The advance of sub-national government and governance has proceeded apace in recent years in the developed and developing world (Keating 1998; Agnew 2000; Loughlin 2001; Rodríguez-Pose and Gill 2003). Centralised structures have become less prevalent as nation states have experimented with – sometimes nominally - more devolved and decentralised institutional arrangements. A burgeoning literature has emerged on sub-national government and governance in an attempt to interpret such developments. This has focused upon territorial-institutional configurations at various, often overlapping, sub-national scales, including meso-level government (Sharpe 1993), the ‘new regionalism’ (Keating 1998) and city-regions (Scott 2001).
Specific work on the linkages between devolved government and governance and economic and social development have been partly addressed by this literature but much work remains to be done to get to grips with its character, form and evolution. Positive relations have been mooted, especially by those who interpret the potential for more effective and efficient public policy tailored to particular local and regional circumstances, the mobilisation and harnessing of indigenous cultural and economic potential and reductions in territorial disparities (Tomaney and Mawson 2002; Coles, Cooper and Raynsford 2004). Meanwhile, ‘devo-sceptics’ point to additional bureaucracy and costs, the incoherence or irrelevancy of the regional level and the need for a strong redistributive centre, declining public involvement in representative democracy and waning trust in public institutions (Stoker 2002; Walker 2002). Notwithstanding such important debates, as nation states and their constituent populations confront contemporary economic and social change, devolution and the establishment of sub-national government and governance appear to have been common responses albeit often for a diversity of reasons.

The themes explored in this theme issue challenge some of the prevailing claims about sub-national governance and economic and social development. In so doing, they make substantive contributions to the literature. An international, comparative and theoretically-informed analytical current runs through the theme issue. This challenges what Benito Giordano and Elise Roller see as the national parochialism and often limited awareness of international experience in some discussions of sub-national governance
amongst academic commentators and, perhaps less surprisingly, civil servants and policymakers. While devolved governance may be novel for some people, institutions and places, other nation states have decades of experience in addressing both its basic and thornier issues. Fundamental questions of constitutional structures, centre-region relations, institutional co-ordination and public expenditure for example are addressed as the perhaps unglamorous dimensions of sub-national government and governance. Common to several of the contributions is a central focus upon the assessment of the difference that the evolution of sub-national governance has made to economic and social development. In short, has devolution established the conditions in which people may become healthier, wealthier and wiser? What devolved governance is for and in whose interests remain fundamental questions.

Definitional and conceptual questions are key concerns for contributors. The precise meaning of sub-national government and governance in theoretical, administrative and political terms can vary between and within nation states. The nature and extent of devolution can be very different. As Andrés Rodríguez-Pose and Nicholas Gill claim, devolution can “assume various forms, ranging from the decentralisation of power and legitimacy, through to a mere delegation of responsibilities and financial duties” (p. XX). The character, form and timing of the establishment of sub—national governance is crucial too. Based on their analysis of the experience in Spain, Benito Giordano and Elise Roller argue that adopting a model of asymmetrical devolution — as in the UK — can lead to the emergence of new regional
identities and post—devolution territorial tensions generated by the backlash from historic regions against the ‘café para todos’ (‘coffee for everyone’) ‘one-size-fits-all’ approach to devolution. Such rivalries can stoke feelings of unfairness associated with the divergence of public policy and resources under devolution (Pike 2002). The nature and organisation of centre-region relations vary both in the design and practice of administrative arrangements and political settlements.

The causal mechanisms that explain the rise of sub-national governance and its relations with economic and social development are central concerns in this issue. While broadly supporting the thrust of the ‘hollowing out’ thesis (Jessop 2003) and arguments about the ‘rescaling of state territorialities’ (Jones 2001), Kevin Ward and Andrew Jonas seek to challenge what they see as the functionalism and necessity in the conflation of scale and process that suggests: “changes in the spatial organisation and constitution of capitalism determine the restructuring of state spatiality and its constituent scalar hierarchies” (p. XX). They see struggles about the ‘scalar reorganisation’ of capitalism, social relations and the state as necessarily involving existing territorial institutions. Different and particular starting points in places mediate the generalised processes of state restructuring.

Conceiving of devolution as a process rather than an event remains a useful heuristic device in several papers. It has parallels, drawn by Benito Giordano and Elise Roller, with Paasi’s understanding of region-building as an active, on-going process that is contested but dissipates into the wider public realm.
(Paasi 1991). This view suggests ‘regions are not, they become’. Seen as a process, devolution can ebb and flow at different rates across different time periods and places. Social agency can act to prosecute and frustrate devolutionary projects through existing and emergent institutions. Governance capacity and the ability to adjust and shape emergent arrangements are unevenly distributed amongst heterogeneous territories – often with very different powers and histories of sub-national governance and public policy as well as economic and social development conditions. Within the uneven unfolding of this devolution process, the role of the nation state is critical. This is demonstrated in Andrés Rodríguez-Pose and Nicholas Gill’s international review. For example, in the stop-start nature of decentralisation in the United States from President Reagan’s ‘New Federalism’ to Clinton’s ‘devolution revolution’ in the early 1990s. This uneven, nationally shaped, process is echoed in Mexico, India, China, Spain and Brazil.

In explaining devolved governance, significant emphasis is given to the particular and the contingent. While noting the usefulness of determining the generic and causal, Kevin Ward and Andrew Jonas argue that “it is equally important to show how different and contingent – even conflicting – political and economic processes are at work within and across any given city-region” (p. XX). Specific national, regional and local conditions with cultural, historical, institutional and political legacies may all shape the particular experiences of sub-national governance and economic and social development in certain times and places. But, equally, the evolution of sub-national governance and development is not a wholly contingent process particular to specific places.
and historical contexts. As Andrés Rodríguez-Pose and Nicholas Gill argue: “it is imperative to seek out the common denominator in these processes in order to facilitate any sort of general analysis” (p. xx). Generalisable and particular dimensions can be discerned in the unfolding of sub-national governance and development. Several contributors in this Issue use both quantitative and qualitative research methodologies to get at such combinations of the necessary and the contingent in specific cases.

On the relation between sub-national governance and economic and social development, the precise nature of linkages and their causality remains subject to conjecture. Benito Giordano and Elise Roller see the “common assumption…that greater regional autonomy has positive impacts upon economic well-being…” as a “somewhat bold claim” (p. XX). Caution, if not scepticism, is evident regarding the so-called ‘economic dividend’ generated by the advent of sub-national governance. It is a crucial issue, given the economic arguments typically marshalled in support of devolved governance. The contributions here shed some light on this question. Charting the “marked congruency between the timing of devolution initiatives and rising regional inequalities” (p. XX), Andrés Rodríguez-Pose and Nicholas Gill argue that the causal mechanisms of this relation hinge around the adaptive capacity of sub-national territories, the regressiveness of devolutionary initiatives and the competitive nature of modern intra-governmental relations. Inherent advantages or weaknesses are reinforced in a cumulative fashion under decentralised governance. While acknowledging that institutional decentralisation is not the sole explanation behind continuing regional
inequality, they claim it can have a “large bearing” (p. XX). Benito Giordano and Elise Roller concur in their analysis of the experience of the Autonomous Communities in Spain. They cite Mitchell’s (Mitchell 2002): 761) prescient point that “devolution has sharpened awareness of existing heterogeneity or, at least, sharpened the awareness of heterogeneity”.

Worryingly for any longer-term and progressive politics of devolution, several contributions reveal how deliberately regressive motivations and implications can be evident in the design and delivery of sub-national governance. For example, President Clinton’s ‘devolution revolution’ returned authority, responsibility and financial resources to the states for key social programmes through block grants. However, following the 1997 Balanced Budget Act, poorer states with higher social welfare needs were hit hardest by the subsequent reductions in Federal inter-governmental aid. Redistributive equalisation unravelled as a result of devolution. Indeed, the regressive fiscal transfers revealed in each of Andrés Rodríguez-Pose and Nicholas Gill’s case studies are contrary to territorial justice and equity. The ‘roll-out neoliberalism’ (Peck and Tickell 2002) of cutting public expenditure and devolving austerity appears to be an appealing rationale for financially hard-pressed national central governments.

The relations between the levels of devolving, multi-layered governance systems are explored in several contributions. New agents and institutions are playing roles within a changing political structure with interplay and interdependence among and between the different nested layers (Rokkan and
Urwin 1983). Such relations become the ‘bread and butter’ of sub-national governance, for example through the institutional articulation of devolved, concurrent and reserved powers. In their critique of New Regionalist approaches to the city, Kevin Ward and Andrew Jonas develop this theme. They explore ‘competitive city-regionalism’ as “an actual politics of and in space rather than as an expression of a new era of capitalist development and post-national state territoriality” (p. XX). Their call to reconnect city-regions to their constitutive national social formations – ‘cities as regions rather than cities in nations’ - is timely, particularly given the arguments about ‘core cities’ driving national growth and being worthy of (sometimes additional) public support regardless of their relative level of development and need. Each contribution agrees that the national central state remains pivotal and often decisive in shaping the character and extent of sub-national government and governance and economic and social development. Indeed, a weakened national centre resulting from decentralisation can often place onerous burdens upon poorer and/or smaller territories in the context of increasingly competitive inter-governmental relations and struggles for resources. Richer and/or larger territories conversely have greater voice at the national centre. As such struggles are played-out, the evidence in the contributions here suggests that regressive implications for economic and social inequalities and development are a likely consequence.

The democratisation of government and governance at the sub-national level is often thought to have a positive relationship to economic and social development. Yet, although democracy is intrinsically a ‘good’ thing, Morgan
and Rees remind us that it’s “implications for economic development are more ambiguous than we may care to admit” (Morgan and Rees 2001: 129). Greater transparency and democratic scrutiny does not necessarily lead to enhanced public policy outcomes and positive contributions to economic and social development. Evidence of the linkage between devolution, not always wholly democratic in nature, and the reinforcement of regional disparities in Andrés Rodríguez-Pose and Nicholas Gill’s paper supports this contention. Emergent problems of ‘quasi-governance’ and ‘de-politicisation’ within the emergent devolved governance arrangements are identified in several contributions. Embedded within the ‘heterodox’ approaches common as part of the currently dominant ‘globalisation-competitiveness’ narrative (Lovering 2001), Andy Pike sees the ‘quasi-governance’ of economic development policy as lacking accountability, co-ordination and transparency. This technocratic mode of public policy formation effectively ‘de-politicises’ many issues that should properly lie in the public and political realm. Fundamental questions of what kind of economic and development and for whom are value laden and potentially conflictual. For Andy Pike, they require a democratised politics of economic development rather than more professional sophistry. The sub-national government and governance unfolding in the UK may provide a route to such a politics. Kevin Ward and Andrew Jonas too see an emphasis upon “exchange-relations and strategic competition” that downplays “the social relations of production, consumption and redistribution and their underlying geographies of conflict” (p. XX).
Flowing from concerns with ‘de-politicisation’ and technocratic forms of government and governance, several of the contributors see the need to put the politics back in to discussions about sub-national governance and economic and social development. Benito Giordano and Elise Roller call for a greater focus upon regionalist political parties in putting the issue of greater regional autonomy onto the national political agenda, particularly in the EU. They cite the upsurge of interest in regional policy and politics in ‘artificial’, recently created regions such as La Rioja following the establishment of the State of the Autonomies in Spain as evidence of their argument. In their focus upon the city-region as “a strategically vital arena for managing conflict and struggle in contemporary capitalism” (p. XX), Kevin Ward and Andrew Jonas interpret sub-national politics and policy as sites of struggle and contest. They argue persuasively for a politics of collective provision and social reproduction to broaden the debate to include questions of redistribution, conflict, counter-strategies and politics. Such a perspective would broaden the currently partial explanation and narrow obsession of ‘competitive city-regionalism’ with competitiveness, development, flexibility and innovation: “a production and collective consumption view would put emphasis on the fixed interests not just of investors but also on labour, residents, consumers, local branches of the state, etc. in particular places” (p. XX). The ongoing search for even a temporary sub-national ‘structured coherence’ (Harvey 1985) is the subject of struggle and contest. Each contribution here reinforces the view that the character and form of economic and social development within devolved government and governance are political. Political choices are made with potentially progressive and/or regressive implications.
Several contributions provide evidence of innovation and experimentation in the emergent forms of sub-national governance. New ways of organising public policy design and delivery have sought to enhance economic and social development. Civic engagement and democratic renewal are possibilities that may flow from changing governance arrangements. Rekindling public participation and rebuilding trust in public institutions may be possible in the context of substantive institutional change. Lynne Humphrey and Keith Shaw’s analysis of the potential for democratic renewal presented by models of ‘stakeholder engagement’ suggests the need for radical measures to “overcome the exclusionary nature of traditional models of governance and government” (p. xx) in old industrial regions such as North East England. Sub-national governance may hold the potential to be more ‘inclusive’, involving and giving voice to formerly marginalised and/or under-represented groups, such as women, black and minority ethnic, youth and other communities of interest and identity as well as the traditional organised interests of capital and labour (Pike, O’Brien and Tomaney 2002). Substantive barriers to such innovations remain, however, including the dominance of corporatist political cultures, top-down decision-making and limited resources and representativeness. Lynne Humphrey and Keith Shaw fear that “whilst existing stakeholder arrangements are clearly raising the profile of and providing space for civic input they are not undermining traditional ‘power asymmetries’” (p. XX).
Whether the opportunities for a ‘new politics’ are grasped as part of devolved governance amidst unfavourable political cultures and entrenched institutional interests remains to be seen. Moreover, inclusiveness is not necessarily unproblematic or singularly progressive. For Andy Pike, economic development task forces recruit the ‘usual suspects’ — either unknowingly or deliberately — and create a ‘hermetically sealed’ policy universe that forecloses debate, neuters dissent and marginalises the discussion of alternatives. For Kevin Ward and Andrew Jonas, within competitive city-regionalism the encouragement of public participation in democratic decision-making is about cities and businesses competing more effectively and parlaying global growth benefits on a territorially equitable basis. Again, the prospect of sub-national governance for economic and social development is often contingent upon the struggles encompassing capital, labour, the state and civil society.

In sum, this Theme Issue develops the literature on sub-national government and governance and economic and social development. Some accepted wisdom has been challenged and qualified, and new insights have been provided. Collectively, the papers point towards a rich future research agenda. Such endeavour might include consideration of — *inter alia* — the following questions: to what extent can devolved territories and institutions convert the opportunities that devolution presents into more effective public policies? How can territorial justice and equity be combined with potential diversity in a devolving nation state (Morgan 2001)? What kinds of supporting inter-territorial fiscal equalisation systems and regional policies at the supranational
and national levels can support the sub-national governance of economic and social development? What kinds of territorial politics can deliver progressive economic and social development under sub-national governance? How can representative and participatory democracy be reconciled within sub-national government and governance? As devolution continues to unfold internationally, the character, form and substance of the evolution of sub-national governance and its relations to economic and social development requires close attention to interpret its enduring importance and significance.

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