

Useful Friends in high Places. How do Party-Networks steer urban economic Development Policies?

Introduction:

The way in which cities conduct their economic policies seems to be determinant for the socio-economic outcome (SELLERS, 2002: 377-379). Especially in larger metropolitan areas, city governments are more than ever focussed on the promotion of their economic competitiveness (GOLDSMITH, 2005:239). But urban Governments can't do this alone, in their search for a better economic development, they also count on the active participation of non-governmental participants (LOUGHLIN, 2000: 14; LE GALES, 2002: 14; BORRAZ & LE GALES, 2005: 17). Sometimes, governmental actors limit their action and leave the implementation and financial responsibility to the other stakeholders so that new forms of governance-forms as "third party governance" arise (SALAMON, 2002: 29).

The aim of the paper is to study the way cities act for steering the local economy and the institutional setting in which this happens. This institutional setting can only be understood if cities are seen as part of a complex set of interacting levels, all having some competences on economic policy. The study will concentrate on political parties and agencies for local economic development. Both, agencies and political parties, have to be studied in a multi-level governance environment. In this paper we will focus on the institutional setting of the local leading political parties. Bridging the governance levels is one of the crucial roles of political parties. But can the way they do also explain the way in which choices at urban level are made? On the one hand, being part of a strong party-network guarantees "useful friends in high places" and enlarges the potential policy space which local councillors will be able to use. On the other hand, a tight network might leave less room for autonomous action by the local council. By comparing party and policy-networks on one hand and the way the urban economic development agencies are organised in Gent and Liège on the other, we hope to get a better grip on the characteristics of the implemented planning-instruments.

Methodological framework

The analytical framework.

In this analysis, we want to elaborate a typology for the characteristics of political parties and their position in urban networks so that we can conduct comparative research on the way these networks develop and implement economic policies in their urban context. As main characteristic for the political party, we look at the degree of institutionalisation and the autonomy of their local sections. When analysing this kind of party-behaviour, it is important to take a certain time-scale into account, so that characteristics can be attributed to the party as an institute and not as the result of a single party act in a specific circumstance. Therefore, we analyse the party institutionalisation over the past thirty years.

The party as an organisation and as an institution.

We assume that political parties are still very important in defining the socio-economic environment of the local economy. In this paper, we look at parties in the first place as organisations with a certain structure that can be seen as an "abstract entity, apart from their momentary leaders" (SARTORI, 1968: 293). This means that it is difficult to use this analytical framework for the evaluation of 'one-man parties'. In European cities, this might be no problem because we focus on larger cities with 200.000 à 500.000 inhabitants and on the leading political party which has the 'decisive power'.

We also look at parties as 'institutions', defined as regulative, normative and cultural-cognitive systems (SCOTT, 2001:51). This means that the legitimacy of their acting is not only based on their formal competences, but also on the normative and cultural-cognitive dimensions of their decision-making process (SCOTT, 2001:60).

To study parties, we rely on the important international survey on political parties, in which Janda elaborated an analytical framework to compare political parties in different national settings (JANDA, 1980: 3-173). However, we will have to check some parameters for their use in local circumstances.

Institutionalism can be operationalised by combining some organisational characteristics with the measurement of their political and governmental stability. As organisational characteristics, we look at the way leadership competition is organised and at discontinuities such as splits, mergers and name changes. The mean variation in the amount of seats they occupy in council and in their electoral support gives us an idea of their political (in)stability (JANDA, 1980: 19).

To be relevant for our research, we look at the internal organisational settings of the party institutions as a whole. The way these national parties can survive on local level as a political institution will be checked on city-council level. These external indicators of degree of institutionalisation might differ between the aggregated national level and the specific urban context.

Autonomy and capacity of local parties.

We focus on autonomy and capacity because these are two crucial dimensions for [local] authorities to develop and implement their policies (HOWLETT & RAMESH, 2003: 60). We assume that this autonomy is mostly generated by the characteristics of the political party itself, their capacity also by the institutions and agencies they created to implement their policy.

Following Janda, we measure party autonomy in terms of the access to financial and power resources (JANDA, 1980: 91) and the way local party members can decide on public spending. The power relations between the different tiers in the party organisation are important descriptive aspects of this autonomy. In the concluding part of this paper, we will relate them to the capacity of the local parties to implement local economic development policies.

The timeframe

In order to understand behaviour of local parties, we sketch the evolution of some specific party characteristics over the past thirty years. It is equally important to check this timeframe in every case-study. Mergers of municipalities or changes in electoral circumscriptions may jeopardise a comparative analysis. On the other hand, because we are interested in the actual dynamics of Urban networks, we study their actual setting.

The selection of the cases

In this paper, we pay considerable attention to the selection of the cases. As for every comparative attempt, this selection is crucial. For this research, we opt for a most-similar approach: cities which share enough characteristics, but differ in others (SARTORI, 1994:17). Industrial past, the available educational opportunities and the demographic consequences are essential urban characteristics for changing towards a more knowledge based economy (AUDRETSCH & FELDMAN, 1996 : 635). Because we want to understand how cities use their policy-space to move towards this new economy, it is important to select cases with a more or less similar past. This information we find in historical and descriptive literature on European cities. As comparative analysis should be applicable to a certain

critical number of cities, only two cities may be too little to investigate (KANTOR & SAVITCH, 2005: 137). But, as this project deals with the very first why question, we opt for the depth in this phase of the inquiry. An in-depth analysis is required to search for the urban dynamics underlying that policy-choice.

The case: a comparative analysis of the socialist party in Gent (Flanders) and in Liège (Wallonia).

Legitimizing the case:

Our case focuses on two Belgian cities: Gent in the Flanders region and Liège in the Walloon region. In Belgium, economic competences are divided on a symmetric way between the Belgian and the regional authorities since 1980. This means that both regions have equal competences. Nevertheless, the way they implement these policies and the resources they use may differ. In order to be a legitimate case, the similarities in industrial past, demographic characteristics and the educational infrastructure of Gent and Liège should be strong enough.

Liège was and is still one of the most important steel-making centres of Belgium. Steel production and manufacturing of steel goods remain very important for its economy. The city also specialises in service provision to industries and wholesale and retail trade services. Other major industries include the manufacture of weapons, textiles, paper, and chemicals. Liège possesses the third largest inland port in Europe. The transport and logistic sector is a dynamic part of Liège's economy and also biotechnology is a growing area of expertise. Whereas steelwork was the core-business of Liège in the 19th century, textile industry was it for Gent. Steelwork, car assembly and electromechanical industries, paper and chemicals came only after WWII to the city, due to the investments of multinationals, improved transport infrastructure of the channel Gent-Terneuzen and the accessibility for large cargo's. The economy of Gent is now increasingly dominated by the service sector and as in Liège, also biotechnology is a growing area of expertise (URBAN AUDIT, Cityprofiles). One can conclude that these two cities share a comparable industrial past and, maybe even more important, develop some similar economic future.

Also the demographical indicators show similarities. Both cities have a population of about 200.000 residents, in Gent on 158 km², in Liège on only 69 km². The larger urban zone on the contrary shows a different picture. The urban agglomeration of Gent is only 537 km² with 400.000 inhabitants while the agglomeration of Liège is 1055 km² and can count on 625.000 inhabitants. Both cities also have an important public university within their city centers. Their educational profiles cover the whole academic range. In Gent, the university ensures formation for about 22.000 students, in Liège for 16.000.

The economic characteristics show the greatest differences. The 24% unemployment rate in Liège (FOREM, 2007) is more than twice as high as the 10% unemployment rate in Gent (VDAB, 2007) and the GDP per head in Liège is only 72 % (€ 19.566) of the GDP per head in Gent (€ 27.066).

As mentioned above, we need to check our thirty-year timescale for local circumstances. In these cases, 1976/1977 seems to be an adequate starting point. In 1976, there was an important reorganisation of the communities in Belgium as the number of administrative entities diminished from 2359 to 596. For urban areas and for the socialist party in particular, the mergers of the city-centre with the surrounding suburbs had important consequences. As these suburbs were (and still are) mostly populated by labourers, their electorate growth and their position in city-hall was empowered. Very important for our timescale is that since then, there were no more changes in the administrative borders of the communities. A second

reason why 1977 is an interesting starting point is that the communitarian split of the socialist party was prepared. In 1978, this split was a political fact and since then these two parties developed their own policies. A last reason why to take 1977 is because since mid the seventies, the pressure on local politicians to come with answers to the changed socio-economic reality increased. The international economic crisis had important consequences for social problems of poverty cities were dealing with.

The socialist party in Gent and in Liège: a comparative analysis.

1. The degree of institutionalism of the socialist party in Gent and in Liège.

Internal organisational characteristics: name change of the party and leadership competition.

Since the Belgian socialist party was founded in 1885, there were only a few name changes. The first appeared in 1945, after WWII because of the '*wrong*' position of their president '*Hendrik de Man*' during German occupation. "Parti Ouvrier Belge – Belgische Werklieden Partij (P.O.B.-B.W.P.)" became "Parti Socialiste Belge – Belgische Socialistische Partij (P.S.B.-B.S.P)". After WWII, and more particular in the industrialised area of Liège, there was a growing claim for more autonomous regional structures. This Walloon claim for more economic autonomy was reinforced by a Flemish claim for more cultural autonomy end sixties. Since 1971, one year after the creation of autonomous communities in Belgium, the leadership of the socialist party was organised by a co-presidentship between a Flemish and a Walloon president. In 1977, the government, of which the socialists were part of, failed to solve the communitarian problems and as consequence, the split of the Belgian Socialist Party in to a Flemish party, Socialistische Partij (S.P.) and a Walloon Party, Parti Socialiste (P.S.) became inevitably in 1978 (BREPOELS e.a., 1985).

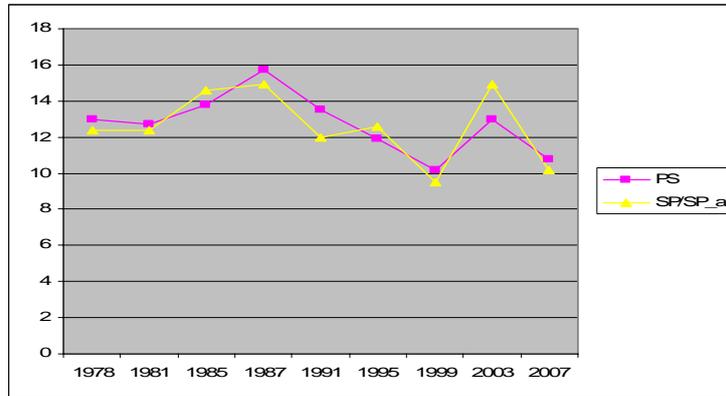
Since then, there was only one more name change at the Flemish side: S.P. became 'SP.a' "Socialistische Partij anders" (means: Socialist Party different). The addition of 'different' means that there was a problem with the former Socialist Party (bribery and unorthodox party finances). If we would apply Janda's criteria in a strict way, we could say this was only a minor name shift (JANDA, 1980:22). But if we look at the logo on the website, we see that it doesn't mention the official name of the party under the SP.a-logo, but a total different name for the movement: "Sociaal Progressief alternatief", in which even the word 'socialist' disappeared (Website SP.a_Logo). In Wallonia, the socialist party didn't change their name any more since 1978. On local level however, they merged with a nationalist-party, the "Rassemblement Populaire Wallon" and in 1982 they presented to the electorate under a common name: Rassemblement de Progressistes et Socialistes Wallon (RPSW). After the 1982 elections, they merged completely (MABILLE: 2005:24).

The way leadership competition is organised is another indicator for the degree of institutionalism of the party. The more leadership changes and the more open these elections are organised, the more institutionalised the party. In our case, we see that both parties evolved towards a more open way of electing their leaders, at least formally. In practice we see that at both sides, the socialists party-leaders decide on the leadership and that it quasi never appears that a new candidate challenges the incumbent one in an open and transparent way. As they both also had several shifts in leadership over the past 30 years, the conclusion for this characteristic is that we can't see any meaningful difference between the socialist party in Flanders and in Wallonia.

Over all, we see that on basis of the internal organisation of the party, the PS should be more institutionalised than the SP.a. In the next section, we check this difference for an external party characteristic: the political and governmental stability.

External manifestation of institutionalisation : the electoral stability of the socialist party.

In Graph. N° 1 we see the evolution of the electorate of the socialist party in Flanders and Wallonia. It's amazing how parallel the results are for these parties in the two total different communities, especially if we take into account that even the media are completely separated between the communities in Belgium. If we calculate the relative standard deviation over the last thirty years (Tabel 1), we see that this indicator is smaller for the PS (0,12) than for the SP.a (0,14), which means that PS might be more institutionalised than SP.a for this indicator.



Graph 1: electoral results for the federal chamber in % votes for PS and SP.a between 1978 and 2007.

jaar	federale kamer										STDEV	Rel STDEV
	1978	1981	1985	1987	1991	1995	1999	2003	2007			
PS	13	12,7	13,8	15,7	13,5	11,9	10,2	13	10,8	1,55	0,12	
SP/SP_a	12,4	14,6	14,9	12	12,6	9,5	14,9	10,2	1,84	0,14		

Tabel 1: calculation of electoral instability of PS and SP.a in Chamber by relative standard deviation

Because we want so study institutionalism of political parties with the aim to understand their behaviour in urban policy networks, we check this indicator also for the local elections in Gent and in Liège. Besides the fact that the socialist electorate is bigger in Liège, the parallelism between the two parties in success and failure over time is also clear on urban level. The higher degree of institutionalism of the PS we found on national level, is also confirmed on urban level. (Tabel 2)

Jaar	1976	1982	1988	1994	2000	2006	STDEV	Mean	Rel STDEV	
Luik	37	40,75	40,08	32,55	34,83	37,97	3,12	37,196	0,084	
Gent	23,36	25,76	27,66	21,81	25,07	31,58°	3,44	25,873	0,133	
									Gent more instable	58 %

Tabel 2: calculation of electoral instability of PS in Liège and SP.a in Gent

General conclusion for institutionalism of socialist Party in Gent and in Liège:

Both parties are very institutionalised. Nevertheless, two of three criteria indicate that the PS is a more institutionalised party in Liège than the SP.a is in Gent. Only the indicator on leadership competition gives no discretionary information in this case.

2. Autonomy and concentration of power within the party.

An important indicator for autonomy of a political party is the way their party finances are organised. Since 1989, this is regulated by law and all groups in Parliament are financed by public money. On the other hand, private sponsoring of political parties is quasi forbidden and they all have to make their budgets and accounts public in annual-rapports. If we compare these budgets for the year 2005, we notice that PS and SP.a have a similar access to external finances. Public Money counts for 70% of the budget of the PS and for 75% for SP.a. Income from membership supports the SP.a only for 4%, the PS for almost 9%. Both parties spend almost the same proportion (30%) of their financial resources to their local party units (SENAAT, 2005). This indicator shows little difference between the two parties in our case.

The way power is divided between the central leadership and the other components of the party gives us however more information. Both parties are organised around three-level structure. A central (national), an intermedium (federation or provincial) level and the local units. The main centre of power for the PS lies in this intermedium level, in the 14 regional federations. The important role of this federations becomes clear if we compare the party statutes. The most important decision institute of both parties is the Congress. In the PS, the members of that congress are representatives from the regional federations, of which the federation of Liège is good for one third of vote power (DEMOLIN, 1988: 67), whereas at the SP.a that congress is formed by representatives of the local sections. The composition of the executive 'Bureau' follows the same logic: in the PS this organ is composed by representatives of the federations, at the SP.a, by representatives of 16 local units. This importance of the federations is also reflected in the spending pattern for staff personnel which is responsible for 26% of the spending for SP.a, but 37% for the PS. Of this personnel, the PS has 18,79 FTE on the level of the federations, the SP.a has no personnel on their pay roll for this intermedium level. Almost all the personnel of the SP.a is active at the national level.

Autonomous spending of public financial resources.

Apart from the access to party finances, the access of local politicians to public spending might be as important to indicate the autonomy of the local decision makers. In Belgium, cities can use financial resources they collect within their own responsibilities (local taxes, retributions for service delivery), public money (funds) they get from central government for organising their tasks as decentralised authorities and grants. The money they collected themselves, they can use as they want and for the spending of that money they are only accountable to the city-council. The grants, they have to spend for the execution of specific tasks or projects the central government find important. Funds they can use in a more discretionary way, but not for anything they want. Often, an approval of central government is required before they can spend it. In Belgium, local governments get 45,1 % of local taxes and 4,3% income out of service delivery. Funds are good for 21,4 % of their means and grants for 21,1 % (DEXIA, 2003:22) Because cities don't have total discretionary power on funds, we count this funds only for half in the calculation of an indicator for local financial autonomy, local taxes and income from service delivery count for the full amount. For Belgium, this autonomy was 60% in 2003.

As some regions may give more public money to local authorities as others, this indicator can be very different between regions. But the financial discretionary power can also vary between the cities themselves. This indicator of financial autonomy for Gent is 56% (GENT, Budget 2006), for Liège only 42% (LIEGE, Budget 2006). This lower autonomy for cities can be explained by the lower incomes they can get out of taxes because the citizens themselves have lower revenues. This means that the political actors in Gent have more autonomy than their homologues in Liège. This aspect of autonomy enforces the more independent way the local section of the socialist party can act in Gent in comparison with the autonomy of the socialists in Liège.

Policy Instruments for local development.

1. Urban networks for economic development.

The focus on policy-networks is not new, especially not in the Anglo-Saxon liberal tradition where governments are more reluctant to intervene in socio-economic issues (HOWLETT & RAMESH, 2003: 14) . As consequence, literature on “urban growth elites” (MOLOTCH, 1988) and “urban regimes” (STONE, 2002) are mostly dealing with U.S. cities. In European context, these approaches are difficult to apply. In Europe, cities are less autonomous entities than in the U.S., they are permeable for national policies and the contextual diversity in which this happens makes comparative research very difficult (KANTOR & SAVITCH, 2005:137).

In Europe, national States have always had a more prominent role in the steering of the socio-economic politics. They elaborated specialised administrations and agencies in which formal representations of interest-groups is organised. Within these agencies or organisations, political party-members and interest groups decide on the economic policies that have to be developed. Depending on the unit of analysis, one can describe these policy-processes as neo-corporatism or neo-institutionalism. (HOWLETT & RAMESH, 2003: 43). But, as more economic competencies are evolving towards the supranational European institutions, the character of this direct influence of the national entities on the economic dynamics around cities changes. This further unification of macro-economic policy in Europe, the consequences of globalisation and the shift towards a more polycentric post-fordistic economy, make these traditional European models of explaining policy-making less useful (CLARCKE, 2006: 33-65).

Because of this shift in European setting, Stone’s “Urban Regime Theory” might be more relevant today to explain urban policy-making in Europe than it was twenty years ago. Network-approaches and the “Governance” perspective do not only highlight the institutional setting of local policy-making, but also look at the way (local) collective action mobilises fragmented resources for the realisation of common defined goals. (PIERRE, 2005: 452). These network-approaches can be seen as the European adjustment of policy-making to the new polycentric socio-economic reality. (WEGGEMAN, 2003:153).

Also Castell argues that the traditional corporate model of organisation is shifting from a vertical integration and hierarchical division of labour towards more dynamic and strategically-planned networks, based on decentralisation, participation and coordination. (CASTELL, 1996: 163) Greenwood and Hinings developed two archetypes of institutional setting of local decision making. The first one, ‘corporative organisations’, are characterised by a strong centralisation of the decision-making power, strong administrative control-functions and only few autonomy for their functional departments. The second one, ‘heteronomous professional organisations’, are characterised by less centralism and more autonomy for the functional departments. (GREENWOOD & HININGS, 1993). These two archetypes will inspire the methodology to describe the way policies are conducted in our cases Gent and Liège.

In this study we focus on networks that are involved in policy-making and policy implementation. Implementation processes may involve many important actors holding diffuse and competing goals but who have to work within government programs that require participation from numerous layers and units of government, agencies and third parties. (RIPLEY & FRANKLIN, 1987).

There are several analytical methods to collect data on the participation in urban networks but all of them are variations of a ‘snowball methodology’ by which the presumed members

of a network are asked to indicate their most important network partners. By repeating this exercise, we can delimitate the contours of such a network and we become two different data. Because the members of the network design themselves their partners, we know what kind of different partners interact with each other (density). On the other hand, the number of different actors gives us an idea of the degree of 'centralisation' around a specific group of actors. For our data collection, we follow the methodology used by Scott Gissendanner for analysing the economic policies in Dortmund and Augsburg (GISSENDANNER, 2004).

2. The Party and the local Policy- networks for economic development in Gent and Liège:

The results of this research are not complete yet but if the actual pattern is continued, some trends might be concluded. In both networks, more or less the same groups of society are represented: local, intermedium and central authorities, universities, unions, representatives of the industry and some individual entrepreneurs.

	% hits in Gent	% hits in Liège
Local authorities (politicians and administration)	48 %	11 %
Intercommunalities	0 %	17 %
Provincial politicians and administration	12 %	6 %
Politicians of central level	3 %	23 %
Total representation of authorities	63 %	44 %

A difference between Gent and Liège is that politicians of the regional and central level are more present in Liège than in Gent were almost half of the policy network consist of local politicians and local administrations. If we look at the penetration of socialist party-members, we see that this tendency is also stronger in Liège where 46% of the hits were for party-members in stead of 18% in Gent. This may lead us to the conclusion that:

- policy networks choose those politicians and administrations that have enough autonomy [and capacity] to implement the policy-proposals of the policy network.
- the more a political party is institutionalised, the more it is seen as a necessary institute to mediate in socio-economic matters.

3. Recent Urban Projects in Gent and Liège.

As the policy networks for economic development differ in the way political participants are different, we now will have a closer look at the recent urban projects they decided to implement in the two cities. As starting point in Liège we take economic relevant defined projects as described in the document "*Projets Urbains. La ville à venir Liège*" of may 2006. For Gent, we look at the actual projects in progress as defined on the website of the City administration. As we stand at the beginning of a new legislature in both cities, the follow up of this research will focus on those projects both cities defined as prior for their urban development. In this section we wander what aspects of policy development and implementation instruments we should study to understand the differences in policy between the two cities.

If we study the general goals of these urban projects, we notice that the intended effects of both cities go in the same direction. The renewal of old industrial plants in densely populated city centres is often combined with leisure and cultural accents as in the Acec-case in Gent

and *Mediacité* in Liège. Urban space for Little and Middle Plants foresee also housing for middle-income (Arbed/Terfil in Gent and Le site de Vivegnis in Liège). Older industrial sites with a specific social or cultural heritage are often re-valued as new attraction poles for beginning entrepreneurs, conserving some of the old industrial architecture or housing an urban museum on that socio-economic past (Arbed/Terfil in Gent and Site Swennen in Liège). Not surprisingly, research parks are developed in close interaction with the university. They also both have an important project of the renewal of the central station and their surroundings and consider this as important projects for improving the quality of the city centre. The fact that there are only little differences in the general goals of these projects is not so difficult to understand. First of all, as we have seen, the non governmental actors of the policy networks are more or less the same. Important industrial individuals who are active all over the world are involved and we can assume they share the same opinions on future city development. Secondly, both cities organise more and more international contests for this kind of projects. This epistemic community of project developers, urban specialists and famous architects will use similar paradigms to respond to problems the city wants to solve. If we want to understand how urban policies are affected by party networks, this agenda-setting and policy-formulation will not provide us interesting elements for comparison. On the other hand, the way cities are organised to implement these projects may give us more comparable information.

4. Agencies for project implementation.

As we have seen in the description of the policy networks, most administrations involved in this network in Gent are local ones. The city administration responsible for economic development is a very important actor in policy policy-formulation. They hold the pen in the elaboration of most policy documents. Once the city-board has decided on the projects they want to develop, they are send to their autonomous agency for implementation (AG_SOB). This agency can act as a private actor on the real estate market without a deliberation in the city council for every move they make. The responsible board of this agency consists of representatives of the city council and is chaired by an alderman. One of the main goals of this agency is to acquire the necessary control over the grounds (buying, PPP-agreements,...), to develop the projects and to manage them. They finance their activities with incomes they can make on the real estate market. For projects that are located in the harbour district, there is a similar agency for the management of the harbour. But, whereas the city administration and the implementation agency AG_SOB have different competences but share the same territory, the management and the policy making for harbour activities is developed on a more independent way within the harbour agency. The users of harbour facilities are united in a kind of quango (vzw Gentse Havenbedrijven) that serves as formalised harbour specific policy-network.

As these agencies are chaired by the responsible aldermen of the city of Gent so policy coordination can be ensured in the city board. On administrative level, this coordination can be assured because the responsible directors of these agencies are part of the management team of the city.

In contrast to Gent, the agencies for economic development active in Liège have broader territorial competences. SPI+, the agency for the development of the province of Liège is an intercommunitarian organisation in which the Provincial decision makers have an important decisive role. SPI+ has developed its activities regarding to infrastructures and real estate, provided to companies and municipalities of the province of Liege. It also offers a wide choice of support in terms of promotion, information, advice and economic matters and assures the administrative, technical and financial follow up of urban projects.

The agency responsible for port activities is probably the most local oriented development agency. As the port authorities in Gent, this agency that was founded in 1937 decides on the

exploitation of the port facilities and the economic valorisation of the territories that are managed by the port authorities. It is administrated by a board that consists half of representatives of the City and some surrounding cities and half of representatives of the Walloon Region.

Besides these operational agencies which have specific competences in economic development, the GRE-Liège (Groupement de Redéploiement Economique pour le Pays de Liège) was created in 2004 with a view to give a new impetus to the Region of Liège. Created by the Walloon Region, Arcelor and "*Avenir du Pays de Liège*", a non-profit organisation, GRE-Liège is a permanent forum uniting the living forces of the region of Liège, political leaders, employers and trade union leaders. GRE-Liège contributes its assistance to the development of innovative projects creating employment and conveying a positive image of the Region of Liège. Its main goal is to develop the agglomeration around Liège as an important economic metropolitan area. There is an important overlap between this formalised network of economic actors and the informal policy network we defined empirically.

General Conclusion:

Bridging a complex governance context is one of the crucial roles of political parties. By comparing political party networks with policy-networks on one hand and their agencies for economic development on the other, we hope to get a better grip on the way political parties steer local economy. In this paper we elaborated a methodology to compare local parties. We opted for the socialist party as they are the leading party in Gent and Liège. In Liège this party is more institutionalised than in Gent. As consequence, we find more socialists in the policy networks for economic development in Liège than in Gent: the more a political party is institutionalised, the more it is seen as a necessary institute to mediate in socio-economic matters. On the other hand, the local socialists in Gent have more autonomy to decide on policies and they have more discretionary power on the spending of public finances. These local politicians are more present in the policy network in Gent than in Liège where politicians of the regional level are predominant. Apparently, "Friends in High Places" are more effective in policy networks in Liège than in Gent. Overall, we could say that the policy networks choose those politicians that have enough decision-power to implement the policy they propose. These economic policies do not differ between the two cities as such, in global we see a similar agenda-setting. This may not surprise us as the main economic goals as well as the non-governmental participants in these policy-networks are quite similar. On the other hand, as the political as well as the administrative partners who are responsible for implementation of economic policies are very different, the implementation instruments may differ. The implementation agencies in Gent have a local focus and are steered by their local politicians, they are more locally embedded in Gent than in Liège. The functional coordination between city administration, local political decision makers and these agencies is well developed. In Liège these agencies are more oriented towards the provincial and regional governmental levels. The city administration is less predominant.

The new legislatures in both cities will now define the strategic projects they want to see implemented in the next six years. In further research, I want to study more in detail the way concrete projects are implemented in both cities. Are the regional oriented policy makers in Liège more capable to coordinate with other institutional partners than their local focussed homologues in Gent and how do both cities deal with transaction costs for this coordination? A hypothesis is that Liège may be more efficient with instruments that involve other partners, Gent might be more efficient with instruments they can steer without other partners. And what about citizen participation in these policies? One could assume that local agencies and local politicians are more sensible for participation than those on a higher level. These questions will be guiding further research.

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