFI)</td>
</tr>
<tr>
<td>Denmark</td>
<td>Viborg County</td>
<td>Erhvervs- og arbejdsmarkedsselskaber Viborg Amt</td>
</tr>
<tr>
<td>Denmark</td>
<td>Storstrom County</td>
<td>Storstrom Business Development Center</td>
</tr>
<tr>
<td>Denmark</td>
<td>West Zealand County</td>
<td>West Zealand Business Development Center</td>
</tr>
<tr>
<td>France</td>
<td>Val d'Oise</td>
<td>Comite d'Expansion Economique du Val d'Oise</td>
</tr>
<tr>
<td>France</td>
<td>Alpes-Maritimes</td>
<td>Côte d'Azur Developement</td>
</tr>
<tr>
<td>France</td>
<td>Creuse</td>
<td>Creuse Expansion</td>
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<tr>
<td>France</td>
<td>Greater Nantes</td>
<td>Nantes Atlantique Developement</td>
</tr>
<tr>
<td>Germany</td>
<td>Greater Aachen</td>
<td>Aachener Gesellschaft für Innovation und Technologie (AGIT)</td>
</tr>
<tr>
<td>Germany</td>
<td>Südraum Leipzig</td>
<td>Entwicklungsgesellschaft Südraum Leipzig</td>
</tr>
<tr>
<td>Germany</td>
<td>North Rhine-Westphalia</td>
<td>Gesellschaft für Wirtschaftsförderung Nordrhein-Westfalen</td>
</tr>
<tr>
<td>Germany</td>
<td>Hessen</td>
<td>HLT - Wirtschaftsförderung Hessen Investitionsbank &amp; Gesellschaft für Forschung Planung Entwicklung</td>
</tr>
<tr>
<td>Germany</td>
<td>Greater Hanover</td>
<td>Kommunalverband Grossraum Hannover</td>
</tr>
<tr>
<td>Germany</td>
<td>Berlin</td>
<td>Wirtschaftsförderung Berlin</td>
</tr>
<tr>
<td>Germany</td>
<td>Schleswig-Holstein</td>
<td>Wirtschaftsförderungsgesellschaft Schleswig-Holstein</td>
</tr>
<tr>
<td>Ireland</td>
<td>Mid-West</td>
<td>Shannon Development</td>
</tr>
<tr>
<td>Ireland</td>
<td>Gaeltacht</td>
<td>Udaras na Gaeltachta</td>
</tr>
<tr>
<td>Spain</td>
<td>Catalonia</td>
<td>Centre d'Informacio i Desenvolupament Empresarial (CIDEM)</td>
</tr>
<tr>
<td>Spain</td>
<td>Aragon</td>
<td>Instituto Aragones de Fomento</td>
</tr>
<tr>
<td>Spain</td>
<td>Andalusia</td>
<td>Instituto de Fomento de Andalucia</td>
</tr>
<tr>
<td>Spain</td>
<td>Murcia</td>
<td>Instituto de Fomento de Murcia</td>
</tr>
<tr>
<td>UK</td>
<td>Isle of Wight</td>
<td>Isle of Wight Development Board</td>
</tr>
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<td>UK</td>
<td>Northern Ireland</td>
<td>Local Enterprise Development Unit (LEDU)</td>
</tr>
<tr>
<td>UK</td>
<td>North Nottinghamshire</td>
<td>North Nottinghamshire Training &amp; Enterprise Council</td>
</tr>
<tr>
<td>UK</td>
<td>Scottish Lowland</td>
<td>Scottish Enterprise</td>
</tr>
<tr>
<td>UK</td>
<td>Wearside</td>
<td>Wearside Training &amp; Enterprise Council</td>
</tr>
<tr>
<td>UK</td>
<td>Non-rural Wales</td>
<td>Welsh Development Agency</td>
</tr>
</tbody>
</table>

Table 1. Organizations included in survey.

As can be seen from the adjoining Table 1, the sample represents seven member states, and with three small and four large countries included, the most conspicuous geographical imbalance is the underpresentation of the Mediterranean area. This reflects the fact that, with the exception of Spain, organizations from the southern member states appear to be underrepresented in EURADA despite their priority status.
in the EU framework for regional support. This feature does, however, by no means undermine the basis of this explorative paper, aiming to identify patterns rather than provide a comprehensive overview of RDAs in Western Europe, but if it becomes possible in a later stage of the research project to broaden the geographical scope of the survey this 'northern bias' should of course be borne in mind.

**Expectations: A 'model RDA'**

On the basis of existing writings on regional policy in general and bottom-up approaches in particular, we propose to define an RDA as

a regionally based, publicly financed institution outside the mainstream of central and local government administration designed to promote economic development.

This definition is primarily based on organizational characteristics and clearly differentiates RDAs from the traditional regional policies of central government.

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>National-level policy</th>
<th>RDA</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organization</strong></td>
<td>national government department</td>
<td>regional semi-autonomous body</td>
</tr>
<tr>
<td><strong>Economic objectives</strong></td>
<td>interregional equality</td>
<td>regional competitiveness</td>
</tr>
<tr>
<td></td>
<td>national growth</td>
<td>regional growth</td>
</tr>
<tr>
<td></td>
<td>redistributed growth</td>
<td>indigenous/imported growth</td>
</tr>
<tr>
<td><strong>Policy instruments</strong></td>
<td>bureaucratic regulation</td>
<td>venture capital</td>
</tr>
<tr>
<td></td>
<td>international promotion</td>
<td>advisory services</td>
</tr>
<tr>
<td></td>
<td>grants</td>
<td>technical infrastructure</td>
</tr>
<tr>
<td></td>
<td>advance factories</td>
<td>training</td>
</tr>
<tr>
<td><strong>Mode of operation</strong></td>
<td>segregated</td>
<td>integrated</td>
</tr>
<tr>
<td></td>
<td>non-selective</td>
<td>selective</td>
</tr>
<tr>
<td></td>
<td>automatic/discretionary</td>
<td>discretionary</td>
</tr>
<tr>
<td></td>
<td>reactive</td>
<td>proactive</td>
</tr>
</tbody>
</table>

Table 2. Key characteristics of national level regional policies and RDAs compared.

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4 Possible explanations for the limited number of Mediterranean members could be that status as EU-designated development area in itself ensures a better flow of information from Brussels, or the weak development of regional-level administrative structures in Portugal and Greece (cf Opello 1992, Georgiou 1993).


6 The definition employed by Yuill et al. (1982, p 1) does not specify that organizations had to be (continued...)

9
Proponents of the RDA approach to regional development have, however, maintained that these organizational differences also produce significant changes with regard to objectives, policy instruments, and methods of implementation. Organization is in other words assumed to have material consequences for the role played by a development organization in the regional economy.

The key elements of the 'model RDA' profile have been summarized in Table 2, and thus reflect the various strands of thinking that have merged into the RDA concept: the desire to have an organization operating on the regional level in order to be able to address specific problems, the shift towards greater emphasis on indigenous growth and competitiveness as measures of success, the decreasing importance of the policy instruments associated with central government attempts to redistribute economic activity such as financial grants and speculative factory building, and the ambition to enable regional development objectives to be pursued in a selective and proactive manner that integrates a wide range of policy instruments. It is against this background that the key characteristics of Western European RDAs in the early 1990s will be measured in order to establish the extent to which their semi-autonomous institutional position is actually translated into activities that are qualitatively different from traditional regional policies, or whether the organizations instead merely have come to function as a 'customized version' on the regional level of central government policies, delivering traditional policies in a manner tailored to the needs of the individual area.

**Organization**

*Age and Size*

As can be seen from Figure 1, the setting up of new organizations has primarily taken place in three periods: around 1960, around 1970, and from 1982 onwards. In fact nearly 50% of the organizations for which information on their year of origin was available date from the 1980s or early 1990s, and thus the impression of the last decade as one in which RDAs mushroomed has been confirmed.

The resources at the disposal of the organizations vary considerably, as can be seen from Table 3. The smallest ones, making up more than one third of the organizations for which information is available, have to make do with an average 11

6 (...continued)

regionally based and therefore in practice includes essentially national bodies, hived off as non-departmental organizations by central government for a variety of reasons and often heavily involved in the administration of traditional policy programmes such as grant assistance. DATAR in France and IDA in Eire are examples of organizations excluded from the present survey following the adoption of a more restrictive definition of RDAs.
staff and a budget of £0.7m, whereas large organizations would indeed appear to be playing in a rather different league with average staffs and budgets of 229 persons and £133m respectively.7

It can, in other words, be concluded that the organizations surveyed display a high degree of diversity with regard to the size of the operation that - although the area, population and nature of the regional economy have to be taken into account8 - cannot but influence the potential impact of the different organizations. But at the same time these differences also show that the fear of EURADA consisting of only minor players on the regional policy scene was unfounded.

Bureaucratic autonomy
A defining feature of RDAs is a semi-autonomous position as publicly funded development organizations outside the mainstream government apparatus. Although 'semi-autonomy' may seem a contradiction in terms, it is possible to define a sequence of relationships between on the one hand the political authority legitimizing a development operation, and on the other hand the bureaucratic executive in the front-line of policy implementation (see Halkier 1992).

As illustrated by Table 4, a basic distinction can be drawn between development organizations positioned either inside or outside the core administrative apparatus of politically elected government. The freedom of manoeuvre of a development unit incorporated in e.g. a regional council is likely to be circumscribed by a high degree of direct political control both with regard to long-term strategic decisions and detailed guidelines for day-to-day business. Contrary to this, the bureaucratic autonomy of an

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7 All figures have been converted to pound sterling, using the exchange rates given by Yuill et al. (1992 vii).

8 On this account, there seems to be no clear-cut relationship between the size of the region and the size of the RDA: large regions in large countries (the 3 French Departmental RDAs, the 3 German Länder RDAs, the 4 Spanish provincial RDAs and the 3 'national' RDAs in the UK) are served by organizations belonging to all three RDA size bands, whether measured by staff or funding.
independent institution is, at least potentially, more substantial. In an arms-length situation the sponsoring authority only interferes with the activities of the policymaking organization on a very general level such as allocation of resources and broad policy guidelines while both the strategic initiative and important discretionary powers are left with the front-line bureaucracy; furthermore, a separate identity can give the latter a more independent public (and hence political) role on the back of its development activities and thereby underpin a relative high degree of bureaucratic autonomy. In both departmental and arm's-length situations the relationship between the political sponsors and the front-line bureaucracy can be influenced by the presence of other public or private organizations, broadening the legitimacy of the development body and at the same time making it less dependent on one main sponsor and, potentially, increasing its freedom of manoeuvre. Of course individual cases may fall in between the analytical categories described in Table 4, but as an indication of the degree to which a development organization can be expected to be allowed to develop its own priorities and strategies.

On the basis of information available in annual reports, it has been possible to establish the position of each development organization vis-à-vis its political sponsor. As can be seen from Figure 2, nearly 90% of the organizations surveyed were found to be in an arm's-length position, while only 3 of them were incorporated in the apparatus of mainstream government and none in an outright departmental position. It can thus be concluded that the vast majority of the organizations surveyed live up to the requirements of an RDA, at least at the level of their legal and political position.

Table 4. Bureaucratic autonomy - definitions.

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>LEGAL POSITION</th>
<th>POLITICAL SPONSOR</th>
<th>POSITION VIS-À-VIS POLITICAL SPONSOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Departmental</td>
<td>part of government</td>
<td>government</td>
<td>direct political control</td>
</tr>
<tr>
<td>Semi-departmental</td>
<td>part of government</td>
<td>government (and others)</td>
<td>direct political control mediated by separate advisory council</td>
</tr>
<tr>
<td>Arm's-length/single</td>
<td>independent body</td>
<td>government</td>
<td>political supervision, board appointed by government</td>
</tr>
<tr>
<td>Arm's-length/dominant</td>
<td>independent body</td>
<td>government and others</td>
<td>political supervision, board appointed mainly by government but influenced by other public/private organizations</td>
</tr>
<tr>
<td>Arm's-length/plural</td>
<td>independent body</td>
<td>government(s) and others</td>
<td>political supervision, board appointed by government(s) and other public/private organizations</td>
</tr>
</tbody>
</table>


It is also evident from Figure 2 that different types of political sponsors have different preferences with regard to the institutional set-up. Central governments sponsoring RDAs - a phenomenon found only in the UK and Ireland - clearly favour the role as sole sponsor of RDAs, possibly trying to minimize direct input from regional-level public and private organizations and thereby making it easier to maintain political control over a semi-autonomous body on a sub-national level. At the other end of the spectrum, RDAs sponsored mainly by local authorities are all to be found under the heading arm's-length/plural, simply because the sponsors are made up of a group of public institutions on the same level in the hierarchy of territorial government. Two thirds of the organizations are sponsored by regional political authorities and here the variation with regard to the bureaucratic autonomy of the RDA is significant. While some are either in a semi-departmental position - notably two of the three Danish development organizations - and others have a significant input from public and private organizations within the region, the majority of regionally sponsored RDAs are closely, and often exclusively, under the direct supervision of regional political authorities; this group includes the single-sponsor RDAs found in the German Länder and Spanish regions, and the dominant-sponsor RDAs of Belgium's Flemish provinces.

The pattern of political sponsorship is clearly reinforced by the sources of RDA funding. As can be seen from Figure 3, the vast majority of the organizations for which information has been available rely exclusively or primarily on a single source of finance, and this source is of course the sponsoring political authority. In some European countries, notably the UK, the role of internally generated income - e.g. consultancy

Figure 2. Bureaucratic autonomy and origins of political sponsorship by organization. Source: RDA survey.

Figure 3. Concentration of economic sponsorship by organization. Source: RDA survey.

---

9 Only 6 RDAs turn out to have funding arrangements that are either more or less centralized than their political sponsorship structure.
fees or receipts from sale of property - is reported to have become more important in recent years (Danson et al. 1992), thereby making the RDA less dependent on direct funding from its political sponsors but more dependent on the market for e.g. services or property. Although this tendency can be found in two of the large British RDAs\(^\text{10}\) - but not in the four small/medium-sized organizations - the information available unfortunately does not allow us to pursue this trend on a comparative European level.

All in all it can be concluded that from an organizational perspective, the development bodies surveyed comply remarkably well with the expectations of a 'model RDA', with nearly 90% positioned at arm's-length distance from the sponsoring political authority. At the same time the precarious nature of this semi-autonomous position was, however, also underlined by the fact that two thirds of the RDAs rely exclusively or predominantly on one single economic and political sponsor, and hence the potential for extensive political interference in the activities of the legally independent RDAs is obvious. It is necessary, therefore, to complement the analysis of the organizational structures with an examination of corporate objectives and policy programmes in order to see whether this capacity for political influence has actually been exercised in a manner that has taken RDAs closer to the traditional redistributive regional policies of central government. If a development body - due to the pressures of party or territorial politics - systematically gives priority to e.g. short-term job creation by means of inward investment, then the key purpose of long-term strengthening of the region's indigenous potential could be undermined.

**Policies**

The analysis of the attempts of Western European RDAs to promote regional development falls into two parts. First the policy profiles of the agencies are examined according to the types of policy instruments applied, and then the way in which these policy instruments are put to use is explored.

**Policy Instruments**

The activities in which the organizations engage have been classified according to the three basic policy instrument applied - supply of advice, finance or infrastructure - vis-à-vis individual firms, and these have then been subdivided on the basis of specific

\(^{10}\) In 1991 the share of total funding constituted by internally generated revenue for Scottish Enterprise and the Welsh Development Agency was 15% and 44% respectively (SE 1992a p. 55; WDA 1992b p. 5).
type of support provided.11 Admittedly, this is a fairly rough classification where the subdivisions, especially, reflect a number of rather different considerations rather than one particular principle; but it is still, we would argue, the most suitable for a survey paper primarily based on published information, and not dissimilar to the one applied by Yuill et al. (1982).

First the presence or absence of each of the 12 types of regional support within the policies of each of the 30 RDAs surveyed was recorded. The findings are summarized in Figure 4, and a striking result is that all of the 30 organizations surveyed were involved in advisory services, whereas only between one half and two thirds provided finance or infrastructure. The type of advice provided to firms covered a wide range of areas with more than half of the agencies engaging in general management support, especially for small firms, information on market opportunities, like participation in trade fair or promotion of subcontracting, international promotion of the region as a location for inward investment, and facilitation of the introduction of new technology. Among the financial instruments, direct public investment in form of equity or loans turns out to be most prominent, and in terms of infrastructure,

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11 The notion of infrastructure normally implies facilities used by the public or a group of firms, but renewal of land, provision of industrial property or skills-upgrading may of course also be undertaken in support of individual firms. Most of the grants administered by RDAs for other public bodies belong to national or EC regional policy programmes.
provision of general or specialized accommodation for private firms are the most widespread activities.

Then the policy priorities of the RDAs were investigated. Due to the non-homogeneous nature of the publications obtained, this could not be done on the basis of one particular criterion, i.e. expenditure, staff, or stated priorities, but had to rely on whatever information was available. This of course is by no means ideal, but can at least give a crude indication of where the effort appears to be centred. For each of the 30 organizations the two most important activities have been identified, and, as illustrated by Figure 5, the resulting pattern appears to be a dual one. While advisory services for indigenous finns comes out as one of the top priorities in more than two thirds of the RDAs, this is again balanced by the prominence of the three other categories.

On the basis of this, a picture would seem to emerge of a group of development organizations with a 'collective' policy profile in which new activities such as provision of advice, investment capital and high-tech infrastructure to indigenous finns co-exist with more traditional regional policies such as attraction of inward investment and factory building. This dualism on the aggregate level could, however, be the product of rather different situations on the level of the individual organizations: they could be the result of the existence of several kinds of agency specializing in different types of activities, or the two different trends could be combined within individual agencies. It will be necessary, therefore, to examine the distribution of the different types of policies within each of the 30 development organizations.

In order to be able to appraise the nature of the strategic thrust of individual

<table>
<thead>
<tr>
<th>TRADITIONAL</th>
<th>NEW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advice</td>
<td>International</td>
</tr>
<tr>
<td></td>
<td>Finance/grants</td>
</tr>
<tr>
<td>Finance</td>
<td>Grants, other</td>
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<tr>
<td>Infrastructure</td>
<td>General factories</td>
</tr>
<tr>
<td></td>
<td>Infrastructure</td>
</tr>
<tr>
<td></td>
<td>Science parks etc.</td>
</tr>
<tr>
<td></td>
<td>Training</td>
</tr>
</tbody>
</table>

Table 5. Policy areas and growth strategies - an overview.
organizations in greater detail, the policy areas have been distributed into two groups as in Table 5. On the one hand are the 'traditional' measures associated with the redistributive policies of central government and, either underpinning or replacing these, by the delivery, possibly in a tailored manner, of traditional services from the regional level, thereby facilitating the 'import' of growth from outside the region. On the other hand are the 'new' measures, not found in the traditional armoury of central government and primarily aimed at stimulating the growth and competitiveness of indigenous enterprises. It would probably be surprising if RDAs totally eschewed imported growth, given the obvious economic and political interests in access to new technology, job creation, etc., but still the overall balance between traditional and new activities could indicate the degree to which this type of organization constitutes an alternative or supplement to central government regional policies on the level of development strategies.

On the basis of this, the policy profile was established for each of the 29

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Figure 6. Policy profiles. Organized according to 1) 1st policy priority, 2) the total number of policy areas, and 3) balance between traditional and new activities.

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12 The diverse nature of the schemes for land renewal and grant support developed by the RDAs themselves has led to the omission of these two policy areas from the 'polarized' Table 5.

13 An analysis of the corporate objectives stated by the organizations (Halkier & Danson 1995 pp 14ff) concluded that the traditional rhetoric of "taking work to the workers" and bringing growth to the regions has clearly been supplemented by a new brand of development discourse, talking about competitiveness, sectoral change etc.
organizations with either a traditional or a new activity as priority area, listing the number of 'traditional' and 'new' policy areas each of them was involved in. The results are presented in Figure 6 and clearly illustrate the diverse nature of the RDAs surveyed with first priorities are nearly evenly divided and a wide range of combinations in both halves of the diagram. At each end of the band a group of organizations are found that concentrate on policy programmes supplementing their primary activity. Examples of this could be the RDAs in Schleswig-Holstein and Aragon, concentrating on activities related to promotion of inward investment, and at the other end of the spectrum the three Danish development organizations, the Catalan CIDEM and the Isle of Wight Development Board that are first and foremost providers of advice to regionally based firms.

In between we find the majority of organizations with policy profiles blending traditional and new activities. At least half of the organizations giving priority to traditional activities are in fact heavily involved in new activities at the same time; this goes for the Irish and the major UK organizations. Similarly one third of the organizations prioritizing new activities at the same time have a significant involvement in traditional activities as well, typically attraction of inward investment or factory building; examples of this includes the agencies in Hessen and Nantes and the three Flemish GOMs.

All in all, the situation can be summed up as in the adjoining Table 6, distributing RDAs according to their dominant type of activity and their degree of specialization. On the basis of this it can be concluded that the dual policy profile noticed on the aggregate level can be traced back to the simultaneous presence in the survey of two types of policy profiles: RDAs specializing either in traditional or (more often) in new policy areas, and a large group of organizations with a mixed profile and either traditional or new

<table>
<thead>
<tr>
<th>PRIORITY ACTIVITIES</th>
<th>Traditional</th>
<th>New</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialized</td>
<td>7</td>
<td>9</td>
</tr>
<tr>
<td>Mixed</td>
<td>7</td>
<td>6</td>
</tr>
</tbody>
</table>

Table 6. Policy profiles and degrees of specialization. Source: RDA survey.

14 The priorities of Entwicklungsgesellschaft Südraum Leipzig was strategic planning respectively and thus falls outside the two categories.

15 As illustrated by Figure 6, the transition from monochrome specialization to multi-functional organizations is very gradual indeed. For analytical purposes it is, however, useful to classify individual organizations according to the following criteria that allow for the occurrence of a greater number of new than traditional activities. An organization with predominantly new activities will be regarded as specialized if it engages in no more than 1 traditional activity, and an organization with predominantly traditional activities will be regarded as specialized if engaged in no more than 2 new policy areas.
priorities. Diversity is, in other words, both an external and an internal phenomenon when it comes to accounting for the activities of RDAs in Western Europe.

**Modes of Operation**

RDAs were not only expected to be involved in new types of policy areas but also to go about their task in ways that differed from those of central government. Whereas the latter consisted primarily of segregated programmes processing applications, RDAs were, supposedly, more likely to operate in an integrated manner, concentrating on selected problems and operating in a much more proactive manner, not only responding to the ideas of enterprises but taking initiatives, on their own or jointly with partners from the private and/or public sector (Halkier & Danson 1995, cf Table 2 above).

Compared to the detailed information available with regard to the involvement of RDAs in different policy areas, the publications obtained through the postal survey were, however, a good deal less revealing with regard to the question of modes of operation. Our knowledge of these matters would clearly benefit greatly from additional investigations at a later stage, but the present survey can provide some preliminary pointers, especially with regard to the potential for integration of different policy areas.16

The potential for policy integration can be measured by means of the overall diversity of activities of individual RDAs. This was appraised by registering how many of the 12 policy areas in Figure 4 each organization covers, and the average number turned out to be a little more than 5. As can be seen from Figure 7, the results ranged from 2 to 9, and a significant minority of RDAs were involved in a few areas only. Some organizations clearly have a very limited approach, specializing in two or three types of development activities, and, therefore, can hardly be expected to adopt an integrated approach when important elements in a comprehensive policy profile are not at hand. Contrary to this, a large number of RDAs would seem to have the capacity for tackling regional problems in an integrated manner by means of coordinated use of a wide range of policy instruments, and, hardly surprising, the overwhelming majority of these organizations are those earlier described as having

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16 For a discussion of the questions of selectivity and proactivity in the 30 organizations covered by the survey, see Halkier & Danson (1995 pp 24ff).
mixed policy profiles. What remains unclear, however, is the degree to which this potential for integration has actually been fulfilled. It is perfectly possible to imagine an RDA with a diverse policy profile operating in a compartmentalized, and hence ultimately segregated, manner due to internal divisions of labour within the organization or external constraints imposed by political sponsors.

All in all, two conclusions can be drawn from the preceding discussion. Firstly, it would appear that the contours of yet another dual picture of the organizations may begin to emerge. While some have the potential for applying an integrated approach to regional development, others clearly do not. Secondly, the evidence in the survey concerning the mode of operation of Western European RDAs clearly leaves a lot to be desired, but the first conclusion would certainly seem to warrant a continuation of this line of investigation.

Model RDAs etc.: A Typology of Regional Development Organizations

As will be remembered, the thinking behind the RDA approach to regional development links organizational characteristics with particular policy objectives and methods of implementation. In short, a 'model RDA' is positioned at arm's-length from its political sponsor, because this will allow it to focus on the long-term competitiveness of the economy of the region, and, accordingly, to take initiatives that stimulate indigenous enterprise in an integrated and proactive manner. It is therefore not sufficient to establish that a majority of the organizations comply with the expectations of an RDA with regard to each of these characteristics; what is required is co-variation, i.e. that a particular organization fulfils all of these criteria.

The following analysis will try to identify patterns of co-variation in order to identify a group of 'model RDAs' within the sample, and subsequently develop a preliminary typology of RDAs and other organizations involved in promoting economic development from a position at the regional level. Due to the limited size of the sample, no elaborate statistical apparatus will be employed: what we are looking for are merely indications of possible relation that may generate hypotheses and, hopefully, for an improved analytical framework for future research.

The first step in this process is to identify organizations that complied with the three main requirements of an RDA, namely at least an arm's-length degree of bureaucratic autonomy, an integrated approach to regional development, and a policy profile in which new types of policy initiatives aimed at stimulating the growth of indigenous enterprise played a significant role. In each of these areas the information from the survey is valuable, although its limitations and the degree of approximation involved should also be stressed. Bureaucratic autonomy has only been measured on a
formal institutional level,17 and whether a potential for initiative and discretion in policy development and implementation has eventually been realized requires in-depth research into individual organizations and policy areas (see Halkier 1992). With regard to the integrated nature of the development activities undertaken, only the potential for adopting such an approach has been measured by focusing on the number of policy instruments available;18 again reliable information on the extent to which integrated delivery actually takes places requires further investigation. As mentioned above, the identification of the priority activities of the organization could not be based on a uniform standard; but given relatively broad requirements of a model agency in terms of its policy profile,19 this only excludes a reasonably clearly defined group of organizations, namely those specializing in traditional policy areas.

Applying these three criteria, the 30 development bodies surveyed can be divided into three groups: 'model RDAs' fulfilling all three criteria, 'potential RDAs' fulfilling two out of three, and finally 'non-RDAs' complying with only one or none of them. As can be seen from Table 7, more than half of the organizations can be classified as proper development agencies, while the rest is evenly divided between those failing by only one of the three criteria and those clearly not complying with the expectations of an RDA.

As 26 organizations within the sample fulfil the criteria with regard to bureaucratic autonomy vis-à-vis their political sponsors and only two-thirds of these comply with the RDA model, it is evident that an arm's-length position does by no means automatically produce particular policy profiles or methods of implementation. In fact it is striking that while all the organizations specializing in traditional policy areas are in an arm's-length position, the organizations kept under closer political control are all specializing in new policy areas.20

In order to develop a preliminary typology of development organizations in

<table>
<thead>
<tr>
<th>Classification</th>
<th>Organizations</th>
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<tbody>
<tr>
<td>Model RDAs</td>
<td>16</td>
</tr>
<tr>
<td>Potential RDAs</td>
<td>7</td>
</tr>
<tr>
<td>Non-RDAs</td>
<td>7</td>
</tr>
</tbody>
</table>

Table 7. RDAs and other development organizations. Source: RDA survey.

17 In the following an organization has to have an arm's-length degree of bureaucratic autonomy in order to qualify as an RDA, while departmental and semi-departmental arrangements have been excluded.

18 To qualify as an RDA in the following, an organization must be involved in at least four different policy areas (as defined in Table 5 above) and at least one based on hard resources, i.e. finance or property.

19 In order to qualify as an RDA, an organization must either have a mixed policy profile (with new or traditional activities as its most important activity) or have specialized in new types of activities.

20 Viborg and West Zealand in Denmark, and Nantes and Creuse in France.
Western Europe, the three groups in Table 7 were subdivided on the basis of their position with regard to the three key characteristics defining RDAs. As these cover basic parameters of public policies aimed at improving the structure of the economy on a meso level, this procedure not only establishes the factors that set model agencies apart from other development bodies, but also situates RDAs in the broader perspective of regional and industrial policy.

Table 8 presents the results of this classification, and within each of the three main categories a number of features stand out. First and foremost it is noticeable that with one exception all organizations with a mixed policy profile have been classified

<table>
<thead>
<tr>
<th>Model RDAs</th>
<th>Mixed traditional</th>
<th>Andalusia</th>
</tr>
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<tbody>
<tr>
<td></td>
<td></td>
<td>Greater Hannover</td>
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<tr>
<td></td>
<td></td>
<td>LEDU, Northern Ireland</td>
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<tr>
<td></td>
<td></td>
<td>Murcia</td>
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<td></td>
<td></td>
<td>Shannon</td>
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<td></td>
<td>Udaras na Gaeltachta</td>
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<td></td>
<td></td>
<td>Welsh Development Agency</td>
</tr>
<tr>
<td>Mixed new</td>
<td></td>
<td>East Flanders</td>
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<td></td>
<td></td>
<td>Flemish Brabant</td>
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<td></td>
<td></td>
<td>Hessen</td>
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<td></td>
<td></td>
<td>West Flanders</td>
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<tr>
<td></td>
<td></td>
<td>Scottish Enterprise</td>
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<tr>
<td>Specialized new</td>
<td></td>
<td>Catalonia</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Greater Aachen</td>
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<tr>
<td></td>
<td></td>
<td>North Nottinghamshire TEC</td>
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<tr>
<td></td>
<td></td>
<td>Wearside TEC</td>
</tr>
<tr>
<td>Potential RDAs</td>
<td>Specialized traditional</td>
<td>Alpes-Maritimes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Berlin</td>
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<td></td>
<td></td>
<td>Liege Province</td>
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<tr>
<td></td>
<td></td>
<td>Val d'Oise</td>
</tr>
<tr>
<td>Misc.</td>
<td></td>
<td>Greater Nantes</td>
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<tr>
<td></td>
<td></td>
<td>Isle of Wight</td>
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<tr>
<td></td>
<td></td>
<td>Storstrom County</td>
</tr>
<tr>
<td>Non-RDAs</td>
<td>Semi-departmental</td>
<td>Viborg County</td>
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<tr>
<td></td>
<td></td>
<td>West Zealand County</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Creuse</td>
</tr>
<tr>
<td>Specialized traditional</td>
<td></td>
<td>Aragon</td>
</tr>
<tr>
<td></td>
<td></td>
<td>North Rhine-Westphalia</td>
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<td></td>
<td></td>
<td>Schleswig-Holstein</td>
</tr>
<tr>
<td>Misc.</td>
<td></td>
<td>Südraum Leipzig</td>
</tr>
</tbody>
</table>

Table 8. Classification of RDAs and other development organizations. Source: RDA survey.
as RDAs. The specialized organizations have by and large been eliminated by the policy-profile requirements, either in terms of overall orientation (the traditional) or diversity (the new), and thus the combination of an indigenous strategic thrust, and a range of policy programmes that does not rely exclusively on provision of advice could be seen as key characteristics of RDAs in Western Europe in the early 1990s. The three sub-groupings amongst the model organizations differ not only in terms of policy profiles, but also with regard to resources and history. The mixed-traditional organizations are generally large, probably reflecting the relatively costly nature of many traditional policies with their reliance on grants and factory building, while most of the mixed-new ones operate on a much smaller scale. The specialized RDAs are significantly younger than the mixed ones - while the former were set up in the mid-1980s, the majority of the latter were established in the 1950/60s - and as most of them were apparently established as virtually single-task organizations, it would be interesting to know whether decisive moves in the direction of realizing the potential for developing an integrated approach have already been made.

On the basis of this it would seem relevant to distinguish between three types of RDAs, all of them fulfilling the basic requirements of a model agency, but in rather different ways:

- relatively large and old organizations with mixed-traditional policy profiles,
- relatively old medium-to-small organizations with a mixed-new profile
- relatively young and small organizations specializing in new policy areas

Here it is also worth noting that although RDAs are characterized by relatively broad policy profiles, this does not necessarily require a large organization in terms of financial resources.

A closer look at the group of organizations we have dubbed potential RDAs

21 The exception is the Greater Nantes agency that was found to be in a semi-departmental position vis-à-vis its political sponsors.

22 Scottish Enterprise, by far the largest organization in the sample, is here the exception. No information has been available on either budget or staffing for the two specialized-new RDAs. It should be noted also that Scottish Enterprise was an amalgamation of two former agencies: the Scottish Development Agency - with similar powers as the present Welsh Development Agency, and the Training Agency - an all-Britain authority, under direct control of central government. See Danson, Lloyd and Newlands (1992) for a discussion of this transition.

23 The exceptions are the two Spanish agencies.

24 This would certainly seem to be case for the German and the two British organizations, established to promote technology transfer and training respectively.
justifies the adoption of this apparently prejudicing label. The more diverse of the
traditional specialists only lack one additional policy area each in order to achieve a
mixed profile and hence qualify as RDAs - although the seemingly high degree of
concentration on one particular activity may in many case make it difficult to develop
an integrated approach in practice. A fairly large group of relatively old and small
organizations in other words would appear to be capable of making the transformation
into fully-fledged RDAs if they, and/or their political sponsors, should decide to go
down this road.

The non-RDA group is made up by development bodies under relatively strict
political supervision and organizations narrowly specialized in traditional regional
policy activities, and as all of them comply with only one of the RDA criteria, major
changes would have to be undertaken should it be decided to move these organizations
in the direction of the model agencies. Within this group, variations with regard to
history and resources are less pronounced, although again the specialized-traditional
organizations turn out to be relatively old and small-to-medium in terms of budget,
while the semi-departmental organizations are small, of very recent origin, and
specializing in a few new policy areas.

**RDAs in Western Europe - Future Perspectives**

The above analysis of regional development organizations in Western Europe leads us
to three conclusions.

*Firstly*, the group of organizations surveyed turned out to be very heterogeneous
with regard to most key characteristics, but by means of patterns of co-variation a
basic distinction between RDAs and other types of development organizations
operating on the regional level could be established. Around half of the organizations
complied with all three key requirements of a model-agency: operating at arm's-length
of their political sponsors, having the capacity to adopt an integrated approach to
regional development, and stimulating the growth of indigenous enterprise.
Furthermore, it was possible to distinguish between three different types within this
group of model RDAs on the basis of their policy profiles, size and history.

The other half of the development organizations surveyed did, however, turn out
to be something other than RDAs, mainly because they concentrated on a limited
number of often rather traditional policy programmes and hence did not have the
capacity for developing an integrated approach with an indigenous strategic thrust. The

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25 The organizations operating in Alpes-Maritimes and Berlin are first and foremost promoters of
inward investment, while the Belgian body presents itself as an advanced industrial landlord.
number of bodies in the sample claiming to be a development agency is, in other words, notably higher than the number of RDAs in the strict definitory sense of the word. As we would argue that the RDA definition applied in the present paper is the broadest possible if it has to cover the original expectations of this approach to regional development, the explanation for this discrepancy should be sought elsewhere, perhaps in the general usefulness of EURADA's information services in combination with the absence of alternative translation into English of e.g. Wirtschaftsförderungsgesellschaft, Gewestelijke Ontwikkelingsmaatschappijen, or Comité d'Expansion Economique. However, one could also see the number of would-be RDAs as a sign of the importance attached to the brand name by policy makers and politicians, and thus an indirect sign of the perceived success of this particular approach to regional development.

**Secondly**, the analysis of the survey also documented that regional-level promotion of economic development is more than just a lower-tier mirror of traditional central government policies. Although a small group of organizations is near-exclusively geared to promoting the region as a location for incoming investment,26 the overwhelming majority of the organizations surveyed are to a greater or lesser extent involved in activities aimed at strengthening the competitiveness of local firms. New types of policy activities are by no means the exclusive domain of RDAs, and thus the bottom-up sector would seem to hold important potentials as a source of innovation in regional policy.

**Thirdly**, the analysis indicated that the assumption of a causal link between organizational and policy features inherent in the model-RDA concept would seem to be questionable. A sizeable number of arm's-length organizations were found to specialize in traditional policy areas while organizations under closer political scrutiny predominantly were involved in new policy areas, and this suggests that operational freedom is neither a sufficient nor a necessary condition for the development of an integrated and indigenously oriented approach. A consistent RDA approach to regional development would therefore seem to require an appropriate framework, not only in organizational terms but also with regard to policy areas and methods of implementation. Setting policy-making 'free' on the regional level may, paradoxically, necessitate a comprehensive framework rather than a minimalist one.

In addition to these conclusions the analysis of the survey has also pointed to a number of areas in which further work remains to be undertaken. The typology of development organizations was partly based on measures of potential capacity to fulfil the model-RDA criteria, and it would be interesting to know more about the extent to

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26 This is the case in Alpes-Maritimes, Aragon, Berlin, and Schleswig-Holstein.
which this potential has actually been fulfilled. Moreover, an inquiry into the origins of the differences observed in the survey could illuminate the interplay between organizational and strategic aspects of regional policy, and the relationship between development organizations and their economic and political environment. Research along these lines would require both an extended survey of development organizations operating on the regional level and in-depth studies of individual development agencies, but as regional policy in Europe is gradually being transformed into a complex multi-level operation, this could further our understanding of the potentials and limits of the RDA approach and its position within the overall picture of regional policy in Western Europe.
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