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'In the shadow of hierarchy': meta-governance, policy reform and urban regeneration in the West Midlands

Mark Whitehead

This paper explores the relationship between political hierarchy and the complex webs of political organization associated with urban governance. Deploying the concept of metagovernance and a study of urban policy reform in the West Midlands region of England, this paper claims that state and governmental hierarchies continue to have a crucial role in coordinating the activities of governance regimes in the UK. This paper concludes by considering the effects of hierarchical power on the systems of political participation and representation that are associated with urban governance.

Key words:

West Midlands, meta-governance, political hierarchy, urban policy, regional government

Introduction

The emergence of supposedly more flexible, entrepreneurial and decentralized urban policy frameworks in the UK has consistently been interpreted as part of a wider transition in political and economic relations - a transition from government to governance (Stoker 1995; Ward 1995; Jones 1998; Oatley 1998). Through its association with governance, changes in the nature and form of British urban policy have been related to issues as wide ranging as the restructuring of local government (Duncan and Goodwin 1988; Cochrane 1993), the 'hollowing out' of the local and national state (MacLeod and Goodwin 1999a 1999b), changing modes of citizenship and participation (Stoker 1996), and the rescaling or 'globalization' of urban economic development (Jones 1998). Despite the popularity of governance as a framework of analysis within urban policy studies, recent debates have critically questioned the value of governance as both an analytical category (Jessop 1997; MacLeod and Goodwin 1999a 1999b) and an empirical shift (see the Imrie and Raco/Ward debate - Imrie and Raco 1999; Ward 2000). At an analytical level, the governance literature has been criticized for being overly 'descriptive', paying more attention to the identification of new political and economic networks than to 'explaining' how and why these structures are being produced (cf. Jones 1998; MacLeod and Goodwin 1999b). At a more ontological level, the emphasis that work on governance places on transition and change within political and economic relations has also been questioned (Goodwin and Painter 1996; Imrie and Raco 1999). Problematizing the 'dualistic' or 'binary' representation of governance as a movement away from government (at a local, national and international level), a number of authors have consequently stressed the 'hybrid nature of governance (i.e. government + governance) and the persistence of hierarchical rule within governance relations (cf. Imrie and Raco 1999; Jessop 2001, 15; 1997, 575).

In light of the apparent analytical and empirical weaknesses of the governance literature, this paper re-analyses recent changes in English urban policy through the concept of 'meta-governance' (see Hay and Jessop 1995, 46-9; Jessop 1997; Jessop 2001, 17-18). Meta-governance is concerned with how political authorities are engaged in promoting and

guiding the 'self-organisation of governance' systems through rules, organizational knowledge, institutional tactics and other political strategies (Jessop 1997, 575). This paper claims that a meta-governance perspective on political and economic change brings two major benefits:

1. it enables the political and economic changes associated with governance to be positioned within the context of changing patterns of state power, strategy and intervention; and
2. it tends to break down the arbitrary divide that has been constructed between government and governance - suggesting instead a hybrid form of governance that is fashioned 'in the shadow of hierarchy' (Jessop 1997, 575; Scharpf 1994).

Despite its apparent resonance with contemporary critiques of governance, the notion of meta-governance has been used only sparingly within accounts of political and economic change (cf. Hay and Jessop 1995; Jessop 1997 2001; MacLeod 1998). As a consequence of this neglect, the precise objectives and theoretical insights of meta-governance have not been clearly defined (for one of the more detailed accounts of metagovernance see Jessop 2001, 15-18). Given the uncertainty surrounding the notion of meta-governance, this paper begins by attempting to describe what a theory or account of meta-governance would actually look like, and how it differs from both the concept of governance and existing approaches to urban political economy. In order to explore the insights of meta-governance, analysis then considers the recent reform of English urban policy undertaken in the formation of the British government's *Single Regeneration Budget* (SRB) (DoE 1995; DETR 1998), and the new structures of governance and meta-governance operating within this initiative. In particular, work focuses upon the effects that this restructuring process is having upon urban regeneration and governance in the West Midlands region of England. The research upon which this paper is based draws upon material collected in 46 interviews with policymakers and practitioners in the West Midlands and UK national government. These interviews were designed to facilitate an analysis of the new practices and bureaucratic procedures associated with the SRB programme. The interviews were conducted with key representatives from six SRB case study partnerships in the Midlands, the Government Office in the West Midlands, Advantage West Midlands (the Regional Development Agency) and officials from the regeneration and regional policy divisions of the erstwhile Department of the Environment, Transport and Regions. The people interviewed as part of this research were selected on the basis of their key roles in either the *horizontal* management of governance systems, or the *vertical* coordination of urban policy at local, regional and national scales.

Governance, meta-governance and the shadow of hierarchy

In order to understand the concept of meta-governance, it is important initially to distinguish it from the idea of governance. Although the term governance has many different meanings and 'varied theoretical roots' (Jessop 1995, 310), in this paper governance is understood as a process whereby formal governing structures are no longer focused primarily on the political realms of public sector government (parliament, town/city hall, civil servants), but are increasingly incorporating a range of interests drawn also from

the private sector and civil society. Jessop claims that as a theoretical project governance emerged in reaction to the overriding concern of political economy with hierarchy - both in terms of the exercise of top-down state power and the formation of unitary corporate hierarchies (Jessop 1995, 310). Consequently, those working on governance have consistently emphasized the role of *networks* (Rhodes 1997), *associations* (Streeck and Schmitter 1985), *regimes* (Stone 1989), *economic coalitions* (Harvey 1989), *tangled hierarchies* of power and the associated processes of 'negotiated co-ordination' (Scharpf 1994), in the organization of political and economic activity.

The concept of meta-governance has emerged in conjunction and partial response to the notion of governance. Developed primarily within the work of Jessop (1997, 575; 2001, 15-18),¹ meta-governance refers to a counter process to governance, whereby:

Political authorities [at national and other levels] are more involved in organising the self-organisation of partnerships, networks and governance regimes. They provide the ground rules for governance; ensure the compatibility of different governance mechanisms and regimes; deploy a relative monopoly of organisational intelligence and information with which to shape cognitive expectations; act as a 'court of appeal' for disputes arising within and over governance; seek to rebalance power differentials by strengthening weaker forces or systems in the interests of system integration and/or social cohesion; try to modify the self understanding of identities, strategic capacities and the interests of individual and collective actors in different strategic contexts and hence alter their implications for preferred strategies and tactics; and also assume political responsibility in the event of governance failure. (Jessop 1997, 575)

The diverse writings from which Jessop derives the notion of meta-governance are principally concerned with how economic and political coordination is achieved despite the apparent limits of both hierarchical power (governments, the state, the firm) and horizontal self-coordination (governance, regimes, clans) to effectively secure continued patterns of organizational stability.

The work of Fritz Scharpf (1994), upon which Jessop draws, is indicative of this kind of politico-economic analysis. Scharpf (1994) focuses upon the problems of ensuring political, economic and social coordination within vertical (hierarchical) and horizontal (networked) systems (see also Scharpf 1991).² In light of the apparent limitations of both hierarchical and horizontal networks of power, Scharpf (1994) develops an account of social coordination based on the inter-actions which occur between hierarchical structures and networks of self-coordination - what Scharpf terms 'structurally embedded self-co-ordination' (1994, 36). Focusing upon the relationship between hierarchical structures and networks of self-coordination in this way appears to have two primary advantages for research on governance:

1. it becomes possible to understand political hierarchies (or systems of vertical integration, command and control) as important arenas within which the negotiations and political struggles associated with governance are played out,

without necessarily ascribing a deterministic logic to the exercise of hierarchical power; and

2. the interdependencies between hierarchical intervention and local political coordination become apparent - just as hierarchical power is realized in and through local political practices and negotiations, so too is the effective coordination capacity of local political networks and clans enhanced by virtue of their 'embeddedness' within hierarchical structures (Scharpf 1994, 40).

Understood in these terms, meta-governance differs substantially from the concept of governance. The fundamental difference between governance and metagovernance is that while the former draws attention to the processes that dislocate political organization from government and the state, the latter focuses explicitly on the practices and procedures that secure governmental influence, command and control within governance regimes. It is the explicit focus on the *negotiated* links, which are forged and contested between government and governance (or political bureaucracies and civil society; politicians and entrepreneurs; state rationalities and market forces), which provides the originality of the meta-governance approach. The differences that exist between notions of governance and meta-governance should not, however, be used to argue that metagovernance should replace or transcend theories of governance. As the name suggests, *metagovernance* is premised on the existence of governance regimes and as such it seeks to extend and connect work on governance to related changes in political control and authority and to explore how changes in governmental hierarchies are facilitating the proliferation of more devolved governance practices. In this way metagovernance appears to provide a way of exploring how new articulations of state power become expressed in and through governance structures and the ways in which governance systems are in turn forged in the persistent 'shadow of hierarchical authority' (Scharpf 1994, 41).

Bearing in mind its relationship to existing theories of governance, it is possible to summarize the analytical parameters of meta-governance in three broad ways. Firstly, meta-governance stresses the persistent influence of hierarchical forms of power in ratifying, licensing and guiding economic and political activity. Secondly, meta-governance is concerned with the role of self-organizational forms of power and action in realizing political and economic goals and strategies. Finally, work on meta-governance draws attention to the *structuration* or dialectical interactions between self-organizational networks and the hierarchical structures within which they are embedded - a process which Jessop describes as 'negotiated decision-making' (2001, 17).

On these terms, this paper argues that meta-governance provides significant advantages over key theoretical approaches to governance systems found within work on growth coalitions and *machines* (Molotch 1976), regime theory (Stone 1989; Ward 1995) and strategic relational state theory (MacLeod and Goodwin 1999a). Work on growth coalitions and regimes has long emphasized the role that localized *coalitions of interest* (forged around economic growth or quality of life issues) have played in bringing together a diverse range of actors and interests into systems of governance (Ward 1995). A theory of meta-governance would, however, argue that both the motivational impetus (through competitive grant regimes and best practice discourse) and the subsequent management of the motivational frameworks associated with governance (through auditing and monitoring agreements) is

not exclusively situated in local political agreements, concessions and compromises, but is also driven by the hierarchical power of the state and government operating a range of different spatial scales. While more obviously akin to contemporary work on the strategic relational state theory, meta-governance also appears to add an extra dimension to state-based research on governance. Consequently, while sympathetic to the continuing influence and efficacy of the state over and within governance systems, meta-governance focuses more upon the actual political practices, techniques and punitive actions of the state, than on the broader socio-political and class forces that drive such actions. Through its focus upon the empirical actions through which state strategy is realized and contested, meta-governance appears to provide a useful corollary to strategic relational state theory.

Transformations in urban and regional governance in England: the story of the SRB

Recent reforms in English urban policy (cf. DoE 1995; DETR 1998) have been associated with significant changes in the structure of urban and regional governance in England. Previously characterized by a 'patchwork quilt' of complexity in urban policy initiatives (Audit Commission 1989), England is now subject to a new system of urban and regional governance. Systematic changes in the political landscape of urban policy in England began with the launch of the government's 'Single Regeneration Budget' (hereafter SRB) for urban areas (Lawless 1996). At the heart of the SRB initiative lay a series of criticisms concerning existing urban policy structures (Association of Metropolitan Authorities 1994; Friends of the Earth 1989; Confederation of British Industry 1988) (for a review, see Lawless 1996). One of the fiercest attacks on British urban policy came from the Audit Commission in 1989. The Commission claimed that the complex array of urban initiatives operating during the 1980s had created a significant coordination shortfall in the administration and delivery of British urban policy. It was consequently felt that, despite the British government's desire to address urban problems through complex urban governance structures, these structures were themselves inhibiting the effective harmonization of different urban policies within specific localities.

The arrival of the SRB in England was designed to improve the coordination of urban policy in the region through three primary strategies. Firstly, the SRB amalgamated the budgets of 20 existing urban policy initiatives, so that future urban funding throughout England would be delivered through a single programme (Stewart 1994a 1994b; Ward 1995). Secondly, one of the prerequisites of receiving SRB Challenge Fund monies was that local programmes would be delivered through integrated local partnerships, drawn from the public, voluntary and private sectors (DoE 1995). Finally, the SRB was to be administered and delivered by newly formed Integrated Regional Offices (now Government Offices, hereafter GOs) (cf. Mawson and Spencer 1997).³ Recently, the responsibility for coordinating urban policy in the English regions has been transferred to the newly created Regional Development Agencies (hereafter RDAs) (DETR 1997).

Coordinating urban and regional governance or (re)governing localities: the case of the West Midlands?

The UK government's SRB programme reveals a number of interesting issues concerning both governance and meta-governance. In terms of the former, the SRB has actively sought to promulgate and intensify the principles and practices of governance. In addition to promoting governance systems, however, the SRB has also introduced a series of new, or reconstituted systems of government through which urban governance is being more carefully managed and coordinated. This final section considers how the reconstituted governance and governmental structures evident in the SRB have actually affected the delivery of urban policy in the West Midlands.

As outlined in the previous section, the government's SRB programme has sought to improve the integration of urban policy in England through the attenuation of governance. In the West Midlands, for example, the SRB has stimulated the development of new systems of horizontal coordination and multi-agency working. Between 1995 and 1999, 72 SRB partnerships were established in the West Midlands. Due to the scale of these partnerships and their engagement with the voluntary and community sectors, SRB partnerships in the West Midlands were heralded as a new brand of more open and strategic governance (DETR 1998). Despite the positive rhetoric and sanguine expectations that surround SRB partnerships in the West Midlands, it appears that the motivations behind these partnerships belie many of the ideals of governance. Consequently, rather than being forged through a common concern for growth and development within urban areas, or indeed a desire to coordinate public policy more effectively, it appears, talking to SRB project managers, that the impetus for at least some SRB partnerships in the Midlands was more narrowly defined around the short-term gaining of public funds:

I would say that there is a lot more partnership working; you are right the City Council didn't work totally in isolation beforehand, but I think that it is working more with others now *because that's one of the ways to get money*. I have my own views about how realistic some of that partnership working is, sometimes when it comes down particularly to working with residents, I would say that it is not always as good as the rhetoric sounds . . . so I would say that the City Council is probably better at working with certain organisations than with some of the residents' and voluntary groups. (SRB Project Manager 1999, emphasis added)

The constricted financial motivations that often inform SRB partnerships have led some working on partnerships in the West Midlands to question their value and status as new political structures and to criticize the lack of motivation that often surrounds partnership operations.

Much has already been written on the cynical use of partnership networks as a way of gaining state funding, and the impacts that this process has on the democratic and integrative capacity of partnerships (cf. Oatley 1995; Ward 1997). Crucially, however, these accounts have developed a critique of the SRB programme that is grounded predominantly in an analysis of the horizontal power networks - or governance - of the SRB partnerships. This paper asserts that the apparent failings of SRB partnerships are not an exclusive

symptom of local motivational structures, but must also be understood in relation to the structures of hierarchical control - or metagovernance - within which these partnership and motivational frameworks are being forged and managed.

Meta-governance stresses the importance of being aware of the persistent influence, or 'shadow' of hierarchy in the politics of governance. Consequently, this paper claims that it is crucial to position the modes of local horizontal coordination associated with the SRB programme in the context of the concomitant emergence of new governmental forms and hierarchical structures as part of the same initiative. In the case of the SRB in the West Midlands, the shadow of hierarchy and vertical coordination has been cast most clearly by the Government Office for West Midlands and Advantage West Midlands (the Regional Development Agency). Although initially described and justified by central government as new ways of developing greater sensitivity towards the needs of urban communities, the Government Office for the West Midlands and Advantage West Midlands appear instead to have intensified the governing capacity of the British state in the region. The governmental role of the GO, and subsequently the RDA, in the West Midlands is perhaps expressed most clearly in the sentiments of a regeneration officer in the Government Office in the West Midlands:

We were very clearly told at the time, under the previous [Conservative] administration when we [the GO] were integrated, that we were here to deliver government services and that we were not you know a regional tier of government, and that was constitutionally quite right and indeed that is still the case – we are focused on *representing Whitehall in the region*. (Government Office for the West Midlands Region representative 1999, emphasis added)

Far from being 'champions' of regional, or even local causes, the GO and RDA in the West Midlands appear to represent an expression of Whitehall bureaucracy in the region. As a regional armature of the British state, the hierarchical influence of the Government Office and RDA over SRB partnerships is evident in two main ways:

1. the ability of the GO, and now the RDA, to select, ratify or rebuff local applications for urban funding; and
2. the role of the GO, and now the RDA, in monitoring and regulating the work of SRB partnerships once urban funding has been granted. The role of the GO and RDA as arbitrators - who in conjunction with central government establish the rules for the SRB bidding process and then decide who receives state funding - supports Jessop's (1997) assertion that within systems of meta-governance, key political authorities emerge, who both establish the *ground rules* of governance and arbitrate over funding conflicts.

According to one representative of the GO in the West Midlands, it was the geographically inscribed 'governing capacity' of the GO that actually made the creation of local SRB partnerships a feasible option for the British state:

. . . we have become more intrusive I think from the point of view of partnerships, in terms of wanting assurances about their systems and doing spot checks on this and

that, and that really is in response to national audit demands and you get you know these incredible sensitivities that ministers and permanent secretaries have about these things . . . That sort of risk averse culture is very strong and in an area like the SRB and indeed most regeneration initiatives you are always trying to get the balance right. (Government Office for the West Midlands Region 1999)

It appears that the GO in the West Midlands had a crucial role in ameliorating the 'risks' (perceived or otherwise) involved in devolving new responsibilities to local SRB partnerships. In this way the GO appears to have provided a more legitimate and indeed efficacious shadow of hierarchy - than, for instance, the central state bureaucracy - through which to carry out the complex 'negotiations' surrounding the government of governance regimes.

Significantly, it was hoped that the transfer of responsibility for the SRB from the GO to the RDA would create a less interventionist system of administration in the region. With less staff and a generally more entrepreneurial ethos, many people working in local SRB partnerships in the West Midlands anticipated more freedom to respond to local needs under RDA management. In reality, however, it appears that the RDA in the West Midlands has actually increased the rigour with which individual partnerships are vetted and monitored:

. . . I have no problems with the approach the RDA want to take, but they haven't been up front in saying that there is going to be a change in rigour. We will improve our systems if we are told, but without being told, you know we have previously been told that everything is fine and then it is like giving the schoolwork back to the kid, if you don't tell them something is wrong they are going to keep submitting things . . . (Local Authority Urban Regeneration Officer 1999)

The increasing severity with which Advantage West Midlands appears to be managing local partnerships has in the classic languages of meta-governance theory, led to them being likened to a policeman or referee by those working in urban partnerships in the West Midlands:

. . . I think, well with regeneration partnerships as they are currently constructed and that is that you do not know whether . . . Advantage West Midlands are acting as policemen or are being a partner. They have actually got to be one or the other, if they are being a policeman they aren't going to achieve being a partner and they have got to be sort of an impartial arbiter and referee, but if they are to be a partner, then under taking this sort of policeman role isn't that appropriate . . . (SRB Partnership Chair 1999)

The Government Office and Regional Development Agency in the West Midlands clearly exhibit many authoritarian tendencies in the marshalling of individual SRB partnerships. Despite the role of the GO and RDA in governing the institutions of governance, however, it would be theoretically pernicious to simply read-off changes in the nature and form of public policy in the region from these political structures. Theories of meta-governance stress the importance of considering the interactions that continually ebb and flow between

government and governance, and the contingent (im)balances that are created during the dialectic interplay between systems of hierarchy and self-coordination. In this sense, it is interesting that in the West Midlands, the *embedding* of partnerships within the hierarchical structures of the GO and RDA appears to have supported coordination and cooperation within local SRB networks and helped ameliorate potential governance conflicts. The hierarchical control of the GO and RDA over the SRB appears to have assisted local SRB networks in the West Midlands in two ways. Firstly, by offering a definite source of advice for local partnerships, the GO has helped local groups forge alliances around key local priorities - generally these priorities reflect the kinds of issues they feel they are most likely to get funding to address from the GO and RDA. Secondly, the threat of GO and RDA intervention has often been used strategically by SRB partners as a way of motivating other agencies within their schemes into action. According to a representative of the GO in the West Midlands, the use of yellow cards (official GO warnings to failing schemes) by the GO (see Table 1) has helped local partnership managers to sustain the long-term participation of individual partnership agencies within SRB schemes:

Yellow cards have often been very useful for partnerships who have welcomed them. If you are an harassed Chief Executive of a scheme and you are finding it extremely difficult to get a particular partner to deliver, you can *beat them up with a yellow card* and say because you are not doing this, the rest of us are under threat, and funding for the scheme as a whole might be withdrawn - we need you to get your act together. So tactically it has been very welcome. (Government Office for the West Midlands representative 1999, emphasis added)

The strategic exploitation of the threat of GO or RDA intervention by local agencies appears to have helped in the self-coordination of SRB partnerships. By virtue of being embedded within a reasonably definitive authoritarian structure, local SRB partnerships have been able to develop a distinctive moral geography around participation within and commitment towards urban community problems.

Table 1 Mechanisms for Government Office control and management of SRB partnerships in the West Midlands region

Government Office operations Governmental techniques

1. Strategic frameworks and guidance:	Bidding guidance. Regional regeneration strategies. Re-drafting SRB bid submissions. Financial control of annual SRB fund release.
2. Monitoring and assessment:	Quarterly review statements. Annual reports. Milestone checks. Outputs measurement (key indicators). Management system audits. Information technology and SRB databases. Delivery plans. Delivery statements.

3. Fear and discipline:	Calling in of individual projects. Competitive bidding. Red and Yellow Cards. Financial claw-back. Designation of an accountable body. Project appraisal.
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Although the flow of GO and subsequent RDA authority through SRB partnership has enhanced local coordination capacities in some ways, a closer look at the scale and intensity of intervention practised by the GO and RDA in the West Midlands reveals that these organizations have severely inhibited many of the liberties of local partnerships. Table 1 highlights the different mechanisms of governmental control that have been used by the Government Office for the West Midlands Region and Advantage West Midlands. As Table 1 illustrates, the organization of self-organizational networks within the SRB programmes has been facilitated by three broad mechanisms:

1. monitoring and assessment procedures;
2. the production of strategic frameworks and guidance notes; and
3. the use of tactics of fear and discipline. These multifaceted procedures have enhanced what Scharpf describes as 'the government's power to approve or ratify' the self-organization of political networks, not only at their inception, but also throughout their entire existence (1994, 41).

Through strategic frameworks like the Regional Regeneration Framework for the West Midlands, produced by the GO and the Regional Economic Strategy for the West Midlands (Advantage West Midlands 1999), developed by the RDA, governmental authorities in the West Midlands have been able to establish clear parameters within which local partners receive funding, and ensure a strategic fit between local projects (see Table 1). Forged within these ideological blueprints of regeneration, local partnerships are then carefully monitored throughout their operative lifespans through a bewildering array of administrative procedures and control mechanisms wielded by the GO and RDA. These administrative checks operate on a variety of temporal scales which range from Annual Reports to more regular checks on agreed project milestones, Quarterly Reports and the random 'calling in' of individual projects for spot-checks (see Table 1). A significant effect of these rigorous administrative checks and reports is that the GO and RDA are able to obtain a monopoly over organizational intelligence, which is a vital facet in the effective functioning of meta-governance systems (cf. Jessop 1997). The strategic frameworks and monitoring procedures used by the GO and RDA when managing SRB partnerships are supported by a series of tactics of fear and discipline (see Table 1). At one level, the fact that SRB monies are allocated on a competitive basis ensures a degree of discipline and associated conformity in relation to the types of objectives and priorities that local partners identify. Beyond the use of competition as a disciplining force, however, both the GO and RDA in the West Midlands have deployed more directly punitive strategies to control inefficient or failing partnerships. As previously discussed, Red and Yellow Cards provide one corrective strategy through which to control partnerships, but perhaps a more effective tactic has been the enactment of financial 'claw-back' procedures, through which projects failing to

deliver on agreed objectives or mis-spending finances have money reclaimed from their programme (see Table 1).

Collectively, these mechanisms of meta-governance appear to be causing power and influence to ebb from local partnerships in the West Midlands. At a bureaucratic level, the careful monitoring and control of partnership 'outputs' through Quarterly/Annual Report assessments have made it difficult for local partnerships to respond to emerging local needs, as they continue to be 'locked into' the rigid commitments they initially agreed with the GO or RDA. Furthermore, many working in local partnerships claim that the bureaucratic burden, which is placed upon them by the GO and RDA monitoring procedures, is deflecting important time and resources from the actual projects that they are supposed to be delivering. Considering the interactions between the new structures of government and governance that have been set in motion as part of the SRB programme in the West Midlands Region, it appears that the procedures and practices of meta-governance are currently facilitating hierarchical rule, not local self-determination in the policy decision-making process. This is not to claim, however, that hierarchical government and rule are being achieved through the exercise of 'absolute' governmental power. Rather that through the practices associated with meta-governance, hierarchical rule is being realized and, more importantly, legitimated within existing structures of governance.

Conclusion - applying meta-governance

While contemporary work on political economy has predominantly focused upon the purported transition from government to governance, the notion of metagovernance sensitizes us to a related set of transitions, those from government to meta-governance (Jessop 2001, 17). Drawing upon the example of urban policy reform in the West Midlands region, this paper has explored the ways in which theories of metagovernance can assist in the interpretation of political and economic change. In the case of the Government Office for the West Midlands and Advantage West Midlands, the idea of meta-governance illustrates how new forms of macro-organizational power, constituted in this case at a sub-national regional scale, are emerging alongside new governance structures. Moreover, the meta-governance perspective adopted by this paper has also revealed the ways in which the shadow of hierarchical power is both assisting the formation of local political networks while simultaneously threatening and inhibiting the autonomy of these networked structures. In this way, it is possible to see how the rigidities of governmental power are choking and constraining the flexibilities that are conventionally associated with self-organizational networks.

While focusing on local partnerships and regional government in the West Midlands, this paper asserts that studying the dialectics of horizontal and vertical political coordination should be a central consideration in contemporary work on political and economic devolution in Britain and other countries. This paper has attempted to contribute to an initial analysis of these emerging dialectics, but perhaps it is time to delve more deeply into the shadowy and increasingly obscured world of political hierarchy.

Notes

1 Jessop's notion of meta-governance draws upon work within the fields of institutional economics (Hodgson 1988), systems theory (Luhman 1995) and political science (Dunsire 1996; Scharpf 1994) on the 'structuring' of inter-reactions within systems of self-coordination, as well as Karl Polanyi's (1944) analysis of 'haute finance' (see Jessop 2001).

2 In terms of hierarchical patterns of control, Scharpf claims that effective coordination is inhibited by two factors: the *motivational problem* - or the difficulty of creating inducements that will 'reconcile duties with the self-interests' of organizations and institutions initiating a joint-venture; and *the information problem* - the difficulties involved in *abstracting* local information upon which governmental decision-making can be based (Scharpf 1994, 31-4; see also Scott 1998, Ch. 1). According to Scharpf, 'horizontal' forms of 'self-coordination' also encounter serious difficulties when attempting to harmonize political action, because of the conflicts which arise when numerous parties try to 'define a joint course of action which maximises their aggregate welfare', and moreover attempt to 'agree on the distribution of benefits and costs' (1994, 35).

3 Essentially, the creation of GOs enabled the amalgamation of the regionally based activities of the Department of Education; the Department of Employment (now Collectively the Department for Education and Employment DfEE); the erstwhile Department of the Environment; and the Department of Trade and Industry. While the GOs were responsible for more than just the delivery of the SRB in the English regions, a significant amount of their time was devoted to working with local partnerships in the development of local SRB programmes, choosing the SRB bids that were to receive funding, and then monitoring successful projects once operationalized (DoE 1995).

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