Cambridge Journal of Regions, Economy and Society, 2026, **0**, 1–17
https://doi.org/10.1093/cjres/rsag038
Published: 10 October 2026
Manuscript

OXFORD

Anticipating regional futures? The promises, prospects and pitfalls of the Basque Model

Igor Calzada [a,b], David Beel [c], Matthew Thompson [d], Ian Rees Jones [e], and Martin Jones [f]

[a]Public Policy and Economic History Department, University of the Basque Country, Leioa, PV, Spain, igor.calzada@ehu.eus
[b]Basque Foundation for Science, Bilbao, PV, Spain, igor.calzada@ehu.eus
[c]School of Engineering and Environment, Manchester Metropolitan University, Manchester, UK, d.beel@mmu.ac.uk
[d]Bartlett School of Planning, University College London, London, UK, matt.thompson@ucl.ac.uk
[e]Social Sciences SPARK, WISERD, Cardiff University, sbarc|spark, Cardiff, UK, jonesir4@cardiff.ac.uk
[f]Staffordshire University, Stoke-on-Trent, UK, martin.jones1@staffs.ac.uk

Over the past three decades, the Basque Country has been celebrated as a balanced and inclusive model of regional development. Yet the compounding pressures of a global polycrisis—climate change, geopolitical turbulence, digital disruption and democratic backsliding—now expose its limits. This paper examines how institutions, policymakers and activists confront these challenges through anticipatory governance and contested development pathways. Drawing on 2024 fieldwork, we argue that the Basque Model illustrates both the promises and pitfalls of hybrid strategies that selectively adapt emergent imaginaries of the future. The case highlights broader lessons for rethinking anticipatory regional development in uncertain and polarised times.

Keywords anticipatory governance, regional development models, basque country, polycrisis, foundational economy, city-regions

JEL Classifications O18, P13, P16, R58

Introduction: the promises, prospects and pitfalls of the Basque Model

Over the past three decades, the Basque Country has come to symbolise a relatively balanced, economically successful and socially inclusive model of regional development. 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"—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 a highly institutionalised industrial strategy promoting territorial cohesion, fiscal autonomy (Agirreazkuenaga and Alonso, 2014; Uriarte, 2015), advanced industrial clusters (Konstantynova, 2017; Porter, 1985) and strong cooperative ecosystems (Calzada, 2013). However, compounding pressures of a global "polycrisis"—including climate breakdown, geopolitical turbulence, digital disruption and democratic backsliding—are now testing the resilience and adaptability of this model. This paper critically examines the current inflection point as an *impasse* in Basque regional development through the lens of *anticipatory governance*, engaging with how institutions, policymakers and activists are confronting present uncertainties and negotiating competing city-regional imaginaries of the future.

Drawing on 2024 fieldwork interviews, site visits and documentary analysis, we explore how prevailing and emergent trends and imperatives—around secular stagnation, demographic change, economic precarity and polarisation, political realignments and pressures for a digital and green transition—are reshaping policy agendas, creating tensions between the preservation of core developmental logics and experimentation with alternative frameworks. Rather than a paradigmatic shift, we observe a

Received: 24 December 2025. **Accepted:** 29 June 2026
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strategic and often ambiguous engagement with emergent imaginaries—such as the social solidarity economy (SSE), foundational economy, smart urbanism, mission economy and new municipalism (Egia-Olaizola et al., 2025). These models are being selectively appropriated, borrowed and reconfigured, producing a hybrid and contested development discourse. We analyse how this reflects broader struggles over what constitutes progress and who defines it, particularly in confederal city-regions and small nations navigating between tradition and transformation (Morgan et al., 2020) and between the imperial nation-state and a contested regional politics of a relatively autonomous region seeking national emancipatory strategies (Calzada, 2024).

While the paper is framed at the regional scale, our empirical strategy is deliberately anchored in Bilbao as the principal metropolitan node of the Basque Country—which is understood functionally to be a city-regional economy centred on Bilbao—complemented by selected cases within Bilbao's metropolitan orbit (e.g. Mondragón and Hernani) that illuminate distinct institutional and territorial dynamics (Calzada, 2015). Rather than treating these as isolated local examples, we approach them relationally with a city-regional scalar focus, as constitutive elements of a wider Basque development model articulated through multi-scalar governance arrangements. In this sense, Bilbao functions as both a strategic site of policy formation and a lens through which broader regional transformations crystallise and become visible, while cooperative and municipalist experiences provide insight into how alternative imaginaries are embedding themselves across the territory. This city-regional perspective enables us to trace how anticipatory governance is negotiated across scales—from local experimentation to regional coordination—within a relatively autonomous small-nation context.

We argue that the Basque Country represents a particularly salient case within the wider European context for understanding how city-regional nations are repositioning themselves within global systemic shifts. The paper reflects on the capacities—and constraints—of multi-scalar governance, cooperative infrastructures, and territorial solidarity to anchor more plural, inclusive and anticipatory regional futures. In so doing, we seek to compare unfolding developments with the rich historical record of urban and regional research on Bilbao and the Basque Country, as a critical retrospective to update, extend and depart from previous approaches to studying trajectories in the region, often allied with "territorial social innovation" and historical-institutionalist perspectives (González, 2011; González and Healey, 2005; Morgan et al., 2020; Moulaert et al., 2005). We also seek to contribute to current debates on how progressive visions of development can gain traction amidst structural uncertainty and feelings of "*futurelessness*" (Tutton, 2022), and how regions might reconcile inherited strengths with the imperative to renew and reimagine their pathways forward. The Basque case invites broader reflection on the role of place-based policy in the search for viable post-growth trajectories in polarised times.

The Basque Model has been analysed from multiple disciplinary and theoretical vantage points. For some, it reflects a distinctive historical-institutionalist pathway underpinned by multilevel governance arrangements (Boronska-Hryniewiecka, 2016), fiscal decentralisation (Agirreazkuenaga and Alonso, 2014) and state–region negotiation within Spain and Europe (Jordana, 2019). Others emphasise the contribution of the social economy and cooperative infrastructures, which remain embedded in both urban and rural localities (Arrillaga, 2025), as forms of territorial social innovation and alternative models of territorial development (Moulaert et al., 2005), also intersecting with more recent European debates on the foundational economy (Barbera and Jones, 2020; Russell et al., 2022). Attention is now turning to how Basque governance exemplifies broader patterns of civic and institutional innovation in the public healthcare system and in relation to urban artificial intelligence mobility challenges (Calzada and Eizaguirre, 2025).

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. A global "polycrisis"—comprising climate breakdown, digital disruption, geopolitical turbulence and democratic backsliding—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. While its model has long been hailed as both exemplary and exportable (Castells, 1996; Breznitz, 2021), it now faces new turbulence that tests its adaptability. This article critically assesses the promises, prospects and pitfalls of the Basque Model under these conditions. In particular, we ask: to what extent can the Basque Model sustain its resilience and inclusiveness in the face of new challenges, and how are emerging imaginaries—ranging from mission economy (Mazzucato, 2021) and the foundational economy (Barbera and Jones, 2020; Russell et al., 2022) to new municipalist experiments (Egia-Olaizola et al., 2025)—being selectively appropriated, hybridised or contested?

To address these questions, we adopt the lens of *anticipatory governance*, which emphasises how institutions and civic actors engage with uncertainty, negotiate com-

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peting futures and embed reflexivity into decision-making (Lundvall, 1992; Tutton, 2022). In the Basque context, anticipatory governance is visible in efforts to experiment with place-based policy tools (Valdaliso and Andrés, 2025), manage digital inclusion (Calzada and Eizaguirre, 2025) and reconfigure fiscal and territorial arrangements (Agirreazkuenaga and Alonso, 2014; Uriarte, 2015). At the same time, the tensions between preservation and innovation highlight the pitfalls of hybridisation: rather than paradigmatic shifts, the Basque Model often evolves through incremental and ambiguous adaptations (Nelson, 1977).

Such existing work on anticipatory governance has shown how institutions use foresight, scenario-building and future-oriented planning to manage uncertainty, but less has been said about how anticipatory practices are negotiated in territorially differentiated political economies marked by multi-scalar governance, hybrid development models and competing imaginaries of progress. Likewise, while studies of the Basque Country have examined regional resilience, institutional capacity and cooperative development, less attention has been paid to how the region confronts polycrisis through contested forms of future-making. This paper addresses that gap by bringing anticipatory governance into dialogue with regional development and city-regional politics. We argue that anticipatory governance in the Basque case is best understood not as a technocratic capacity for foresight, but as a politically contested process of hybridisation through which institutions and civic actors selectively negotiate competing futures across scales (Jonas and Ward, 2007).

Conceptually, the paper approaches anticipatory governance in a twofold way: as a mode of public management through which institutions seek to organise uncertainty, and as a contested process of regional transformation through which civic and political actors struggle over the authority to define desirable futures. This framing allows us to connect debates in governance and futures studies with geographical political economy, while clarifying how regional development imaginaries and hybridisation operate as politically mediated processes rather than merely technical policy adjustments. As such, the paper seeks to illuminate insights into the limitations of hybridisation, the importance of fiscal and institutional autonomy in devolved settings, and the challenges of scalability for progressive place-based articulations of municipal and cooperativist approaches to development. The paper points towards the importance of pluralist and inclusive approaches to development in regions and small nations that need to move beyond orthodox growth models that are themselves bound up with polycrisis.

The paper proceeds as follows. The next section outlines the theoretical and conceptual framework, elaborating on *anticipatory governance*, regional imaginaries and the hybridisation of development models. We then describe the methodology, situating the Basque case within a broader urban-comparative project and reflecting on the heterogeneity of interviewees and researcher positionality. The empirical analysis examines four dimensions: the historical evolution of the Basque Model; the contemporary pressures of the polycrisis; emergent imaginaries and frameworksand the contestations and ambiguities that arise. The conclusion distils the key findings, highlighting policy implications for plural and inclusive regional futures. The paper argues that the Basque Country represents a salient case for understanding how city-regional actors navigate the turbulence of the polycrisis, anticipate uncertain futures and struggle over the very definition of progress. The stakes, we suggest, are not only empirical and local, but also theoretical and global: the Basque case invites reflection on the role of place-based policy in the search for viable alternatives to neoliberal development pathways.

Theoretical and conceptual framework: Anticipating regional futures?

Anticipatory governance

Anticipatory governance has emerged as a critical framework for navigating uncertainty and shaping collective futures, particularly in the face of rapid technological, environmental and societal change. Tutton (2022) conceptualises "futurelessness" to interrogate how sociopolitical structures influence the capacity of individuals and groups to imagine and enact desired futures; he argues that contemporary European societies are increasingly characterised by a sense of foreclosed futures, where hope and agency are diminished due to intersecting crises, not least climate change, economic precarity and geopolitical instability. This affective orientation—futurelessness—reflects unequal access to the tools and platforms of future-making, reinforcing existing power asymmetries. Building upon sociologies of expectations and performativity (e.g. Brown and Michael, 2003), this situates future imaginaries within broader struggles over legitimacy, visibility and voice. Tutton (2022) draws on Appadurai's (2004) notion of the capacity to aspire, highlighting how marginalised groups often lack the material and cultural resources to render their visions of the future performative. This resonates with

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Jasanoff's (2016) critique of technocratic futurism, where elite actors dominate the narrative space of innovation and progress, sidelining pluralistic and locally grounded imaginaries.

Such existing conceptualisations of anticipatory governance, therefore, tend to foreground its processual aspects as a technocratic or performative mode of foresight, thereby backgrounding political contestation and hybridisation in concrete contexts. Responding to this research gap, we approach it in a 2-fold sense: first, as a mode of public management concerned with organising uncertainty through foresight, coordination and strategic adaptation; and, second, as a contested arena of regional transformation in which different actors struggle over whose futures are rendered legitimate, actionable, worthy of investment and, ultimately, institutionalised. By anticipatory governance, then, we mean the set of institutional and civic practices through which actors seek to imagine, negotiate and organise collective futures under conditions of uncertainty. This perspective situates anticipatory governance at the intersection of governance studies and critical futures debates, moving beyond technocratic accounts of foresight to emphasise the politics of participation, legitimacy and power in future-making. *Anticipatory governance*, in this light, is not merely about foresight or planning; it is deeply political: it involves negotiating whose futures are considered legitimate, actionable and worthy of investment. Scholars such as Muiderman et al. (2023) have shown that while anticipatory processes often open up spaces for dialogue, they frequently default to linear, risk-averse planning that closes down more radical or transformative possibilities. This tension between opening and closing futures underscores the need for governance models that are reflexive, inclusive, adaptable and attuned to multiplicity.

In the context of the Basque Country then, anticipatory governance is framed as the contestation over futurity itself. Tutton's (2022) initial framing of "futurelessness" paints an overly pessimistic picture of the anticipatory—a picture we attempt here to complexify with a dual sense of ontological uncertainty and possibility, of roads not taken and paths yet to be taken. Anticipatory governance can thus present a "cross-roads" of relatively competing or combinable multi-directional possibilities. This highlights the agentic and affective dimensions of policy decisions and the ideological visions that animate them: a framework attuned to the conjunctural structure of feeling of crisis and confusion, challenge and opportunity (see Clarke, 2023), set against tightening structural constraints and capitalist path-dependencies in an era of secular stagnation, automation, deglobalisation and zero-sum nationalism (Benanav, 2020; Merchant, 2024).

Regional development imaginaries

How might this anticipatory crossroads represent multiple development pathways in the Basque Country? Here, as in many regions across Europe and beyond, *regional development imaginaries* are increasingly polarised and shaped by contestations between dominant neoliberal resilience frameworks and emerging post-growth, "beyond GDP" (Crisp et al., 2024) or "post-neoliberal" paradigms (Russell et al., 2022). By regional development imaginaries, we mean collectively articulated, institutionally mediated and politically contested visions of how regional economies should develop, what counts as progress and which territorial, social and ecological priorities ought to guide policy. We approach these imaginaries not simply as discursive frames, but as politically consequential and spatially embedded projects that shape policy agendas, justify interventions and organise conflict over regional futures. Regional imaginaries of neoliberal resilience are often embedded in city-regional planning to prioritise adaptive governance, urban competitiveness and market-led recovery. They frame resilience as a technocratic response to crisis and tend to reinforce existing socio-economic structures, privileging competitiveness, innovation and growth while marginalising alternative "post-neoliberal" visions of wellbeing, sufficiency and "foundational liveability" (Russell et al., 2022; Calafati et al., 2023).

One such post-neoliberal paradigm, the foundational economy, offers a counter-imaginary rooted in everyday infrastructures—such as care, housing and utilities—that sustain everyday life and social reproduction (Barbera and Jones, 2020; Calafati et al., 2023). Russell et al. (2022) position the foundational economy as a post-neoliberal project that reorients regional development away from market efficiency towards social value, democratic control and inclusive citizenship. This approach challenges the commodification of essential services and foregrounds place-based strategies that prioritise equity and sustainability. In examining ecological discourses allied to foundational economy, notably doughnut economics, Thompson et al. (2024) highlight how such imaginaries stand at a contradictory crossroads between reinforcing (circular) capital accumulation and enabling post-capitalist degrowth. The anticipatory development of Amsterdam's so-called "doughnut economy" illustrates how urban imaginaries can be mobilised to reframe development around ecological boundaries and social foundations (Thompson et al., 2024). However, when unaccompanied by strategies for structural transformation, circularity risks being co-opted as a new regime of accumulation, repackaging sustainability and recycling within green growth narratives.

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Such experiences point to the difficult tensions inherent in any strategic attempt to materialise post-capitalist imaginaries necessarily from within capitalism. That despite trying to "crack capitalism" (Holloway, 2010) or "rework" (Katz, 2004) dominant structures, such strategies can inadvertently reproduce or re-form them. This highlights the radical uncertainty pervading alternative development pathways; another sense of futurelessness underscoring the need for anticipatory governance. Political contestation deepens this sense of uncertainty: neoliberal resilience discourses politically obscure the socio-ecological costs of growth, while post-growth and foundational imaginaries advocate for collective, care-oriented and ecologically bounded development. The challenge thus lies in institutionalising these alternative imaginaries within governance systems capable of resisting market logics and fostering transformative change.

Hybridisation of models

It is from such radical uncertainty and contestation of competing imaginaries that derives a *hybridisation* of regional development models that reflect strategic responses to the limitations of both top-down (Morgan et al., 2020) and bottom-up (Egia-Olaizola et al., 2025) approaches to territorial governance. Such limitations condition the anticipatory nature of governance strategies as the multi-directional range of possibilities play out. We use hybridisation to refer to the selective recombination of elements drawn from different development models and policy paradigms within a relatively coherent (if still contested) regional governance project. On this reading, hybridisation is not merely policy mixing, but a politically mediated process through which inherited institutional arrangements are adapted by partially incorporating emergent imaginaries, often without displacing dominant logics of competitiveness and growth. As such, hybridisation can be interpreted as a form of what we might call "anticipatory pragmatism", whereby policymakers responding to an "issue" or "problematic situation" hedge between different futures without committing fully to any single paradigm (on pragmatism in critical urban theory and policy, see Bridge, 2014). As a governance strategy, this enables flexibility and responsiveness under crisis conditions, but it also risks entrenching a politics of uncertainty and ambiguity in which transformative imaginaries are continually postponed.

The Basque experience illustrates how hybridisation contains and reproduces contradictions: innovation and inertia; acquiescence and contestation and competition and cooperation. A striking illustration is the case of the Mondragón Cooperative Corporation, long celebrated as a paradigmatic model of worker ownership and solidarity economy (Whyte and Whyte, 1991; Cheney, 1999; Calzada, 2013; Heras-Saizarbitoria 2014). Mondragón embodies the tensions of hybridisation: while it demonstrates the capacity of cooperative institutions to anchor inclusive, socially innovative and territorially embedded development, it has also had to accommodate global market imperatives through forms of competitive outsourcing, internationalisation, professionalisation and managerialisation. These adaptations have allowed Mondragón to survive and even thrive under neoliberal globalisation, but they have also raised questions about the dilution of its founding principles of democratic participation, cooperative ownership and collective redistribution (Errasti et al., 2017)—fundamental contradictions that demonstrate the "solidarity paradox": "the inherent impossibility of overcoming [capitalist] market competition through partial and limited solidarity strategies" (Las Heras et al., 2025).

Seen in this light, Mondragón is emblematic of anticipatory pragmatism: a cooperative ecosystem that continues to provide meaningful alternatives to capitalist corporate governance, while simultaneously negotiating the constraints, by incorporating the precepts, of competitiveness, technological change and global supply chains. Its experience reflects the double-edged character of hybridisation in the Basque Country: on the one hand, a living infrastructure of solidarity and resilience that sustains thousands of jobs and underpins a territorialised industrial ecosystem; on the other, a cautious compromise that contains contradictions threatening to radically undermine its fragile social settlement and prevents more radical departures from the logic of accumulation. Similar dynamics are evident in other European cases, such as Amsterdam's doughnut economy or Preston's community wealth building, where radical imaginaries are simultaneously celebrated, adapted, domesticated and co-opted within broader neoliberal frameworks.

From a territorial politics perspective, hybridisation underscores the tensions between regional autonomy, small nationhood and confederal city-regionalism (Calzada, 2024). In the Basque case, experiments in municipalist governance often collide with regional-scale priorities for industrial competitiveness and global positioning (Egia-Olaizola et al., 2025). At the same time, the Basque institutions' relative autonomy within Spain enables selective appropriation of European models and policy transfer, situating hybridisation within a broader geography of policy experimentation, assemblage and translation (see Clarke et al., 2015). Here, *anticipatory governance* functions as a balancing act between preserving inherited strengths—such as cooperative traditions, fiscal autonomy and strong institutions—and selectively integrating novel imaginaries (Esteban, 2000; Gonzalez, 2011). The politics of scale are crucial: while *municipalities* experiment with participatory

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budgeting, circular strategies and new commons, *regional* authorities often reframe these as innovations compatible with a wider economic diplomacy agenda (Calzada and Eizaguirre, 2025).

Ultimately, the hybridisation of models in the Basque Country illustrates the promises, prospects and pitfalls of anticipatory regional futures. The promise lies in the capacity to integrate diverse imaginaries and foster resilience through experimentation; the prospect in aligning these imaginaries with post-growth and foundational reorientations of the regional economy toward equity, democracy and sustainability; yet the pitfalls reside in hybridisation serving to neutralise radical demands, perpetuate contradictions and reinforce quiescent incrementalism in the face of systemic crisis. The Basque Model thus exemplifies how *anticipatory governance* operates not only as a tool of foresight, but as a contested field of power in which competing imaginaries are negotiated, hybridised and often curtailed. Anticipating regional futures, we argue, is less about forecasting trajectories than about understanding the political struggles embedded in hybridisation itself.

Building on these debates, we treat anticipatory governance as more than a set of future-oriented policy techniques. Our conceptual contribution is to recast it as a multi-scalar, relational and conflictual mode of regional governance in which competing imaginaries are selectively assembled, hybridised and institutionalised under conditions of polycrisis. In this view, anticipation is not simply about data, speculation, preparedness or foresight; it is about the uneven capacity to define desirable futures, mobilise resources around them and translate them across metropolitan, municipal and regional scales. The Basque case helps reveal how anticipatory governance operates through this tension between institutional resilience and political contestation, thereby refining existing accounts that privilege technocratic planning and singular development paradigms.

Anticipatory governance functions here as the overarching analytical lens through which we examine how future-oriented action is organised and contested under conditions of crisis and uncertainty. Regional development imaginaries refer to the substantive visions of progress, prosperity and territorial order over which actors struggle, while hybridisation names the process through which elements of these competing imaginaries are selectively assembled within regional governance. By contrast, concepts such as foundational economy, municipalism, mission economy and post-growth are treated primarily as instances of empirical or speculative imaginaries that appear within the Basque case rather than as parallel or competing analytical frameworks. What is gained by foregrounding anticipatory governance, rather than relying only on adjacent concepts such as resilience or adaptive governance, is a sharper focus on futurity, political conflict and the uneven power to define, legitimise and institutionalise desirable futures.

Methodology

Empirically, the research is anchored in Bilbao as the primary site of fieldwork, but it does not treat the city as a bounded unit of analysis. Instead, the study adopts a city-regional and relational approach, situating Bilbao within the wider institutional, economic and political ecology of the Basque Country, which arguably coheres around Bilbao as its functional centre. Interviews and cases (including Mondragón and Hernani) were selected to capture variation across governance scales and socio-economic domains, enabling the analysis to move between metropolitan, provincial and regional dynamics.

The research on Bilbao (and the Basque Country) is one part of a 3-year, multi-case, urban-comparative project evaluating the experiences of diverse European cities and regions with developing alternative, post-neoliberal urban development pathways. In each case study, we investigated how different imaginaries were mobilised by different actors and organisations, how they gained traction or faced barriers in different institutional and cultural contexts and how these contexts shaped place-based and translocal challenges and opportunities for pursuing economic alternatives beyond neoliberal growth logics. Such diverse experiences were analysed through the methodological lens of "conjunctural inter-urban comparison" (Leitner and Sheppard, 2020). Comparison between places aimed to illuminate shared conjunctural conditions across contexts as much as it sought to shed light on local dynamics.

Fieldwork in Bilbao and the wider Basque Country was undertaken for 3 weeks in May 2024 by the lead three authors, one of whom is a Basque citizen and resident of Donostia (San Sebastián), and whose local cultural knowledge, linguistic fluency in Basque and Spanish, and political contacts and social networks both provided an "insider" perspective on regional issues—placed in constructive dialogue with "outsider" researcher positionalities—and opened up opportunities for more deliberate and focused forms of research. The remaining authors are all British academics with a strong research background oriented around regional development, urban governance and alternative economic approaches—together forming the research team for a multi-year comparative project in which Bilbao is but one case study. Collectively, this allowed the research team to pivot between "insider" and "outsider" perspectives to subjectively assess the on-

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going changes taking place in Basque society: "insider" knowledge and assumptions were critically challenged by "outsider" viewpoints, and vice versa. The use of a comparative conjunctural approach, as part of the wider research project, gave the team the ability to look across multiple European case study areas whilst conducting research in the Basque Country, providing a stronger critical perspective on the specificities and similarities of the Basque case.

As a result of this preparatory process, a shortlist of 20 relevant interviewees was compiled and interviewees contacted and invited to participate; some were identified later through an iterative snowballing process. The rationale for interviewee selection was for a heterogenous range of significant positions and positionalities across broad sectors of Basque society, to produce as multiperspectival and triangulated an account as possible. The research team actively engaged with relevant actors from divergent backgrounds, putting different perspectives into conversation with each other, for critical insights into the spectrum of difference between actors and their anticipatory visioning of Basque futures, with grassroots activists engaged alongside elite institutions. Such diverse actors include representatives of key institutions, notably Bilbao Metropoli 30 Agency and Bizkaia (Biscay) provincial government, researchers in universities and prominent think tanks like Agirre Lehendakaria Center, representatives from Mondragon and Mondragon Cooperative University and activists in the social solidarity and cooperative movements.

A total of 10 interviews were conducted (those that responded to our invitation) mostly in person during fieldwork. Part of the reason for the relatively low rate of response, we inferred, was the language barrier: our initial contact was written in English, but many interviewees are more comfortable reading and speaking Spanish or Basque. We attempted to mitigate this by offering interviews in any three of these languages. Some interviews were combined with site visits and walking tours of key sites; others were conducted online shortly following the research trip; several were conducted in Spanish and/or Basque, with simultaneous translation. Interviews were then transcribed (and some translated) and the transcripts manually coded (the traditional way, by hand and highlighter pen, without using software) for common themes, synergies and contradictions in an iterative, open-ended process of triangulating testimony with research questions and core concepts. From this, indicative and significant quotes were selected to show key points regarding findings but also those that highlighted representative views of participants. These themes were then triangulated with analysis of key policy documents alongside critical review of the extensive academic and grey literature on the Basque Country, together forming the basis of the empirical analysis presented below.

This study has several limitations. First, it captures the Basque case at a particular conjunctural moment, drawing on fieldwork undertaken in 2024, and therefore analyses a regional formation that remains in transition rather than a settled institutional configuration. Second, while the interview material was deliberately selected to capture a heterogeneous range of actors and governance scales, the study is based on a limited number of interviews and strategic cases, so it does not claim statistical representativeness, but rather reflects the biases of the research design and its epistemological vantagepoint. Third, although the analysis adopts a city-regional and relational perspective, the empirical material is anchored primarily in Bilbao and complemented by selected cases such as Mondragón and Hernani; accordingly, some dynamics in other parts of the Basque territory remain less fully explored. Fourth, the research did not go deep enough into the relationships between actors and organisations to ascertain precisely which actors are actively involved (and which are excluded) in shaping these imaginaries or indeed the main barriers and mechanisms that structure participation in these processes; for this, further research is required to more specifically probe organisational power relations, possibly through an urban regime theoretical frame (e.g. Lekue and Telleria, 2025). Finally, the aim is not to present the Basque Country as a universally generalisable model, but to use it as a theoretically illuminating case through which broader questions of anticipatory governance, hybridisation and regional futures can be examined.

Basque regional anticipatory governance

This section unpacks the Basque Model by organising the analysis into three salient dimensions emerging from thematic coding of the data: (1) the historical and ongoing evolution of the Basque Model; (2) the various condensed pressures and challenges presented by the polycrisis and (3) emergent development imaginaries diverging from path-dependencies and marked by contestation. Following our analysis of these dimensions, we then turn, in the discussion section, to the contestations, contradictions and ambiguities that arise from navigating uncertain futures.

Historical evolution

The Basque Country exemplifies how territorial cohesion, industrial restructuring, and Bilbao's global regeneration

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trajectory—the Guggenheim effect—were reinforced by the continuity of cooperative infrastructures such as Mondragón, embedding resilience and solidarity. The historical evolution of the Basque Model is rooted in the long-term consolidation of territorial cohesion mechanisms, deep-seated cooperative infrastructures and a distinctive pattern of industrial restructuring that enabled the region to navigate successive crises. A key foundation has been the Basque fiscal system, institutionalised through the *Concierto Económico*, which provided a stable framework for economic self-government and countercyclical investment throughout the late 20th century (Agirreazkuenaga and Alonso, 2014; Uriarte, 2015). Fiscal autonomy supported the region's capacity to mobilise resources for industrial transformation, territorial solidarity and infrastructural renewal, enabling the Basque Autonomous Community to respond proactively to the collapse of heavy industry in the 1980s and 1990s.

Asked what constitutes the Basque Model, one interviewee involved in industrial strategy suggested:

> *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)

Industrial restructuring in this period entailed both large-scale public interventions and strategic sectoral policies. As documented by Morgan et al. (2020), the regional government adopted a hybrid model combining cluster development (Konstantynova, 2017), technology parks (Valdaliso and Andrés, 2025) and targeted support for advanced manufacturing to steer the economy toward higher value-added activities. These interventions were reinforced by a cohesive policy culture in which economic modernisation was linked to territorial integration, strengthening the broader political narrative of a unified Basque development trajectory (Boronska-Hryniewiecka, 2016).

However, foresight and capability were not the only conditions for the Basque Model; it was also shaped by a radical uncertainty and desperation in the face of challenging circumstances and foreclosed mainstream pathways to development, as this interviewee put it:

> *[The Basque Model] in part was a sort of visionary [strategy], but in parts they didn't have any other option [than to bet on industry]. We don't have tourism, we don't have foreign direct investment due to terrorism, so stick to what we know to do and try to do better* (Scholar-Activist)

The most globally visible dimension of Basque restructuring was Bilbao's urban transformation. The phased regeneration of the metropolitan area—beginning with deindustrialisation along the estuary, continuing through infrastructure renewal and culminating in the Guggenheim Museum—became a canonical case of culture-led urban transformation (Esteban, 2000; Plaza, 2006; González, 2011). While labelled the "Guggenheim effect", scholars emphasise that the museum was embedded within a much larger institutional project driven by an urban growth coalition or regime (Lekue and Telleria, 2025), involving intergovernmental coordination, transport and environmental infrastructure and a deliberate attempt to reposition the city-region within global networks (Calzada, 2015; González, 2011; González and Healey, 2005). The Bilbao case thus became a touchstone for international policy tourism, illustrating how urban place-branding can circulate as a model while mutating in translation (González, 2011).

Alongside these urban and industrial strategies, the continuity of cooperative infrastructures has played a central role in anchoring regional cohesion. The Mondragón Cooperative Corporation, originating in the 1950s and later expanding into a complex system of worker-owned firms, credit institutions and educational centres, became a foundational pillar of the Basque socio-economic landscape (Whyte and Whyte, 1991). Its principles of mutualism, collective governance and territorial redistribution provided a distinctive counterweight to market pressures. Yet Mondragón's evolution also reflects the tensions of adapting cooperative principles to global competition, as seen in the crisis surrounding Fagor and broader debates about outsourcing, professionalisation and internationalisation (Errasti et al., 2017; Heras-Saizarbitoria, 2014; Las Heras et al. 2025) .

Crucially, cooperative infrastructures extend beyond Mondragón. Recent research highlights how social economy organisations and local development agencies continue to nurture territorially embedded forms of solidarity, often linked to circular, care-based or community-led initiatives (Arrillaga, 2025). Emerging experiments such as *Hernani Burujabe* signal new forms of post-capitalist territorial governance that reinterpret long-standing solidarities within contemporary frameworks of autonomy and sustainability (Egia-Olaizola et al., 2025; see also Renteria-Uriarte and Las Heras, 2022).

Taken together, these processes illustrate how the Basque Model evolved through the interplay between fiscal autonomy, coordinated industrial policy, iconic urban regeneration and enduring cooperative infrastructures.

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The legacy of these strategies underpins the region's long-standing reputation for cohesion and resilience, while also shaping the conditions under which new anticipatory and experimental approaches—such as digital inclusion and AI governance—are emerging (Calzada and Eizaguirre, 2025). The Basque trajectory is therefore best understood as a cumulative and path-dependent model, continually reconfigured through the interaction of institutional continuity and adaptive transformation.

Pressures of the polycrisis

The Basque Model is widely understood as striking a balance between tradition and innovation: preserving Basque culture, language, history and heritage while adapting and innovating in response to opportunities and challenges in the global economy. Although this approach has been relatively successful for some three decades, a growing sense of ontological angst pervades the future; the model is increasingly drawn into question by polycrisis, combining challenges internal to Basque society alongside external threats. Our research reveals three overlapping, sometimes competing, framings of the crises most pressing for the Basque Country—*green*, *digital* and *demographic* disruptions and transitions—collectively representing a fundamental challenge to the Basque model, which must adapt or die. In this section, we explore each in turn through the lens of polycrisis (see Martin et al., 2022).

[1] The economic success of the Basque Model derives largely from identifying and specialising in niches in the global economy in industrial sectors—fossil fuel energy, car manufacturing and consumer goods—that are now extremely problematic for the climate emergency and the green transition. And yet the need of a green transition is clear: it is acknowledged by many that "*the questioning of the model*" in the Basque Country "*comes from all the environmental questions […] and [recognising that] we are going to the collapse in environmental terms*" (Scholar-Activist). Any green transition potentially destabilises the Basque Model with its strong manufacturing base:

> *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)

With its deep embeddedness in competitive global supply chains, and its dependence on petrochemical-based manufacturing, the Basque Model is extremely precarious and faces difficulties with industrial restructuring:

> *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).

Nonetheless, environmental concerns and the pressures to transition feed a sense of opportunity to make more substantial change to the Basque Model:

> *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).

The big challenge for the Basque Model is working out how to balance such needs and desires for structural transformation towards a green transition—addressing wider issues from work cultures to gender relations—with the precarity and deep dependence of the model on traditional industrial sectors that oppose transition.

[2] The Basque Country, like many regions across Europe and beyond, faces both extreme threat and opportunity when it comes to the *digital* transition and its disruptions to industrial relations, employment, democracy and technological sovereignty (see Benanav, 2020; Calzada and Eizaguirre, 2025). Here, anticipatory governance is not only enacted through institutional foresight and policy innovation but also through grassroots cooperative infrastructures that reinterpret solidarity under conditions of digital disruption. This is illuminated by how contemporary cooperativism in the Basque Country extends beyond the industrial legacy of Mondragón into new terrains of digital governance, platform infrastructures and data stewardship, with a new generation of cooperatives grounded in software development, digital infrastructures and open-source ecosystems rather than manufacturing. Such digital cooperatives face structural tensions operating within a global digital economy dominated by large-scale platforms and proprietary technologies: grassroots cooperatives articulate ambitious imaginaries of digital commons and democratic data governance, while navigating competitive pressures, technological dependencies, and limited institutional support. One interviewee highlighted the *political dimension* of anticipatory governance in the digital domain:

> "*In the Basque Country, there is a strong cooperative ethos, and we have a massive institutional density…although grassroots innovation is stuck given the*

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*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)

Such co-ops in the Basque Country are developing digital infrastructures as not simply technical tools but also political artefacts whose design and governance have direct implications for autonomy, sovereignty and democratic participation. The cooperative approach in the Basque Country is a means to resist digital enclosure and to generate *territorialised digital capacity*, allowing city-regional hubs such as Bilbao, Iruñea, Gasteiz, Donostia and other municipalities to exercise agency in shaping their digital futures; "*We are witnessing a subtle but pervasive emergence of active citizenship in coalition with municipalities*."

[3] Participants identified two forms of interrelated *demographic* change that could potentially destabilise the Basque Model. Like many Western European regions, the Basque Country has a rapidly ageing population raising grave questions with regards to generational renewal and ongoing fiscal maintenance of social welfare:

Another problem we have is ageing and sort of a stagnation in terms of population growth. So what happens? We cannot afford this wellbeing state so far in the Basque Country, with the population growth we have now and with the perspectives of new taxpayers coming… (Scholar-Activist)

Moreover, the growing imbalance between an increasingly older and decreasingly younger population also exacerbates questions of generational injustice:

With young people, because also they are a small part of the population, if you look at the income, so there are pockets of inequality that are really, really threatening the whole model. But we are not looking at them because we are still, you know, the bigger picture is still…so inequalities is I think, an underlying economic factor. (Think Tank Director)

Alongside ageing has been continuing change created by immigration to the Basque Country, especially to the urban centres: "*I would say the migration is mainly focused in the big urban areas, especially Bilbao [and] Vitoria*" (Educationalist-Entrepreneur). Respondents gave a sense that for its long-term sustainability, the Basque Model has to attract immigrant communities to the region, but this does not come without further tensions:

We have now this big lack of (top) profiles, that are needed in industry, and if we want to maintain our industry capability in the region, we have to think in new ways to attract, develop and attract people – and that's also for us a challenge from the cultural and language perspective (Educationalist-Entrepreneur)

There is thus a deep need for continuing forms of immigration to the region in order to counteract a declining economically active population, but this risks the foundations of Basque cultural reproduction. Immigrant populations can also come with deepening social welfare needs too:

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)

In being stretched in different directions—the need to preserve cultural identity set against the necessary contributions made by younger immigrants to economic dynamism and the ongoing provision of social welfare—the Basque model is, therefore, caught at a crossroads in anticipatory governance, with policy indecision threatening inertia if not paralysis. All three dimensions of the polycrisis illustrate the diverse pressures on the Basque Country: globally competitive industrial and energy systems face disruptive climate transition; digital disruption promises data sovereignty through cooperatives yet currently compounds oligarchic control by global platform corporations and demographic ageing and migration point towards political polarisation. Such interconnected tensions suggest the need for more structural and systemic change:

I think it goes from a kind of reflection which is not that linked to material needs, to […] doing things differently – working more in cooperatives, including all the topics in the agenda – the environmental [question]… gender issues – so I think it comes from different sources: these new alternatives at the municipal level, not from the classic employment situation (Scholar-Activist)

Emergent imaginaries

Such crises and challenges present the Basque model with a stark choice between adaptation and restructuring or decay and collapse. Several emergent imaginaries charting possible pathways towards adaptation and transformation are discernible in the Basque Country today. These are emerging through an incremental and contested process of anticipatory governance marked by hybridisation—visible in the coexistence of, and competition between, *inter alia*, longstanding cooperative and foundational economy practices, experimentation with new models such as mission methodologies as well as existing discourses such as smart urbanism, and emerging grassroots movements for social solidarity economies and new munici-

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palisms. Such imaginaries are mobilised at different governance scales, split between the three tiers of government that structure the Basque Country: the overarching autonomous region (or nation) of the Basque Country; its three provinces: Álava, Gipuzkoa and Bizkaia; and the various city and municipal governments at the local level, including Bilbao City Council.

At the autonomous-regional level of the Basque nation, the government is continuing to pursue an outdated, cautiously conservative imaginary rooted in Basque mythology and traditional values:

> *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)

Here, an ancient value and practice—*Auzolan*—is elevated to a national policy vision (for more on *Auzolan*, one of four pillars of Basque communalism; see Renteria-Uriarte and Las Heras, 2022). Such traditions have translated into the contemporary vision for the Basque Model, which is broadly understood as based on five principles: "*collective action, sacrifice, resilience, innovation and cooperation—plus a cross-cutting value of equality*" (Think Tank Director). However, this celebrates values without specifying a vision for future economic development.

At the provincial level—and also at the Bilbao City Council level (more on which below)—we see conventional imitation of policy brands beyond the Basque model. Those we spoke with in Bizkaia (Biscay) provincial government identified Tel Aviv as a city that the province—encompassing the wider Bilbao metropolitan region—is currently looking to for inspiration: Israel's celebrated so-called Silicon Wadi model of high-tech start-ups, digital entrepreneurship and innovation. This represents an ironic inversion of Bilbao once leading the way in fast policy tourism of global city models—now imitating others and aspiring to the smart urban-entrepreneurial mainstream. At this scale, there is also some evidence of experimentation with internationalised and mainstream imaginaries, such as sustainability discourses around the UN's Sustainable Development Goals (SDGs) and the mission economy approach marketed by Mariana Mazzucato (2021). Here, Bizkaia has commissioned Mazzucato and her Institute for Innovation and Public Practice to incorporate the SDGs into regional fiscal and tax policies, which produced, according to one participant-observer, "*in this case a not very nice report*" (Think Tank Director).

This builds on a Basque tradition of attracting—or inviting—various urban policy gurus, economics consultants and starchitects, from Norman Foster (in his design of the metro system) to Frank Gehry (architect of the Guggenheim), from Manuel Castells' (1996) exemplification of the Basque Country in his theorisation of the "network society" to Michael Porter's (1985) advanced industrial cluster theory, whose popularisation of this industrial strategy arguably only arose through Porter's association with Basque clusters, and who, as one interviewee put it, "*didn't have any success story from customers until the Basque story! So actually, he made his career here….Michael Porter, it's phenomenal!*" and now Mariana Mazzucato. About which the same interviewee speculates:

> *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)

The ultimate irony of the Basque Model is that it was initially forged through the creative pollination of various emergent discourses, always ahead of the curve—a catapult for global policy gurus—only to retreat from proactive producer to passive consumer of mobile policy models, whether that be Silicon Wadi or mission economy. One interlocutor suggested that "*we are a very conservative society in terms of taking risk at the moment*" (Think Tank Director) and that the prudent thing to do is to borrow models that have succeeded elsewhere rather than develop them anew here.

The local level is where we find experimentation with more radical and counter-systemic imaginaries for the SSE and new municipalisms. In Hernani, a 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 on cross-cutting issues such as class, feminism, antiracism, national liberation and ecology (Egia-Olaizola et al., 2025). Hernani council is governed with an absolute majority by EH Bildu, the Basque independentist left party, which dominates Basque municipal politics, with 146 may-

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ors and over 1000 councillors across the nation. Recently, EH Bildu has adopted the framing of municipalism, running party conferences and workshops on the theme, with municipalism becoming "one of the main elements of the independentist left in its strategy for national construction and liberation" (Egia-Olaizola et al., 2025: 1456). We might interpret the Hernani experiment with municipalism as part of wider political movements for prefiguring "communalism" with deep roots in Basque culture (Renteria-Uriarte and Las Heras, 2022).

The experience of Hernani municipal council contrasts sharply with that of Bilbao City Council. Though operating at the same scale of governance, these two municipal councils are hugely different in size, scale and power, with much more at stake in Bilbao, with greater budgetary and policy capabilities and jurisdiction over the economic and political capital of the Basque Country, such that this small nation has itself been described as a "city-regional nation" (Calzada, 2024). As a result, entrenched urban regime politics play out in Bilbao that have arguably contained and constrained radical possibilities (Lekue and Telleria, 2025). Political organising for alternatives at the neighbourhood level—as seen in Hernani—while emergent in Bilbao, have been actively suppressed by successive mayors and the ruling regime; in 2008, Mayor Iñaki Azkuna proclaimed "I am not going to tolerate any neighborhood counterpower" (Lekue and Telleria, 2025: 6).

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" following the city centre's regeneration, the metro system and Guggenheim-led waterfront renewal, and still evolving today through the leadership of regeneration agencies Bilbao Ría 2000 and Bilbao Metrópoli 30 alongside the city council and provincial government. Today's megaproject for Bilbao's ongoing urban revitalisation is just downriver from the Guggenheim: the extensive peninsula of Zorrotzaure, whose transformation from post-industrial docks to new mixed-use smart city district, anchored by the digital innovation hub ASFabrik and its anchor tenant Mondragon Cooperative University, is only beginning to materialise. In true Bilbao style, the masterplan for Zorrotzaure's smart city transformation was designed by Zaha Hadid. The general approach to the future taken by the Bilbao urban regime—and most recently embodied in Zorrotzaure—was repeatedly described by one interviewee as "*neoliberalism with a human face*" (Scholar-Activist).

Bilbao's so-called 'neoliberalism with a human face' contrasts markedly with growing popular trends for socialised alternatives. The same respondent also remarked that across "*the whole Basque Country, I would say there is an increasing sensibility and increasing experiences on the foundational and what some feminist economists will call the sustainability of life*" (Scholar-Activist). Such thinking is embedded in the region's strong SSE, internationally recognised in Bilbao hosting the 4th conference of the Global Social Economy Forum, in 2018, and in the unusually longstanding local-regional network for supporting the SSE: REAS Euskadi, the Basque Network for Alternative and Solidarity Economy, was established in 1997, since supporting the institutional development of grassroots experiments in social enterprises, co-ops, development trusts, community banks and alternative currencies. REAS stands as a more distributed, democratic and prefigurative alternative to the more corporate and institutionalised Mondragon.

Alongside these two traditions, our research in the Basque Country has revealed a third strand in this diverse 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)

Significantly for navigating the digital transition, this "third way" of cooperativism—described by other scholars as a "new wave of Basque cooperativism" (Calzada, 2024)—is largely comprised of digital co-ops, which are now acting in collective coordination to embed democracy and cooperative governance into digital infrastructures and to federate existing initiatives across the Basque Country into a stronger interconnected ecosystem that might begin to challenge smart urbanisms and global platform corporations. Such practices find common ground with municipalism; the challenge remains to connect emergent imaginaries in Hernani and other Basque municipalities seeking foundational sovereignty with this movement for digital cooperativism.

Discussion: contestations and ambiguities

Promises

The Basque case demonstrates a key promise of anticipatory governance: the capacity of territorially embedded institutions to keep the future politically actionable, rather than rendering it either a technocratic foresight exercise or else completely unpredictable. In a context of polycri-

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sis, the Basque Model's institutional density—fiscal autonomy, cluster policy and cooperative infrastructures—still provides unusual room for manoeuvre in European city-regional development. As well as being a revenue instrument, the *Concierto Económico* channels political capacity and agency that enable countercyclical investment, strategic experimentation and multi-scalar bargaining (Agirreazkuenaga and Alonso, 2014; Uriarte, 2015). This is important because anticipatory governance is often criticised for "closing down" futures through risk-management routines (Muiderman et al., 2023). 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.

A second promise lies in how 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 (Russell et al., 2022; Barbera and Jones, 2020; Egia-Olaizola et al., 2025). This pluralism is politically consequential. Where Tutton's (2022) "futurelessness" highlights the affective foreclosure of aspiration, the Basque case suggests a partial countertendency: a city-region where civic and institutional actors still perceive futures as malleable—precisely because cooperative traditions and multi-level governance arrangements remain salient sources of collective agency (Whyte and Whyte, 1991; Calzada, 2015; Boronska-Hryniewiecka, 2016).

In short, Basque anticipatory capacity is not reducible to Mondragon, industrial clusters or Bilbao's global city-branding after the Guggenheim (González, 2011; Plaza, 2006); it also depends on less visible and emergent infrastructures that can re-politicise the terms of regional development, from digital cooperative ecosystems to municipalist experiments with territorial sovereignty.

Prospects

Prospects for successful adaptation of the 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 and new municipalism—across different governance scales, without fully committing to any one paradigm shift. This is both strength and weakness. In conditions of uncertainty, hybridisation can be an enabling strategy that lowers the political cost of experimentation and allows policy learning through translation rather than wholesale replacement (Moulaert et al., 2005). Hybridisation may gradually institutionalise alternative priorities—care, liveability, decommodified essentials and democratic control—inside existing development architectures.

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). This city-regional configuration is reflected methodologically in our case selection, where Bilbao operates as a metropolitan anchor while complementary cases (principally Hernani and Mondragon) reveal how regional futures are negotiated across scales. And anticipatory governance tends to operate through multi-level assemblages that distribute authority across municipalities, provinces, regional government and European policy circuits (Herrschel and Newman, 2002; Jonas and Ward, 2007). The Basque institutional landscape—dense but internally heterogeneous—offers prospects for multi-directional futures: municipal experiments can operate as laboratories, while regional-scale institutions can provide resources, coordination and durability.

A third prospect is conceptual: the Basque case can sharpen debates about anticipatory governance as political struggle rather than neutral foresight. Jasanoff's (2016) critique of elite futurism foregrounds how innovation narratives can crowd out plural, locally grounded futures. The Basque material suggests a live arena where "future-making"is contested among actors with different claims to legitimacy: industrial policy communities; social economy networks (Arrillaga, 2025); municipalist formations (Egia-Olaizola et al., 2025) and emerging digital cooperative ecosystems (Calzada and Eizaguirre, 2025). The prospect here is analytical and political: treating anticipation as a distributive question—who gets to define the future, with what resources—rather than a technical capacity.

Pitfalls

The central pitfall is that hybridity can institutionalise ambiguity and defer transformation. Anticipatory governance can open up futures rhetorically while closing down disruptive possibilities (Muiderman et al., 2023). In the Basque case, hybridisation risks becoming a stabilising device: selectively borrowing from foundational, mission or municipalist imaginaries while keeping the deep grammar of competitiveness and export orientation intact. The Basque pitfall resides in the risk that alternative imagi-

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naries become performative tokens—useful for legitimacy, weak as redistributive or transformative strategy.

A second pitfall concerns who defines progress. The Basque Model historically combined social cohesion with industrial upgrading, but polycrisis pressures intensify distributive conflicts over which priorities count: decarbonising industry versus protecting jobs; digital sovereignty versus platform dependency and demographic adaptation versus cultural–linguistic preservation. These are not only technical trade-offs, but so too—and fundamentally so—technopolitical conflicts over the meaning of prosperity and the boundaries of solidarity. Tutton's (2022) futurelessness is helpful here as a warning that unequal future-making capacity can grow under crisis. If elite actors dominate the narrative space—through policy tourism, innovation districts or flagship tech infrastructures—then anticipation may reproduce asymmetries even while claiming inclusivity (González, 2011; Valdaliso and Andrés, 2025). The "moon-and-the-ghetto dilemma" (Nelson, 1977) is salient: high-visibility technological ambition can coexist with under-attended everyday liveability infrastructures (Calafati et al., 2023).

A third pitfall is 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*) while regional institutions prioritise international competitiveness and policy credibility (Egia-Olaizola et al., 2025; Morgan et al., 2020). This can produce mutual suspicion: municipalists read city-regional agendas as conservative managerialism; city-regional elites read municipalism as fiscally risky or politically disruptive. The Basque difference is stronger institutional capacity, but the pitfall remains: anticipatory governance becomes a contested terrain where Basque futures are fragmented, pulled between competing narratives of political autonomy, economic diplomacy and civic pluralism—an impasse that may deepen under socio-spatial polarisation and devolution towards city-regionalism (Zulaika, 2024; Martin et al., 2022).

Conclusion

The paper makes three theoretical contributions. First, it reframes anticipatory governance as a contested t*echnopolitical field* rather than a neutral foresight practice. Second, it shows that regional anticipation under polycrisis often proceeds through hybridisation rather than paradigm rupture. Third, it demonstrates that these struggles are inherently multi-scalar, unfolding through the interaction of local, municipal, metropolitan and regional arenas within a city-regional nation.

The contribution of the Basque case to wider debates is not so much to offer a blueprint for replication as to provide insights and to clarify the conditions under which regional learning may be possible. While the Basque Country's institutional and political configuration is distinctive, many regions are grappling with common challenges linked to green transition, digital disruption and democratic strain. The transferability of the findings therefore rests not on copying specific institutions, but on understanding how place-based capacities are assembled: through long-term institution-building, multi-level coordination and public–private–community coalitions capable of shaping transition in context-sensitive ways.

Taken together, the Basque case shows that anticipatory governance is a struggle over preservation and innovation, over the authority to define progress and over how small-nation, confederal city-regions negotiate futures amid systemic turbulence. The promise is plural capacity; the prospect is institutionalising alternative imaginaries through hybridisation; the pitfall is that hybridisation becomes an alibi for postponing the transformative choices that polycrisis increasingly forces into view. Anticipatory governance is always a site of contestation. In the Basque Country, the balance between preservation (cooperative traditions, fiscal autonomy) and innovation (digital democracy, municipalist experimentation) is deeply entwined with small-nation politics and the confederal dynamics of city-regional autonomy within Spain and Europe. This aligns with the *realpolitik* of the region as it is currently unfolding: the political contestations of the two main Basque independent parties (the incumbent PNV and the challenging EH Bildu) as they straddle the anticipatory divide of who defines what progress looks like for the Basque Country. PNV, with its more business or corporatist emphasis and Bildu engaging with more municipalist and emergent forms of governance. Related, is the unique positioning of the cooperative movements in the Basque Country, with the three forms of cooperativism differentially positioned within and across this divide. This defines the anticipatory precipice upon which the Basque Model sits: the historic success of embedding solidarity and equality alongside an internationally competitive industrial sector are no longer so succinctly aligned; how multiple competing futures are anticipated, contested and negotiated will define what comes next for the Basque Country. The anticipatory precipice facing the Basque Country is illustrated by the starkly divergent futures presented by a potential trajectory towards Quantum Computing and AI, as an imagined "Quantum Territory" (i.e. IBM Quantum System Two), pulling in a very different direction to more grounded forms of socially inclusive provisioning rooted in the foundational economy.

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Our findings carry several wider implications for theory, policy and practice. First, hybridisation should not be treated as inherently progressive: it can enable strategic learning when it is accompanied by institutional reflexivity, resource commitment and political openness to alternative imaginaries, but it can also entrench inertia when it operates as a selective incorporation of new ideas without altering underlying development logics. Second, fiscal and institutional autonomy appears to be a critical enabling condition for anticipatory capacity, not as a guarantee of transformation, but as a means of sustaining policy experimentation, coordination and long-term investment under uncertainty (Agirreazkuenaga and Alonso, 2014; Morgan et al., 2020). Third, cooperative and municipal infrastructures demonstrate potential for grounding more inclusive and place-based transitions, yet their scalability remains uneven and contingent on supportive governance frameworks, cross-scalar alignment and access to resources. Taken together, these insights suggest that anticipatory governance is concerned not so much with translating specific models as with cultivating the institutional conditions under which regions can experiment, learn and negotiate competing futures.

The comparative relevance of the Basque case rests on distinguishing between context-specific conditions and more generalisable mechanisms. The Basque Country combines a distinctive set of regional features—small-nation political dynamics, fiscal autonomy and a historically embedded cooperative ecosystem—that cannot be readily replicated elsewhere. However, the case illuminates broader mechanisms that travel across contexts, including hybridisation as a governance response to uncertainty, multi-scalar contestation over development imaginaries and the institutional anchoring of future-oriented strategies. These dynamics are observable, albeit in different forms, in other industrial regions undergoing green and digital transition, in regions lacking fiscal autonomy where anticipatory capacity is more constrained, and in territories with weaker cooperative traditions where alternative infrastructures must be actively constructed. This highlights great potential for translating and sharing institutional learning on anticipatory governance and processes of negotiating regional futures between regions facing similar conjunctural conditions—such as those other post-industrial coastal regions within the Atlantic European Macroregion (i.e. eAtlantic.eu, 2026)—to which future research could usefully attend, through an inter-urban comparative conjunctural approach (Leitner and Sheppard, 2020).

Finally, the paper suggests several directions for future research. Comparative analysis is needed to assess how anticipatory governance and hybridisation unfold across regions with varying institutional capacities. While in relatively institutionally or economically strong regions, hybridisation may enable strategic learning and experimentation, in more peripheral regions it may instead reflect constrained choices and limited transformative capacity. Further work is also required to trace how regional development imaginaries are translated, contested and institutionalised across scales and how emerging transitions—particularly digital and green—reshape these dynamics. Advancing this agenda would help move beyond single-case analysis towards a more systematic understanding of anticipatory regional development under conditions of polycrisis.

Acknowledgements

This article emerged from discussions with various people embedded in research on Bilbao and the Basque Country. Thanks to Kevin Morgan, James Wilson and, in particular, Miren Estensoro—all affiliated with Orkestra, the Basque Institute of Competitiveness—for their insights and guidance in helping scope out the study. Thanks also to the UKRI Economic and Social Research Council for funding this comparative research, as part of 'WISERD Civil Society: Changing perspectives on Civic Stratification and Civil Repair', #ES/S012435/1, as well as the European Commission, Horizon 2020, H2020-MSCA-COFUND-2020-101034228-WOLFRAM2 and the Learned Society of Wales (LSW) 524205.

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Received: 24 December 2025. **Accepted:** 29 June 2026

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