



**University of
Zurich**^{UZH}

**Zurich Open Repository and
Archive**

University of Zurich
University Library
Strickhofstrasse 39
CH-8057 Zurich
www.zora.uzh.ch

Year: 2007

Urban ‘Foreign Policy’ and Domestic Dilemmas in Swiss and European City Regions

van der Heiden, N

Abstract: Transnational city-cooperation is pursued as a means of strengthening a city region’s position in the face of global pressures, where the capacity to ‘jump scales’ is believed to widen the room for manoeuvre. According to the rescaling literature, international activities of city regions, which are currently mushrooming at a global and especially European scale, can be seen as a major vector for city region’s strategies to strengthen their bargaining position in the international marketplace. We therefore analyzed the international activities of five Swiss agglomerations (Zurich, Lucerne, Berne, Lausanne, Geneva), as well as of two European city regions (Stuttgart and Lyon). We show that both the intensity and the content of the international activities are dependent of the economic vulnerability of a city region. Additionally, the EU plays a major role in promoting these networks. The combination of these two factors explains the relative reluctance of the Swiss city regions in this area, whereas the two European cases are clear examples for the increasingly perceived necessity to become engaged in transnational city cooperation in order to stay competitive in the international marketplace.

Posted at the Zurich Open Repository and Archive, University of Zurich
ZORA URL: <https://doi.org/10.5167/uzh-46772>
Conference or Workshop Item

Originally published at:

van der Heiden, N (2007). Urban ‘Foreign Policy’ and Domestic Dilemmas in Swiss and European City Regions. In: ECPR General Conference, Pisa, 6 September 2007 - 8 September 2007, 19pp.

Urban ‘Foreign Policy’ and Domestic Dilemmas in Swiss and European City Regions

Paper for the ECPR General Conference

Pisa, 07.09.2007

Nico van der Heiden

Institute for Political Science, University of Zurich

Seilergraben 53, 8001 Zurich, Switzerland

Tel. +41 (0)44 634 40 21

nico@ipz.uzh.ch

Contents

Abstract	2
1 Introduction	2
2 Rescaling.....	3
2.1 <i>Globalisation and the End of Place</i>	3
2.2 <i>Glocalisation and the New Importance of Place</i>	4
2.3 <i>The New Scalar Order – Bypassing the National State</i>	5
2.4 <i>Striving for Competitiveness or Social Cohesion?</i>	5
2.5 <i>International Activities of City Regions as Part of a Rescaling Strategy</i>	6
3 From Reluctant to Proactive: The Seven City Regions	7
3.1 <i>Zurich</i>	7
3.2 <i>Berne</i>	7
3.3 <i>Lucerne</i>	8
3.4 <i>Lausanne</i>	8
3.5 <i>Geneva</i>	9
3.6 <i>Lyon</i>	9
3.7 <i>Stuttgart</i>	9
3.8 <i>A First Summary</i>	10
4 Explaining the Differences	12
4.1 <i>Varieties of Capitalism</i>	13
4.2 <i>Multi-level Governance and Intergovernmental Support</i>	15
5 Conclusion	17
Bibliography.....	18

Abstract

Transnational city-cooperation is pursued as a means of strengthening a city region's position in the face of global pressures, where the capacity to 'jump scales' is believed to widen the room for manoeuvre. According to the rescaling literature, international activities of city regions, which are currently mushrooming at a global and especially European scale, can be seen as a major vector for city region's strategies to strengthen their bargaining position in the international marketplace. We therefore analysed the international activities of five Swiss agglomerations (Zurich, Lucerne, Berne, Lausanne, Geneva), as well as of two European city regions (Stuttgart and Lyon). We show that both the intensity and the content of the international activities are dependent of the economic vulnerability of a city region. Additionally, the EU plays a major role in promoting these networks. The combination of these two factors explains the relative reluctance of the Swiss city regions in this area, whereas the two European cases are clear examples for the increasingly perceived necessity to become engaged in transnational city cooperation in order to stay competitive in the international marketplace.

1 Introduction¹

Globalisation has not only intensified the flows of goods and money worldwide and thereby altered the economic interplay of formerly national economies, but it also has a lasting effect on the internal structure of nation states (Brenner 2004). Cities and metropolitan areas gain importance as nodal points of global economic processes (Sassen 2002, Taylor 1995, 2000), whereas the role of the nation state diminishes at the same time. What is labelled as globalisation can be understood as an increasing competitiveness between the major global cities of the world. This development tends to downplay the national scale and leads to a dramatic change of the role of public authorities on the national level. The question is though to what extent cities can sneak into the gap that is left after the retreat of the national scale. The rescaling theory hereby predicts a shift of political steering capacities from the national state to urban areas, whereby increased international activities are one of the most prominent possibilities for such shifts to take place.

International activities of urban areas are currently mushrooming at a global and especially European level. Nowadays, city regions are increasingly connected either through city partnerships or through city networks. These activities crosscut the longstanding hierarchical order of nation states. Our common understanding of multi-level-governance does not fit with these newly emerging activities. This "jumping of scales" (see Brenner 2000: 375ff.) can be

¹ This paper is based on the research project „Urban 'foreign policy' and domestic dilemmas in Swiss and European city regions. Local, regional and multi-level impacts of transnational city-cooperation“, financed by the Swiss State Secretariat for Education and Research (SER), grant nr. C04.0097.

understood as neglecting the regional and national level within international activities of city regions.

The intensified effort city regions put into international activities and the sheer number of newly set up international networks do not correspond with our theoretical understanding of the ongoing processes. There is a lack of profound theoretical conceptualisation of these activities. International networking has so far been studied either historically (Saunier 2001, Vion 2001), with respect to the specific effects of European integration (Bache et al. 1996, Benington/Harvey 1999), or in a perspective limited to the United States (Hobbs 1994, Wellmann 1998).

The aim of this paper is twofold: In a first step, I will test if the predictions of the rescaling theory, which I will outline in chapter 2 in more detail, hold true for the area of city regions' international activities. The general assumption here is that city regions will increase their international activities and that they do so with a clear orientation towards competitiveness instead of social cohesion. To test these hypotheses, I will present key elements of the international activities of the seven regions under scrutiny in chapter 3. In a second step, I will develop a framework to explain the empirically observed differences of city-regions' international activities (chapter 4). I will thereby focus on two key elements: The varieties of capitalism approach and intergovernmental support from the EU.

2 Rescaling

2.1 Globalisation and the End of Place

In the era of globalisation, the role of public authorities changes dramatically². Earlier, the national state took care of foreign relations in general and the economic well-being of the country, local authorities were traditionally in the position to manage social policies. It was easily possible for city governments to receive money from the central state to manage large welfare programs to support those who failed in the market. This Fordist era was made possible by solid GDP growth rates over decades. The cities were tightly under control of the national state, regulating market and fiscal transfers, tax law and tariff policy. The tight fit between urban dynamism and national economic growth (Sassen 1991) was unquestioned as long as GDP growth rates allowed large redistribution programs. City governments could concentrate on the management of the cities and on distributing public goods (Brenner 2003: 299).

² The argumentation of the rescaling literature is based on western states and their development. It does not take non-western states or the transformation of post-communist states into consideration.

With the ongoing globalisation process, things started to change. Markets have become global and so has competition between different places. In a time of easily transferable capital, place becomes relatively unimportant for economic processes. Or as Castells (1999: 407ff.) argues, 'spaces of flows' will triumph over 'spaces of place' in the making and the shaping of the new global order of centrality. The national scale finds itself on a global market, defending itself by offering lowest taxes, unrestrictive zoning law, large subsidies and a consequent low or no-tariff policy. Therefore, the importance of the national scale in policy making has decreased dramatically (Brenner 2006). However, the question the rescaling literature discusses is whether these losses on the national scale can be compensated by other scales and if so by which.

2.2 *Glocalisation and the New Importance of Place*

Although capital is said to be completely mobile nowadays, companies still need an infrastructure to operate and this infrastructure is still mostly immobile, and production processes are also locally bound. Swyngedouw (1997) called this process *glocalisation*, meaning that although globalisation leads to heavier competition and the erosion of the national scale, economic processes are still rooted in local places and especially in metropolitan areas. Thus, city regions are nodal points for globalisation processes as they link the national economy to the international market place (Savitch/Kantor 2002).

So the question is not if some scales have become unimportant in the age of globalisation (deterritorialisation), but rather what territories are the ones where political decision making is still possible (reterritorialisation) (see Brenner 1999). Cities and city regions, as places where human activities in general concentrate, are nodal points in these economic and political processes (Sassen 1991). They do not need to be "leaves in the wind" of globalisation though (Savitch/Kantor 2002: 346). Where competition was primarily between different nation states in earlier days, it is nowadays a competition between the large city regions of the world. The economic development of these city regions seems more and more disconnected from the development of the rest of the country (Brenner 2003: 298).

In the era of globalisation, there is a global competition between large metropolitan areas, competing for the location of businesses on a global scale and thereby neglecting national borders. It is within metropolitan areas where economic prosperity is still possible, or as Brenner (1999: 298, 437) puts it, the geoeconomic power of cities is increasingly disarticulated from the territorial matrices of the interstate system. Rescaling can thus be defined as decentralisation of

the national scale of accumulations, urbanisation and state regulation in favour of new sub- and supranational territorial configurations (Brenner 1999: 435).

2.3 *The New Scalar Order – Bypassing the National State*

Figure 1 summarizes the argument how multi-level governance looks like in the age of global competition between large metropolitan areas. As the national state loses control towards the global order (upscaling) and towards the city regions (downscaling), city regions themselves start to bypass the national state. Where in a traditional understanding of multi-level governance, city regions are subordinated under the regional and national scale, city regions jump scales and become now involved in the global order directly.

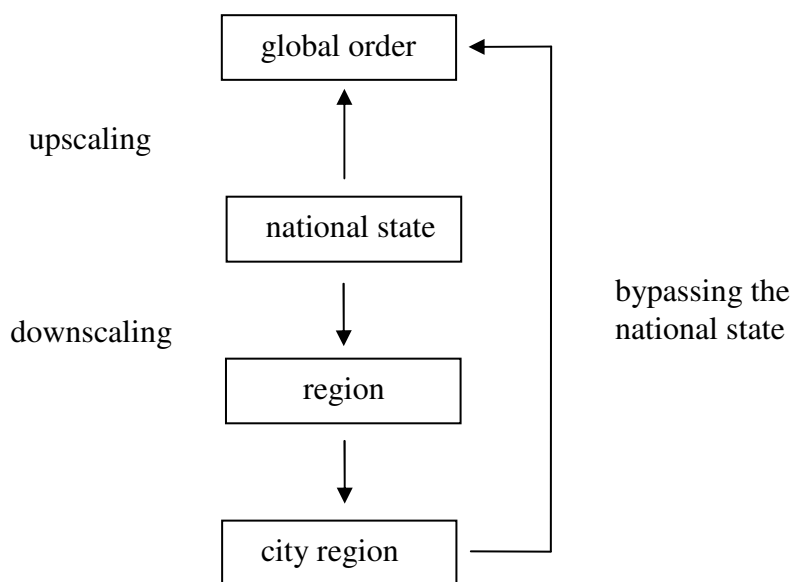


Figure 1: Bypassing the national state

2.4 *Striving for Competitiveness or Social Cohesion?*

Brenner (2006) and Jones/MacLeod (1999) argue that these downscaling processes, which are shifting political decision making power towards city regions, inherit problematical points. They challenge the view that the city region's scale can take up the losses of decision making power of the national state. They rather argue that the same story that happened at the national scale happens on the regional scale as well: politics is losing control over market processes, focussing only on providing the best options for attracting businesses by lowering taxes and reducing social welfare expenditures. In their perception, a world of global cities that follow neo-liberal policies will emerge. These authors would rather speak of a descaling process of politics in

general, and instead of rescaling processes the state is being hollowed out on different scales. Swyngedouw (1997) nevertheless hopes that cities might be nodal points for a counter-trend by public movements to stand against the neo-liberal orientation of politics (see also Keil 2004; Smith 2002).

Brenner (1999: 442) agrees that “state re-scaling can thus be viewed as a crucial accumulation strategy that is currently being deployed by neo-liberal political regimes throughout Europe to restructure urban and regional spaces”. There is thus a consensus on the actual situation that city regions face but not on the strategy that city regions can and/or should follow. On the one hand it is argued that city regions should try to be as competitive as possible in the international marketplace. On the other hand it is argued that city regions should use their new strength due to rescaling processes to stand against this neo-liberal development.

2.5 International Activities of City Regions as Part of a Rescaling Strategy

International activities of city regions are one of the clearest examples where changes in the scalar aspects of political steering should be visible. International activities are traditionally seen as one of the policy domains where the national state is predominant, although some research on international activities of subnational units (mostly in transborder cooperation) is emerging (see Blatter 1997).

By developing a political network of major cities and bringing together the economic power houses of the world, there should be room for manoeuvre for these networks to develop a common strategy against global pressures of competitiveness. By arranging certain agreements through international activities, cities should be in a position to alter the neo-liberal process (see Brenner 2004: 286ff., Swyngedouw 1997, 2000). The first aim of this paper is to test whether international activities of cities “provide an alternative route for exploration which may soften the economic fragmentation and social polarisation which derive from the crude dictates of ‘marketised’ territorial competition” (Graham 1995: 518) or if Brenner’s (2004: 294) pessimistic assumption that “interurban networking initiatives have not [...] generated an alternative basis for urban governance that transcends the competitive logic or urban locations’ policies” holds true. I will though look at the strategy behind the international activities of the city regions under scrutiny, as well as the orientation within this strategy, where we can use the distinction of Savitch and Kantor (2002: 101ff.) between an economic and a social orientation.

3 From Reluctant to Proactive: The Seven City Regions

The case studies of the seven city regions under scrutiny relied on data collected through qualitative research instruments. We used three types of data sources: Firstly, secondary analyses on transnational city-cooperation and networking conducted by other authors. Secondly, documents, reports and 'grey literature' published by actors involved in transnational city-cooperation in the various city regions under scrutiny, as well as by transnational city networks. And thirdly, in-depth interviews with government officials, professionals, interest group representatives, as well as members of non-government organisations at various government levels, involved in or concerned by transnational city-cooperation in the city regions under scrutiny. In total, I conducted 82 interviews.

3.1 Zurich

Zurich, although highly connected to global markets through its financial headquarters, is relatively absent from international networking. There has been a phase from 2002 until now, where the city government was very defensive on these matters. This was due to a problematic partnership with a Chinese city in the past. After strong criticism from the main right wing party (SVP) in 2001, saying that the project lacked any specific gains for Zurich, the city government tried fruitlessly to change its focus, emphasising the economic gains coming from it. The other city partnership with San Francisco is run by a private organisation, only modestly including officials of the city.

Networking activities are rare as well and carried out by different departments. There is no overview of all the activities, and international activities are only a subordinated task of one of the mayor's administrative units. Only recently, the mayor has rediscovered this field and Zurich has become a member of UCLG (United Cities and Local Governments) and Eurocities, two important networks in this respect. Before engaging in one of these international activities, Zurich always carefully evaluates the costs and benefits of such an engagement. Still being far from having a coherent strategy, international activities are now at least on the agenda in Zurich although new activities are only taken up, if they are seen as having a positive effect on the competitiveness of the city on a European scale.

3.2 Berne

Berne, as the capital city, has astonishingly been the Swiss city that is most reluctant towards international activities. There is no official partner city and Berne is only member of two international networks. These activities are carried out by different departments, there is no one

within the city administration that takes care of these activities and there is no overview of the existing activities and no strategic plan from the city government concerning this aspect.

This lack is justified by the already well-established connections with national and international politics that take place in Berne. They seem to rely more on informal coordination procedures and on the traditional mechanisms of multi-level governance by accessing the national scale with the city region's demands. Also, official partnerships with other cities were refused because this would fleece the connection with these cities over others. This is said to be inappropriate for a capital city. Nevertheless, a deliberation about a strategy on the international level is completely missing. The positioning on a European scale does not seem to be high on the agenda for the city region of Berne. I can therefore also not say anything.

3.3 Lucerne

Lucerne focuses on city partnerships rather than on networking. It is engaged in seven of these partnerships all over the world and uses these contacts to establish not only traditional exchanges between the city governments, but also to proactively promote Lucerne as a tourist capital. This explains the strong involvement of the tourist office within these partnerships and the engagement of the mayor for these partnerships. There is a special entity under the direction of the mayor that takes care of these partnerships. There is no connectivity of these partnerships to the two networks where Lucerne participates, as they are carried out by different departments and are not coordinated centrally.

3.4 Lausanne

Lausanne has only recently discovered international activities and created a special service under the control of the mayor. It is still looking for its position on the European and global scale, trying to make use of their asset as the Olympic city. This involves the reactivation of two networks: One that deals with sports facilities and a network of former Olympic cities. Lausanne here takes a lead within these two networks. Two additional networking activities are carried out by different departments and are not coordinated by the new service. Lausanne, as Berne, rejects any request for becoming a partner city. This is due to an informal agreement with the International Olympic Committee that no city in the world should be privileged by the host city of the IOC.

3.5 Geneva

Geneva is certainly the most active Swiss city regarding international activities. Although it has no official partner city - due to its status as the "city of IGOs and NGOs" they do not want to privilege any other city - it is heavily engaged in several networks. It plays an active role both within lobby networks (as the UCLG mentioned above or Eurocities) and networks oriented towards peace and solidarity or environmental sustainability. Geneva is also the only Swiss city with a well-established service with manpower to deal both with networking activities that run directly under the supervision of the mayor as well as with a coordinating function for the networking activities of the other departments.

3.6 Lyon

Lyon, historically a city of peace and solidarity, has long followed this orientation within its international activities. A long tradition of city partnerships back to the 1950s was supplemented by increasing network activities in the same domains in the 1980s and 1990s. This orientation within the international activities changed slowly since the establishment of a new service under the control of the mayor in 2001 that dealt with international relations. It did not only coordinate (and wherever possible centralise) the already existing networking activities by the different departments, but it also proactively followed a more economic oriented strategy. Currently, about twelve people work within this service. The strategy is to "show that Lyon is on the map" and this was done by intensifying the engagement in selected activities. The mayor of Lyon is currently presiding Eurocities, the most important city network on the European scale. Additionally, the region of Lyon (communauté urbaine) has its own international activities, but the two services have been merged in 2006 to allow for a better coordination, a more coherent strategy and a better visibility.

3.7 Stuttgart

Stuttgart has also, quite similar to Lyon, changed its orientation within its international activities. Engaged in several rather traditional city partnerships, it has changed these partnerships from pure friendship exchanges on the governmental level to more economic oriented partnerships. New partnerships were strategically chosen to use them as gate-opener to new markets. Additionally, several networking activities have been taken up, most of them aim at presenting Stuttgart on the European and global scale. Policy cooperation is only a secondary goal. The mayor takes a prominent role as one of the executive members of UCLG and clearly sees these international activities as an asset to overcome problems that cannot be solved by the traditional

multi-level governance layer of Germany. In 2002, a special service, directly under the control of the mayor, was created. This service, a team of about six people, coordinates and fosters the networking activities of the different departments but is also in sole control of the city partnerships and several strategically important networking activities.

Additionally, the region of Stuttgart (Regio Stuttgart) has its own international networking activities, mostly in public transport and economic promotion. The two levels do not coordinate their international activities but are rather competing on these matters, as there is a general conflict between the city and the region.

3.8 A First Summary

Taking the first assumption of the rescaling literature that all city regions should increase their international activities nowadays, this was obviously not supported by the empirical analysis. There is a huge variety of engagement on the global scale by the city regions under scrutiny. We have the two European cases of Stuttgart and Lyon that indeed have intensified their international connectivity and we have Geneva as the only Swiss city focussing on these activities. Within the other Swiss cities, there are huge differences ranging from a city region that have a (rather implicit) strategy as Lucerne, over city regions trying to find their strategy (Zurich and Lausanne) to a city region that has no strategy or engagement at all (Berne). It is though obviously not true that there is a general path predicted by the rescaling literature, that all city regions will engage to a certain amount in international activities. Rather, there seem to be cities that have not taken up the logic of bypassing the national scale but are still relying completely (like Berne) or mostly (the other Swiss cities) on the traditional multi-level governance layering of States. They are predominantly addressing their regional or national government and do not rely as much as predicted on the international cooperation of city regions.

The rescaling literature is in general criticised because it assumes that all city regions need to follow this general trend towards a neo-liberal policy. Others, however, have argued that, besides the question, if this general trend is correctly anticipated, there is room for manoeuvre for city regions (Blatter 2007, Heiden/Terhorst 2007, Savitch/Kantor 2002, van der Heiden/Terhorst 2007). The path dependency of this globalisation process on the city region's level is therefore not as clear as presented in the rescaling literature.

The second question within the rescaling literature was that of the orientation within the international activities, where I proposed the distinction by Savitch and Kantor (2002) between a social and an economic orientation. The pessimistic strand of the rescaling literature predicts a

clear orientation towards competitiveness for city regions, also within international activities (Brenner 2004: 294).

Looking at our city regions, we also see some variety within the orientation of the city regions' international activities. Geneva is the clearest example of a city focussing on peace and solidarity within its international networking. The city sees its engagement according to the longstanding tradition of the city as a place, where peace negotiations take place and where international solidarity is rooted. On the other end, Stuttgart is the city region that focuses most on competitiveness within its international activities. Not only was the orientation within the long-existing partnerships shifted towards a more economic orientation, but the networking activities predominantly aim at marketing the Stuttgart area on the global scale. This is done by a strategic choice of networks which the city and the region participate in, choosing those where locational politics are at the heart of the exchange between cities. It is also done by a strategic presence within the most important political networks, presenting Stuttgart there. All these activities by the Stuttgart region are driven by a perceived vulnerability to global economic pressures. As the Stuttgart region still relies predominantly on manufacturing industries, city officials see their engagement in international activities as a response to the fear of the market pressures.

The case of Lyon is somewhat similar. Here as well, city officials are afraid of not being "on the map" and are therefore increasing their engagement within both policy as well as within lobbying oriented networks. The networks are also chosen strategically and the mayor sees the international activities as one of the key instruments in urban policy making. Lyon tries to combine aspects of both an economic as well as a social oriented strategy within networking and within their city partnerships. Relying on a long tradition as a humanitarian city, this is seen as an asset to promote the city region internationally. This asset will not be sacrificed completely by just aiming at competitiveness. Rather, the city tries to combine the two elements carefully. Increased networking activities in the area of locational politics and a slight, but persistent change within the city partnerships towards an exchange of knowledge in marketing aspects are combined with a still lively tradition to engage in third-world aid projects and networking in domains like culture, public lightning or public transport issues.

In between those cases that mark both ends of the continuum, the other cities position themselves between an economic and a social orientation. It is very difficult to analyse the Swiss city region according to their orientation within the international activity, as most of these cities lack a clear strategy. As the international activities are most often handled by several departments, there is no overall tendency even for one city region. The Swiss cities are in general only modestly engaged

in international networking, making a quantitative approach even more difficult (if there are only two or three network activities for one city). The reluctance of Swiss cities to engage remains somewhat a puzzle that I will approach in the following section.

The question of the observed differences between the city regions is still unsolved after this first discussion of empirical results. The general pattern predicted by the rescaling theory is obviously shortcoming and we need further theoretical explanations to better elaborate on the differences. Two specific questions need to be addressed: First, the difference between the city regions within Switzerland and the two comparable cases in Europe are remarking. Swiss cities are much more reluctant in international city networking and city partnerships. Not all city regions increase their international connectivity. Second, the orientation of the city regions' international activities does also not follow the pattern prescribed by the rescaling theory. City regions are more often engaged in networking activities that have not a clear economic focus than expected.

To delve more into these questions, I will take up the discussion on two additional theoretical strands that – in my view – help to overcome the shortcomings of the rescaling theory and thereby help to explain the observed differences.

4 Explaining the Differences

To explain the differences, I will first take the varieties of capitalism approach and take a look at the economic conditions each city region faces. In order to get some new insights on the question of the necessity of international activities and the strategic choices of city officials' engagement, I adapt the varieties of the capitalism approach. The varieties of capitalism approach also helps to explain the strategic choice between economic and social oriented networking. With the same approach, I will show that not every engagement within social networking is purely altruistic.

Second, multi-level governance approaches reflect on the relation between the global, the national, the regional and the city region level. I will here draw on the bypassing argument of the rescaling theory and further develop this aspect. The role of the European Union is crucial in city networking and it has – up to here – been neglected. The role of the European Union helps to partially explain the absence of Swiss city regions from a development taking place within Europe.

4.1 Varieties of Capitalism³

The neglecting of different possible trajectory paths for city regions by the rescaling theory is taken up by the varieties of capitalism approach. I argue that the variety of national and regional capitalisms allow city regions to follow different strategies as a reaction to the transformations and pressures induced by glocalisation (Hall/Soskice 2001).

The variety of capitalism thesis says, first, that political-economic institutions form a coherent whole. There is a complementarity of institutions (Amable 2003), which means that one institutional form makes the other institutional form more efficient. Second, convergence of different forms of capitalism is very unlikely to happen in the era of globalisation (Rogers Hollingsworth/Boyer 1997). Due to institutional complementarity, social systems of production change only very slowly. In addition, and more importantly, each specific institutional configuration provides a comparative advantage to certain economic activities and stimulates economic specialisation (Kitschelt et al. 1999).

Although the advocates of the variety of capitalism thesis reduce their analysis mostly to comparisons of national states, this approach can be adapted to the regional, especially to the city region's level. Modes of production do not only vary between countries, but also between city regions within a country. We can observe an increasing economic specification between city regions.

Applying this theoretical approach to the question of city region's international activities seems fruitful, as it puts the policy choices (or non-choices) of city regions' political leaders in a different light. The rescaling literature argues for an increasing engagement within international activities to take part in the globalisation process. But the variety of capitalism thesis argues that there is only a specific need for certain international activities for certain cities, namely those that are most vulnerable of global economic processes (van der Heiden/Terhorst 2007). The hypothesis from this approach is thus that city regions engage in international activities according to their specific economic needs.

Adopting the varieties of capitalism approach to the field of international activities is not unproblematic though. It was not part of the research project to identify the modes of production and the economic vulnerability of the city regions under scrutiny. We can therefore not directly link the modes of production from a certain city region to its engagement within international activities. Nevertheless, the vulnerability to global economic processes was part of the semi-

³ The argument from this chapter is taken from van der Heiden/Terhorst (2007).

structured interviews I did with city officials. I tried to analyse to what degree they see the vulnerability of their respective city region to globalisation, if this perception is reflected in their work within international activities and if they, for themselves, make this causal link between the economic background and the international activities of a certain city region.

Looking at the cities under scrutiny, the perception of global economic pressures is the strongest in the Stuttgart area. Almost all people reflect on the discourse about globalisation, referring to the international competition of places when they talk about their engagement within international activities of politics. The high dependence on blue collar jobs (especially the automobile industry) is present in every discussion. The city region currently seeks its position on the European, and increasingly on the international level. Their fear of losing jobs and to be consistently under pressure from market forces shapes the discourse around the necessity to engage in international networking. The mayor of Stuttgart is afraid of the invisibility of the city as Stuttgart is only a secondary German city, although economically very strong. City officials believe that visibility is something that can be influenced by engaging in important city networks. Also, the establishment of new links to developing countries (mostly through the reinterpretation of older city partnerships) is seen as an asset for the competitiveness of the region. Depending on the automobile industry, the Stuttgart city region is engaged most prominently in networks on mobility and transport issues and has even set up a new network on these issues.

The case of Lyon is somehow similar, although the economic structure of the Lyon area is more diversified than the one of Stuttgart. Here, city officials try to use the longstanding tradition of the city as a humanitarian city to promote itself on the European scale. Also, Lyon officials are afraid of not being on the map as a secondary city of France. As their ties to the capital city Paris are more that of rivalry than of cooperation, Lyon has changed its scalar focus and oriented itself on the horizontal level throughout Europe with other, likeminded cities. Lyon has taken up the initiative and built networks in the area where they think they are most competitive (cuisine, lighting). The large amount of money spent on these networking activities is justified by the increased visibility of the city, which is seen to be necessary to stay competitive.

For the Swiss cities as well, an engagement that is not purely focussed on economic competitiveness might still make sense from a competitive logic under the varieties of capitalism approach. Taking for example the case of Geneva, a city with a longstanding tradition as a city of peace: the image is not only nice to have, but also an economic asset. The sheer number of IGOs and NGOs in Geneva is responsible for an important part of Geneva's GDP, mostly indirectly through conference meetings and the people working for these agencies. The city officials are

very well aware of the vulnerability of this image and the city is under strong worldwide pressure from other cities that want to host these agencies as well. Engaging in international peace and solidarity networks is though one of the instruments carefully selected to retain this image of the city. Money spent on these networking activities is though not only an act of solidarity but also in the economic interest of the Geneva area.

The same logic can be applied to the city region of Lucerne. The tourist city of Switzerland is highly dependent on its international visibility. The engagement in city partnerships rather than in networking makes perfectly sense when the goal is to promote the region as a tourist attraction. This is persistently done within the partnerships. And the inclusion of the tourist organisation is, according to the economic logic of the varieties of capitalism approach, also useful. The city of Zurich is still trying to find its strategy within international activities and there seems to be – at least for the moment – no reference to global economic pressures⁴. Berne, the capital city, has not even attempted to find a strategy. Relying more on traditional elements of multi-level governance might not be the worst choice, as the economy of the capital city is indeed depending on its headquarter role for the national administration.

The varieties of capitalism approach has been fruitful to explain differences between the city regions in their international activities by taking into account the economic background of each city region. The puzzle why Swiss cities are generally more absent from the international networking than the two European cities analysed here still remains, especially because the economic background of the Swiss cities is similar to the European ones..

4.2 Multi-level Governance and Intergovernmental Support

As already mentioned in chapter 2.3, international activities of city regions challenge our traditional understanding of intergovernmental relations. It is therefore especially interesting to see, whether and how these newly emerging activities on the city region's level interfere with the traditional scaling of nation states. Le Galès (2002) holds that the current context of globalisation and the construction of the EU puts nation states in crisis, thereby presenting an unprecedented opportunity for cities to come to the fore and strengthen their position with respect to upper level governments. Foreign policy is a policy area where the dominance of the national scale has been seen as predominantly given (Grande/Pauly 2005)⁵. The question thereafter is, how do upper

⁴ We have dealt extensively with the question, why Zurich is lacking a strategy within its international activities elsewhere (see van der Heiden/Terhorst 2007).

⁵ As I am more interested in the response of upper level governments in this paper, I will not draw on the question, how this strengthening of the city region's level works.

levels react to this new development and what is their response to being “bypassed” by international activities of city regions?

Theoretically, there are two possible responses. On the one side, upper level governments can support city regions that take up their own international activities, thereby forming a strong coalition aiming at fostering the competitiveness of urban areas (Savitch/Kantor 2002). On the other side, the upper level government can see these newly emerging activities as a competition to their own activities on the international level. Whether this new set-up within the traditional understanding of multi-level-governance has to be understood as a zero-sum-game thus depends on the reaction of upper level governments.

Analysing the discussed city regions has not shown great differences in the support or rivalry of upper level governments. More or less all city regions face the same multi-level constellation: The core city is competing with the agglomeration communities but the core city is mostly the only one engaged in international activities. If other communities in the urban area are having their own international activities, they are not at all coordinated on the city region's level. Upper, thus regional, governments tend to focus on their own international activities, although in different degrees. In none of the seven cases under scrutiny, there is an active support of the city from the regional government.

Only in the case of Lyon, cooperation between the urban area government (Grand Lyon) and the city exists. For Stuttgart, there is not only rivalry with the regional government (Land) but also with the city region's government (Verband Region Stuttgart). But rivalry needs to be specified: in almost every case – with an exception for the just mentioned conflict between Stuttgart and the region Stuttgart – the rivalry is better described as ignorance rather than as proactive disturbance. Regions have their international activities and cities have them as well, generally without any coordination between the levels. The very few cases where there is an involvement of the national scale (most often in international aid projects), the cooperation was modest and there was no active support from the national government of city region's international activities but also no active interference in the sense of a restriction or regulation of these activities.

The most important upper level in city region's international activities though is the European Union. The role of the EU has proven to be crucial in the analysis of international activities of city regions. This influence is twofold: On the one hand, the EU is directly financing some network activities. This happens in the wake of the “Europe of the Regions Strategy”, where the EU tries to increase its influence by bypassing the national scale and tries to get directly involved

in regional and local policy-making. Thus, it is not surprising that the EU has an interest in strong city regions and fosters these networking activities accordingly. However, the EU is on the other hand the addressee of some international networks. As lobbying at the EU is seen as a difficult task, networking helps to overcome deficits in knowledge on how to approach the EU, on what purpose, by whom and it also helps to pool resources in this context. Stuttgart, although seen as a leader in accessing the EU in this respect, has profited from its networking activity (e.g. through Metrex or Polis) by being aware of upcoming policy changes initiated by the EU.

Swiss cities are absent from this scene. Taking part in EU-oriented networks is sometimes just very demanding and sometimes impossible for Swiss cities. As the (financial) hurdles for non-EU city regions to participate are higher, it discourages Swiss cities from taking up efforts in European networking. In addition, if the aim of a network is to lobby at the EU level, this is obviously not very promising for Swiss cities, as there is no direct interplay between Swiss cities and the EU. Thus, it is much more complex for cities outside the EU to participate in these networks.

5 Conclusion

In this paper, I tried to develop a two-step theoretical approach to city region's international activities. First, I started with the rescaling theory which hypothesises that city region's should increasingly engage in these transnational activities. It also predicts a clear pattern towards an economic orientation within these international networking activities as the city regions follow the trend of global competitive logics also within their political response on a global scale.

When analysing the seven city regions, it became obvious that these two assumptions are shortcoming. Neither do all city regions follow the trend towards increased international activities, nor do these international activities in general point towards economic competitiveness. I therefore proposed in a second step to include two further theoretical branches to explain the empirically observed differences between the city regions.

The varieties of capitalism approach shows that city region's officials take the specific economic background of their city region into consideration when deciding to what extend and towards what orientation they should engage in international networking. The rescaling argument that it is about competitiveness can thus be true for certain city regions although they engage in peace or solidarity networks as long as this suits the image of a city region and is therefore seen as an asset in a globalised competitive order.

The multi-level governance approach was taken to explain the reluctance of Swiss city regions in this area compared to the European cases. As the EU plays a major role in city networking, both as platform of city networking as well as fosterer of these activities. Upper level support from the EU is though crucial in this new trend of bypassing the national scale. Swiss city regions, outside of the EU, face severe problems in keeping up with this trend.

Bibliography

- Amable, Bruno (2003). *Diversity of Modern Capitalism*. Oxford: Oxford University Press.
- Bache, Ian, Stephen George and R.A.W. Rhodes (1996). The European Union, cohesion policy and subnational authorities in the UK, in Hooghe, Liesbet (Ed.). *Cohesion policy and European integration: Building multi-level governance*. Oxford: Oxford University Press, 294-319.
- Benington, John and Janet Harvey (1999). Networking in Europe, in Stoker, Gerry (Ed.). *The new management of british local governance*. Basingstoke: Macmillan, 197-221.
- Blatter, Joachim (1997). Explaining Crossborder Cooperation, *Journal of Borderland Studies* XII(1&2).
- Blatter, Joachim (2007). *Governance – theoretische Formen und historische Transformationen. Politische Steuerung und Integration in Metropolregionen der USA (1850 – 2000)*. Baden-Baden: Nomos.
- Brenner, Neil (1999). Globalisation as Reterritorialisation: The Re-scaling of Urban Governance in the European Union, *Urban Studies* 36(3): 431-451.
- Brenner, Neil (2000). The Urban Question as a Scale Question: Reflections on Henri Lefebvre, Urban Theory and the Politics of Scale, *International Journal of Urban and Regional Research* 24(2): 361-378.
- Brenner, Neil (2003). Metropolitan Institutional Reform and the Rescaling of State Space in Contemporary Western Europe, *European Urban and Regional Studies* 10(4): 297-324.
- Brenner, Neil (2004). *New State Spaces. Urban Governance and the Rescaling of Statehood*. Oxford: Oxford University Press.
- Brenner, Neil (2006). *New State Spaces. Urban Governance and the Rescaling of Statehood*. Oxford: Oxford University Press.
- Castells, Manuel (1999). *The Rise of the Network Society*. Malden: Blackwell.
- Graham, Stephen (1995). From Urban Competition to Urban Collaboration? The Development of Interurban Telematics Networks, *Environment and Planning C: Government and Policy* 29: 105-127.
- Grande, Edgar and Louis W. Pauly (2005). *Complex Sovereignty. Reconstituting Political Authority in the 21st Century*. Toronto: University of Toronto Press.
- Hall, Peter A and David W Soskice (Eds.) (2001). *The Institutional Foundations of Comparative Advantage*, Oxford University Press, Oxford.
- Heiden, Nico van der and Pieter Terhorst (2007). Varieties of Glocalisation: International Urban Economic Strategies Compared, *Environment and Planning C* 25(3): 341-356.

- Hobbs, Heidi (1994). *City hall goes abroad. The foreign policy of local politics*. Thousand Oaks: Sage.
- Jones, Martin and Gordon MacLeod (1999). Towards a Regional Renaissance? Re-inventing and Re-scaling England's Economic Governance, *Transactions IBG* 24: 295-313.
- Keil, Roger (2004). Globalization Makes States: Perspectives on Local Governance in the Age of the World City, in Brenner, Neil, Bob Jessop, Martin Jones and Gordon MacLeod (Eds.). *State/Space. A Reader*. Oxford: Blackwell, 278-295.
- Kitschelt, Herbert, Peter Lange, Marks Gary and Stephens John D. (1999). Convergence and Divergence in Advanced Capitalist Economies, in Kitschelt, Herbert, Peter Lange, Marks Gary and Stephens John D. (Eds.). *Continuity and Change in Contemporary Capitalism*. Cambridge: Cambridge University Press.
- Le Galès, Patrick (2002). *European Cities. Social Conflicts and Governance*. Oxford: Oxford University Press.
- Rogers Hollingsworth, J and Robert Boyer (1997). Coordination of Economic Actors and Social Systems of Production, in Rogers Hollingsworth, J and Robert Boyer (Eds.). *Contemporary Capitalism*. Cambridge, New York: Cambridge University Press.
- Sassen, Saskia (1991). *The Global City*. Princeton, New Jersey: Princeton University Press.
- Sassen, Saskia (2002). *Global Networks, Linked Cities*. New York: Routledge.
- Saunier, Pierre-Yves (2001). Sketches from the Urban Internationale, 1910-1950: Voluntary Associations, Internatinoal Institutions and US Philanthropic Foundations, *International Journal of Urban and Regional Research* 25(2): 380-403.
- Savitch, Hank V. and Paul Kantor (2002). *Cities in the International Marketplace*. Princeton and Oxford: Princeton University Press.
- Smith, Neil (2002). New Globalism, New Urbanism: Gentrification as Global Urban Strategy, in Brenner, Neil and Nick Theodore (Eds.). *Spaces of Neoliberalism. Urban Restructuring in North America and Western Europe*. Oxford: Blackwell, 80-103.
- Swyngedouw, Erik (1997). Neither Global nor Local: "Glocalisation" and the Politics of Scale, in Cox, Kevin R. (Ed.). *Spaces of Globalization*. New York: Guilford Press, 137-166.
- Swyngedouw, Erik (2000). Elite Power, Global Forces, and the Political Economy of 'Glocal' Development, in Feldman, Maryann P. and Meric S. Gertler (Eds.). *The Oxford Handbook of Economic Geography*. Oxford: Oxford University Press, 541-558.
- Taylor, Peter J. (1995). World Cities and Territorial States: the Rise and Fall of their Mutuality, in Knox, Paul L. and Peter J. Taylor (Eds.). *World Cities in a World System*. Cambridge: Cambridge University Press, 48-62.
- Taylor, Peter J. (2000). World Cities and Territorial States under Conditions of Contemporary Globalization, *Political Geography* 19: 5-32.
- Vion, Antoine (2001). *La constitution des enjeux internationaux dans le gouvernement des villes françaises (1947-1995)*. Rennes: Université de Rennes I.
- Wellmann, Christian (1998). *From town to town: local authorities as transnational actors*. New Brunswick: Transaction Publishers.