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KEYNOTE ESSAY

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DOES NETWORK GOVERNANCE REALLY WORK?
EVIDENCE FROM URBAN REGENERATION IN BELGRADE AND
AMSTERDAM

In her talk at Danube Future Works #2: New Governing Models on the Danube, Dragana Kostica presented the findings of her PhD research at HafenCity University Hamburg, published as a dissertation two years ago and as an article in the Journal of Cultural Management and Policy. Comparing the regeneration of two former industrial riverfronts, Savamala in Belgrade and NDSM in Amsterdam, she asked whether network governance delivers on its promises, and found that the answer depends heavily on context.

TWO RIVERFRONTS, ONE COMPARISON

Kostica began with images of the two places. NDSM Wharf, on the River IJ in the north of Amsterdam, was once a shipyard. The shipbuilding industry went bankrupt around 1984 in the face of Japanese competition, and the area fell into neglect, home to jobless working-class people, marginalized residents and squatters. Today it is a popular place, a “sunny balcony” of the city, with outdoor community markets. Savamala lies on the Sava River, a tributary of the Danube, in the historic city of Belgrade. Its eighteenth- and nineteenth-century buildings survived the bombings of both world wars and resemble Vienna or Paris. After the Second World War, under the communists, part of it became industrial. She also showed the “ghost of Savamala,” an illegal street-art piece by Studio Križka depicting the district’s inhabitants.

The two areas share contextual similarities. Both sit on riverfronts near the city centre, and both have relic industrial spaces now activated through creativity and start-ups. They have faced similar economic and social deprivation, an undesirable reputation, unused industrial heritage and a degree of authenticity. The crucial difference is that their revitalization is embedded in different institutional and political contexts, with systematic differences in how regeneration is governed.

THE ANALYTICAL FRAMEWORK

Kostica examined urban policymaking in both cities: which actors take part, who decides and who is excluded. She also examined policy implementation, using network governance theory to determine which governance mode was present: network governance, hierarchy, market, or a hybrid. She drew on Provan and Kenis, who describe network governance as a form of multi-organizational governance that can reach goals markets and hierarchies cannot. Networks bring together public and private actors, enhance

learning, use resources more efficiently, build capacity to deal with complex problems and improve service delivery. Of the three basic forms Provan and Kenis distinguish, she named the participant-governed network, the network administrative organization and the lead-organization network. Contingencies such as network size, goal consensus, trust, flexibility, stability and internal and external legitimacy help explain what happens in each case.

Effectiveness was measured at two levels. At the network level she checked whether the policy goals officially accepted during policymaking were reached in implementation. At the community level she looked at the cost to the community, stakeholders' perception that the programme solved earlier urban problems, and cultural and economic impact.

BELGRADE: A FRAGMENTED MODE AND A WATERFRONT

In its first phase, from 2008 to 2016, Savamala became a creative quarter. The idea was to build a healthy ecosystem through culture and creativity, with hubs and start-ups whose energy would spread through the city, connect local people and professionals, build and bridge social capital, and welcome foreigners. A former municipal manager, one of the most central actors, supported this vision. Citizens were not involved in policymaking, but NGOs and community organizations knew the municipality owned about thirty industrial spaces that could be revitalized at affordable prices, and they arrived with their own resources, ideas and funding.

The policy was mainly local and lacked support from the city of Belgrade. When the municipality commissioned the faculties of architecture and economics to design a broader project, including an amphitheater, creative industries, better mobility, housing, and spaces for sports and nature, the city mayor and city architect declined to support it. It stayed an idea.

Kostica called the resulting implementation mode "fragmented," a kind of fake governance. Culture centres, art collectives, co-working spaces and design incubators arrived on their own and organically began to cluster and collaborate. Two key culture-focused actors, one of them Mikser, never collaborated because of competition between their directors. The network worked for several years, but no one brokered or looked after it. It had limited capacity and little support from the city, lacked legitimacy inside and out, and was unstable. Eventually it faded, hit by changes in jurisdiction, political change and rising rents.

Even so, its results were good. Network goals were mostly achieved, at no expense to local taxpayers, since the municipality contributed only space. The money came from those who opened organizations there. On the community level it was cost-effective and inclusive, its cultural impact was large relative to investment, its economic impact notable, and some problems were solved. This "fake network," Kostica said, produced good results for a while.

The second phase was the Belgrade Waterfront, which the national government advertises as a project of public interest, though she argued it has not proved to be. Policy goals were less coherent, with several actors opposed, but the project was easy to push because the parliamentary coalition, the president and the mayor came from the same party. It ignored the potential of the earlier network. The governance mode was hierarchy with market elements. Regulation was weak, the city gave the plot for free and invested in infrastructure, and laws were rushed through the national parliament, among them the Lex Specialis on expropriation, which obliges businesses in

Savamala to sell to the government at market price because they stand in the way of a project of national interest. The result is mostly luxury housing, green areas, shopping malls and commercial facilities. Many residents are not from Belgrade but from elsewhere in the region, such as athletes, entertainers, YouTubers and turbofolk stars. Network goals were partly fulfilled and partly not, and community effectiveness, Kostica judged, was more unfulfilled than fulfilled.

AMSTERDAM: A NETWORK ADMINISTRATIVE ORGANIZATION

The Amsterdam case began in 2000. The east of NDSM focused on culture and creativity, the west on mixed-use development. The west was not comparable to the Belgrade Waterfront, because Amsterdam imposes strict regulations on greenery, social housing (30 percent) and student housing, though it too showed strong hierarchy. In the east, by contrast, she found something resembling network governance.

Policymaking involved a more sophisticated network than in Belgrade: the city council, mayor, alderman and the then very powerful district council, the Chamber of Commerce, the Amsterdam harbor, heavy industries such as Cargill and Shell, independent experts, civil society and housing associations. Heavy industry opposed mixed use, and so did parties that backed industry and the working-class population of the north. The policy favouring mixed use nevertheless prevailed.

NDSM East houses an art incubator that grew from 150 to 250 artists and is now the biggest in Amsterdam. Its structure matches the theory of a network administrative organization: tenants, an implementing organization, a legally required board of directors serving mostly as formal consultants, and a project bureau from the city and district that advises and monitors. Network goals were mostly fulfilled in this first phase, but the network was mismanaged. An external director fulfilled some goals, but money ran out after about 20 million euros had been invested.

In the second phase the city government took the lead, introducing the NDSM World Foundation as a lead organization to coordinate the network and steer it toward the goals. It also opened new art and creative incubators, continuing the policy of diversifying culture and creative industries set about twenty years earlier. Network goals were again mostly fulfilled. Moreover, as NDSM has become a protected national monument, no development will occur there until 2030, and tenants and professional associations fought for this protection. Community effectiveness was good in economic and cultural impact and in cost to the community. The once-neglected area is now among Amsterdam's most popular, with high real-estate prices, a street art museum and many tourists.

CONCLUSIONS

Kostica concluded that urban regeneration is prone to context dependency, evident in both cases. Differences in governance stem from structural underpinnings and institutional legacies rooted in prevailing perceptions of how urban governance ought to work: what is legitimate, and how far civil society and citizens should take part in decisions. Structural underpinnings concern whether actors are connected, whether they are involved in decisions, and to what extent. This is what Amsterdam has and Belgrade lacks. In the comparison, network governance showed the greatest overall effectiveness, though she cautioned that this holds within one context. Positive outcomes appeared where the setting supports this kind of structure, which underscores the relevance of network governance theory for regenerating

former industrial areas. Hierarchy showed limited overall effectiveness: it is not inclusive and depends on private parties and a handful of political elites. The fragmented mode was effective to a great extent but with strong limitations, since nobody cares for the network and it is prone to external influences and lacks long-term stability.

She added a twist from the west of NDSM, which was handed to an investor from the start. Despite strict regulations, the investor developed slowly, waiting for the east's art associations to make the neighborhood trendy, so that flats could be sold at higher prices. A project manager told her what they were selling was the image: closeness to a cool neighborhood with nightlife and galleries.

Kostica finished with a practical recommendation. Network governance is unlikely to emerge in a context like Belgrade, which lacks developed democracy and civil society and the human and economic resources, time and energy to sustain it. She would recommend other governance modes there, and reserve network governance for contexts such as the Dutch one, or elsewhere in Central, Northern or Western Europe.