Manchester Metropolitan University

Anticipating Regional Futures? The Promises, Prospects and Pitfalls of the Basque Model

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Regional Studies Annual Conference - 17/6/26

WISERD

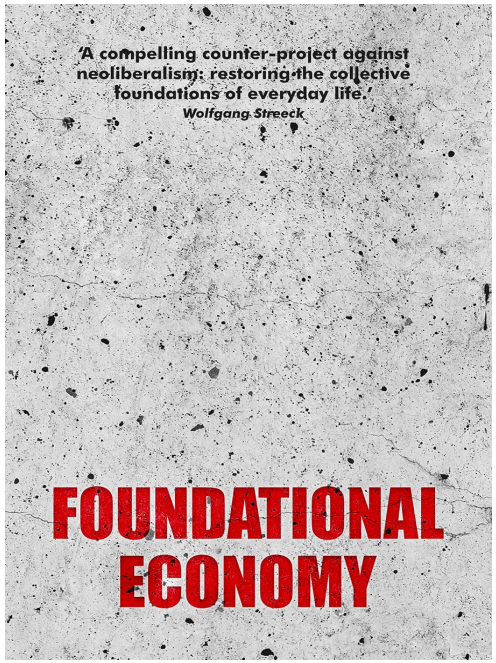
Framing the Project

- **WISERD ESRC** Research Centre Funding – Changing perspectives on Civic Stratification and Civil Repair
- **WP4.2** - Civil society, and placed based strategies for sustainable development
- Builds upon previous city region research…

  The impetus for this research is to seek out placed based solutions and experiments with social mechanisms and new institutional forms that provide the material basis for citizenship and how FE approaches can promote civic gain.

- Urban / Regional Policy Analysis in Wales, UK and Europe of interventions in Foundational sectors
- Research in specific Foundational Sectors that draws on place based social innovation approaches.





Comparing alternative development discourses across Europe

- A comparative case study approach seeking to understand how policies related to the '**Foundational Economy**' find traction in city and regional policy.
- **Case studies** across the UK and Europe – Amsterdam, Zagreb, North Wales, Barking and Dagenham (London), Cardiff Capital Region, and Bilbao/The Basque Country.
- Approach – to develop a **conjunctural methodology** to better understand responses to crises in neoliberal capitalism













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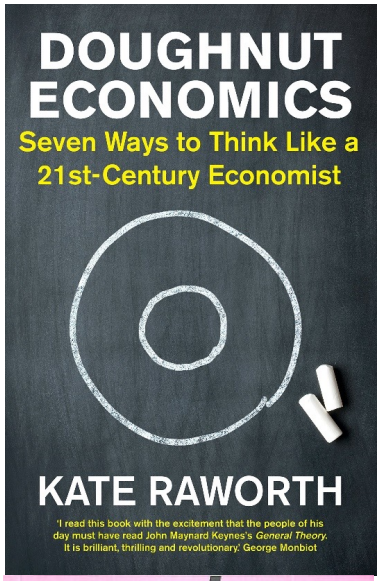
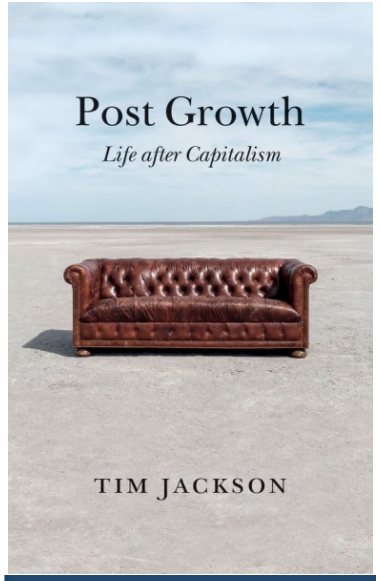
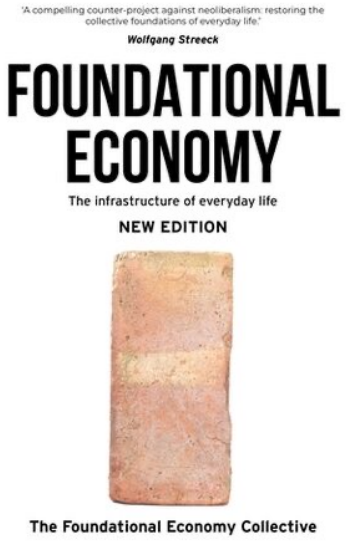
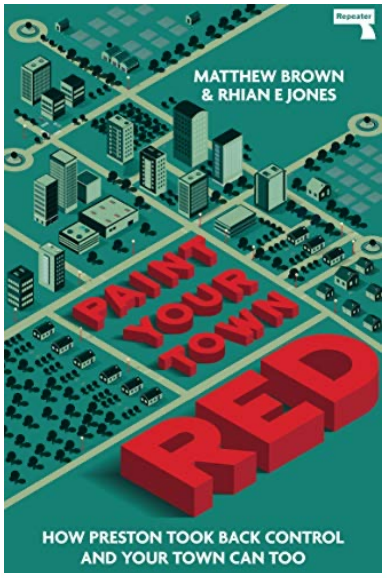
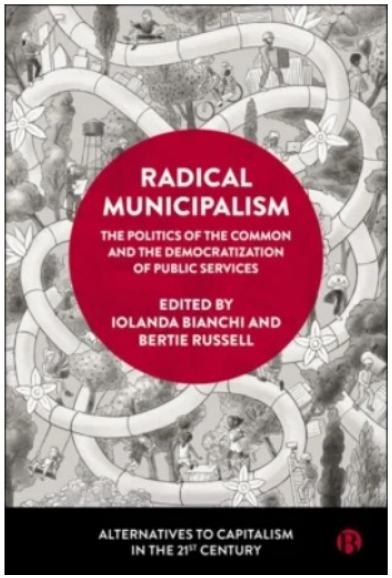
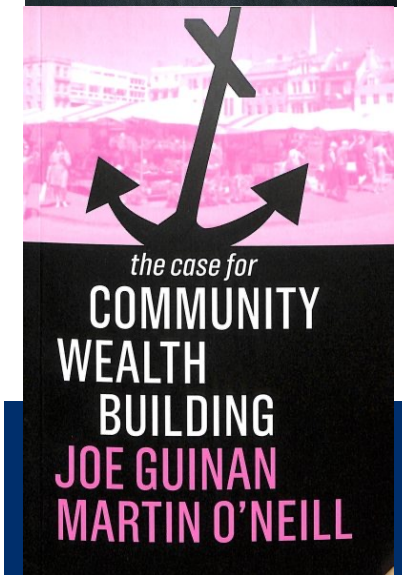

DOUGHNUT ECONOMICS
Seven Ways to Think Like a 21st-Century Economist
KATE RAWORTH
'I read this book with the excitement that the people of his day must have read John Maynard Keynes's General Theory. It is brilliant, thrilling and revolutionary.' George Monbiot


Post Growth
Life after Capitalism
TIM JACKSON

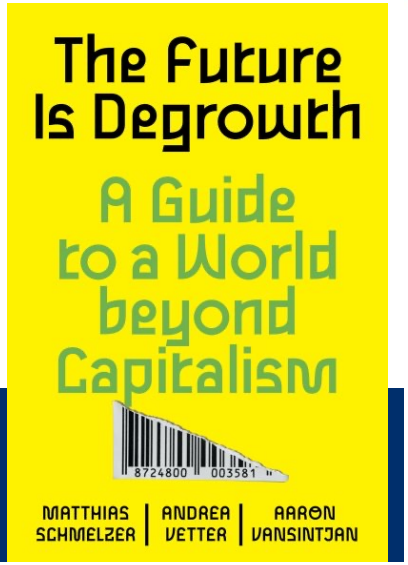

'A compelling counter-project against neoliberalism: restoring the collective foundations of everyday life.'
Wolfgang Streeck
FOUNDATIONAL ECONOMY
The infrastructure of everyday life
NEW EDITION
The Foundational Economy Collective

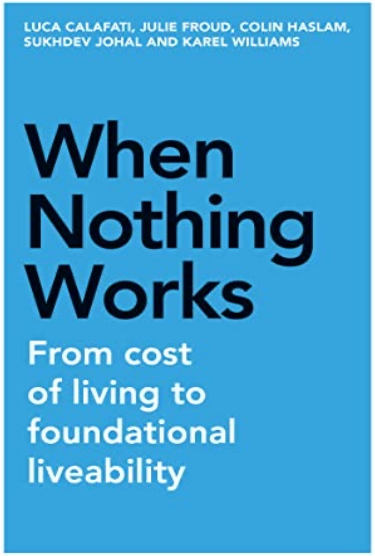

MATTHEW BROWN & RHIAN E JONES
PAINT YOUR TOWN RED
HOW PRESTON TOOK BACK CONTROL AND YOUR TOWN CAN TOO

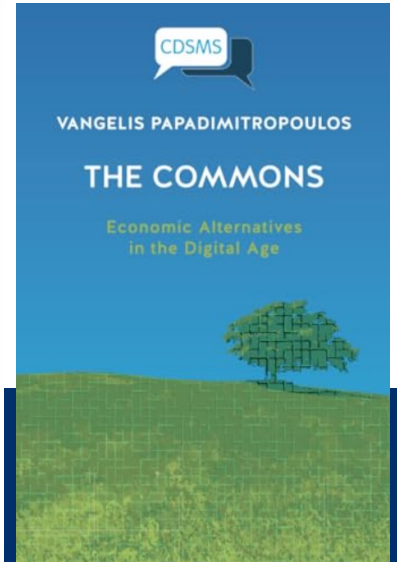

RADICAL MUNICIPALISM
THE POLITICS OF THE COMMON AND THE DEMOCRATIZATION OF PUBLIC SERVICES
EDITED BY IOLANDA BIANCHI AND BERTIE RUSSELL
ALTERNATIVES TO CAPITALISM IN THE 21ST CENTURY


the case for
COMMUNITY WEALTH BUILDING
JOE GUINAN
MARTIN O'NEILL


'All those in favour of a better future should read this book'
GUARDIAN
MARIANA MAZZUCATO
MISSION ECONOMY
A Moonshot Guide to Changing Capitalism


The Future Is Degrowth
A Guide to a World beyond Capitalism
MATTHIAS SCHMELZER | ANDREA VETTER | AARON VANSINTJAN


LUCA CALAFATI, JULIE FROUD, COLIN HASLAM, SUKHDEV JOHAL AND KAREL WILLIAMS
When Nothing Works
From cost of living to foundational liveability


CDSMS
VANGELIS PAPADIMITROPOULOS
THE COMMONS
Economic Alternatives in the Digital Age

Diverse related alternatives

- Caring/care economy
- Commons and commoning
- Community or diverse economies
- Community wealth building
- Cooperativism
- Circular economies
- Degrowth and postgrowth
- Diverse Economies
- Doughnut economics
- Economic Democracy
- **Foundational/everyday/essential economy**
- Inclusive economy/growth
- Municipalism
- Social and solidarity economy
- Wellbeing economy



The Basque Model

- The Basque model stands in contrast to the fragmentation and polarisation increasingly characteristic of regional trajectories elsewhere in Europe (Morgan et al., 2020).
- Core to the Basque model's relative success is:
  - Highly institutionalised industrial strategy promoting territorial cohesion, fiscal autonomy (Agirreazkuenaga & Alonso 2014; Uriarte 2015).
  - Advanced industrial clusters (Konstantynova 2017; Porter 1985).
  - Strong cooperative ecosystems (Calzada 2013; Las Heras et al., 2025).
  - Collective entrepreneurship (Morgan, 2016)
  - Maintenance of social welfare provision (Arrillaga, 2025).
  - Twin importance of 'national' identity of Basque language and culture (Arrillaga 2025).
  - Full fiscal devolution within the Spanish State (Jordana, 2019).
- Anchored by the globally visible urban-entrepreneurial transformation of Bilbao – bolstered by the globally circulating fast policy model of post-industrial culture-led urban regeneration, the 'Guggenheim effect' (González, 2011; Lekue & Telleria, 2025).

Polycrisis

- Whether or not all these strands can be stitched together to form a distinctive Basque ‘model’, the resilience of this formation is increasingly under strain.
- Hailed as both exemplary and exportable (Castells 1996; Breznitz 2021), it now faces new turbulence that tests its adaptability.
- A global polycrisis:
    - Climate breakdown
    - Digital disruption
    - Geopolitical turbulence
    - Democratic backsliding
    - Demographic change
- Poses challenges to the long-term viability of inherited strategies (Martin et al., 2022; Tutton 2022).
- Political polarisation and the erosion of consensus politics destabilise the institutional arrangements that long underpinned Basque regional governance (Castells 1996; Zulaika 2024).
- Clearly, the Basque Model stands at a critical inflection point.

Anticipatory Governance

- Critical framework for navigating uncertainty and collective futures
- Tutton (2023) (drawing on Appadurai's (2013) - capacity to aspire, highlighting how marginalised groups often lack the material and cultural resources to render their visions of the future performative.
- Jasanoff's (2016) critique of technocratic futurism, where elite actors dominate the narrative space of innovation and progress, sidelining pluralistic and locally grounded imaginaries.
- We mean the set of institutional and civic practices through which actors seek to imagine, negotiate and organise collective futures under conditions of uncertainty - in the context of the Basque Country then, anticipatory governance is framed as the contestation over futurity itself.
- **Regional Development Imaginaries**
  - Collectively articulated, institutionally mediated, and politically contested visions of how regional economies should develop**.**
- **Hybridisation of Models**
  - The selective recombination of elements drawn from different development models and policy paradigms within a relatively coherent (if still contested) regional governance project.

Basque Regional Anticipatory Governance

Historical Evolution

- Multiple and Parallel Trajectories

It's a combination of many things. First is autonomy, in terms of policy, in terms of money, in terms of fiscal autonomy. [Second,] a pragmatic industrial policy; [Third,] a sort of…to put in today's terms, system-level agency, so many people from different areas, from the local government, from the industrial fabric, started to work together and they agreed on a few basic things. One was the bet on industry. (Scholar-Activist)

"In the Basque Country, there is a strong cooperative ethos, and we have a massive institutional density…although grassroots innovation is stuck given the economic orthodox view separating social and economic dimensions stemming from institutional policymakers, when cooperatives demonstrate that the juncture is actually the most innovative part of Basque society." (Digital Co-op Activist)

Basque Regional Anticipatory Governance

Pressures of Polycrisis:

Increased Global Competition:

The core of our economy depends on car manufacturing. It depends on manufacturing; our biggest taxpayers are the oil industries that are manufacturing here. So nobody is considering what happens if the current automative industry collapses in Europe. If that happens because Chinese electric manufacturing takes over, which is actually happening already, half of our economy will disappear. (Think Tank Director)

Environmental Pressure:

And how can we work with a supply chain to introduce social and environmental criteria, together with quality and price, trying to push also, all the value chain (Educationalist-Entrepreneur).

It's like we are tired of the way things have been going, so let's do things differently… It's not material needs which are triggering this change […] We are destroying the planet […and] we need to think of the sustainability of life and we need to have better lives, better environment, more time and less working hours, and let's look at other alternatives. (Scholar-Activist).

Demographic Change:

If you look at the pockets of poverty, the immigration poverty and the inequality, if you compare the average with migrant people, it's huge, a huge difference (Think Tank Director)

Basque Regional Anticipatory Governance

Emergent Imaginaries:

The Basque government, for example, now, will call it Auzolan – that is what their, let's say, brand [was]… The last Basque government, their marketing campaign was 'we are doing Auzolan', and Auzolan means 'working together', and it comes from the social construction of how farms used to operate in the Basque Country and how they would work together. So this idea that we want…to generate economic competitiveness and social impact but always trying to connecting (…) or fighting inequalities. (Think Tank Director)

Imagineers:

Because in the Basque Country there is also a tendency to 'let's hire someone to come', we say, 'guys, what we have, is actually much more interesting…we always need people to come and work with us but we need to build our own innovation platform' […] It doesn't matter if you call it 'mission' or whatever you want to call it. (Think Tank Director)

Local Politics and a Third Movement:

There is a third way of implementing cooperativism in the Basque Country: between Mondragon Cooperative Corporation and REAS, there is an emerging cooperative ethos that is being created as a living ecosystem. It is very wide and strongly influenced by foundational economy and municipalism. Although it is true that scalability is an issue. Probably a federated way in the European context would suggest a trigger, a push… (Digital Co-op Activist)

Bilbao:

"neoliberalism with a human face" (Scholar-Activist).

- Bilbao's urban regime maintains a firm grip on the city-region's future imaginaries: a strongly entrepreneurial discourse inherited from the successful years of developing the 'Bilbao effect'
- Today's megaproject for Bilbao's ongoing urban revitalisation is just downriver from the Guggenheim:
  - Zorrotzaure, whose transformation from post-industrial docks to new mixed-use smart city district, anchored by the digital innovation hub ASFabri.
- Alongside local-regional network for supporting the SSE: REAS Euskadi, the Basque Network for Alternative and Solidarity Economy.



Hernani:

- Post-industrial town of around 20,000 inhabitants within the metropolitan orbit of Donostia (San Sebastián)
- Insurgent bureaucrats within the municipal council have set about developing a distinctive municipalist model of Public-Economic-Community
- Planning of the local economy and community, which attempts to achieve 'territorial sovereignty' in foundational sectors such as energy, food, care, housing, telecommunications and local payment systems through
- Democratically-run 'sector committees', alongside 'sovereignties forums' that make collective decisions Egia-Olaizola et al., 2025).
- Hernani council governed with an absolute majority by EH Bildu, the Basque independentist left party.



Contestation and Ambiguities

Promises:

1. The Basque trajectory suggests that when anticipatory practices are anchored in durable institutions and solidaristic infrastructures, they can keep multiple futures open longer—at least compared to regions whose institutional capacities are thinner or more fragmented.

2. The Basque Model can host competing regional development imaginaries without immediate institutional rupture. Alternatives emerge not only as policy programmes but as contested visions of what the regional economy is *for* global competitiveness and export-led accumulation; foundational liveability and civil repair; municipalist sovereignty and commons-oriented experimentation.

Contestation and Ambiguities

Prospects:

1. Basque model in the face of polycrisis hinge on whether hybridisation can become a pathway to transformation rather than a holding pattern. The Basque case points to an *anticipatory pragmatism* in which institutions hedge across multiple imaginaries—foundational economy, mission economy, new municipalism—across different governance scales, without fully committing to any one paradigm shift. This is both strength and weakness.
2. A second prospect concerns the politics of scale in confederal city-regional settings. The Basque case is not simply a region; it is a city-regional nation negotiating autonomy within Spain and positioning within Europe (Calzada, 2015; Boronska-Hryniewiecka, 2016):
   - Bilbao operates as a metropolitan anchor
   - Hernani and Mondragon reveal how regional futures are negotiated across scales.
3. The Basque case can sharpen debates about anticipatory governance as political struggle rather than neutral foresight

Contestation and Ambiguities

Pitfalls:

1. Hybridity can institutionalise ambiguity and defer transformation. Anticipatory governance can open-up futures rhetorically while closing down disruptive possibilities (Muiderman et al., 2023).
    - Alternative imaginaries become performative tokens—useful for legitimacy, weak as redistributive or transformative strategy.
2. Who defines progress? Polycrisis pressures intensify distributive conflicts over which priorities count:
    - Decarbonising industry versus protecting jobs;
    - Digital sovereignty versus platform dependency;
    - Demographic adaptation versus cultural-linguistic preservation.
3. The confederal politics of small nation strategies (see Calzada, 2024):
    - City-regional autonomy can enable experimentation yet also sharpens internal tensions;
    - Municipalities may pursue sovereignty-oriented projects (Hernani Burujabe);
    - Regional institutions prioritise international competitiveness and policy credibility (Egia-Olaizola et al., 2025; Morgan et al., 2020).

Conclusion

- An ‘anticipatory precipice’ with regards imagined future directions:
  - ‘Quantum Territory’ (i.e. IBM Quantum System Two).
  - More grounded forms of socially inclusive provisioning rooted in the foundational economy.
- Reflected in political visions too:
  - PNV - more business or corporatist emphasis.
  - Bildu - more municipalist and emergent forms of governance.



- **Hybridisation**, can lead to:

  Strategic learning with institutional reflexivity

  or

  Entrench inertia

- **Fiscal Autonomy** – critically enabling but no guarantee of transformation…
- **Cooperative and municipal infrastructures**:

  Ground more inclusive and place-based transitions

  yet

  Scalability remains uneven and contingent on supportive governance frameworks



