

**Berichte aus dem Institut für Raumplanung**

**60**

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**Governance of territorial and urban policies**  
**– ESPON 2.3.2 project**

This report documents research work carried out by IRPUD for  
the ESPON programme of the European Community

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## Table of Contents

Foreword .....	1
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### **Part 1 Introduction: ESPON 2.3.2**

1.	Introduction .....	3
1.1.	Preface .....	3
1.2	Project partners and runtime .....	4
1.3	Territorial Governance – Setting the scene .....	4
1.4	Aims and Objectives .....	5
1.5	Methodology .....	5
2.	Key messages and findings .....	6
2.1	Identification of Governance trends – overall comments .....	6
2.2	Governance trends –comments regarding territorial categories .....	7
2.3	Good governance factors .....	9
2.4	European policy impacts .....	9
2.5	Key policy recommendations .....	10
3	Further research issues and data gaps to overcome	11
3.1	Further research issues .....	11
3.2	Data gaps to overcome .....	12

### **Part 2 National Overview “Application of Governance Practices”**

#### **Institutional Context**

1.	Country profile .....	15
1.1.	Essential socio-demographic and economic statistics, tables and figures .....	15
1.2	Spatial structure and urban system .....	19
1.3	Key spatial problems, conflicts and issues .....	22
2.	General institutional structure .....	23
3.	The system of governance .....	26
3.1.	Responses .....	26

3.2.	Debate and attitudes .....	27
3.3.	Methods .....	27
3.4.	Forms of cooperation .....	28

## **Territorial Governance**

4.	Territorial competencies and responsibilities .....	28
4.1.	Overview of planning legislation .....	28
4.2.	Key institutions and important planning agencies at national level .....	29
4.3.	Roles and responsibilities of governmental layers and agencies .....	30
4.4.	Roles and divisions of competencies between departments .....	30
4.5.	Allocation of resources by agency/department .....	30
4.6.	Centralisation/decentralisation/devolution of spatial planning .....	30
4.7.	Involvement of politics in actual policy implementation .....	31
5.	Cross-border and transnational co-operation .....	31
5.1	Arrangements for transnational and cross-border co-operation .....	31
5.2.	Existence of cross-border joint planning agencies, joint plans or cross-border standing committees .....	35
6.	Instruments for spatial planning and policies with territorial effects .....	35
6.1	Planning instruments .....	35
6.2.	Territorial and urban policies .....	39
6.3.	Sectoral policies .....	40
6.5.	Examples of policy packages .....	44
7.	Processes for spatial planning .....	48
7.1.	Co-operation between official agencies and agencies outside formal government system .....	48
7.2.	Examples of existing professional and public "fora" for dialogue and debate .....	48
7.3.	Examples of mechanisms of participation and spatial conflict resolution .....	52
7.4.	Examples of existing informal and ad hoc mechanisms for planning and development .....	55
7.4.1.	NGOs assigned observation/watchdog role .....	55
7.4.2.	Secondary arrangements between government and universities .....	55
7.4.3.	Spatial development observatories .....	55
8.	Approaches for horizontal and vertical cooperation and coordination .....	57

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8.1.	Relationships between different agencies at one level of government .....	57
8.2.	Co-operation between agencies, departments, authorities and tiers of government .....	57
8.3.	Relations with EU policies and/or programmes .....	57
8.4.	Examples of regional/local initiatives for integrated territorial planning .....	63
8.5.	Examples of strategic planning initiatives, especially at regional and/or metropolitan level .....	66
9.	Final comments: Brief description of the style of planning which is characteristic of the country .....	69

### **Part 3 Case Studies "Territorial Governance"**

#### **Duisburg Marxloh**

1.	Context .....	71
2.	Key Aspects of Governance .....	79
3.	Governance Failure and Success .....	93

#### **Hanover Region**

1.	Context .....	98
2.	Key Aspects of Governance .....	103
3.	Governance Failure and Success .....	111

### **Part 4 Data and Indicators .....117**

### **Part 5 Identification of governance trends**

1.	Trends in vertical relations: Multi-level relations, decentralisation, devolution, and regionalization ...	130
2.	Trends in horizontal relations: 'Multi-channel', Territorial co-ordination .....	132
3.	Trends in governance .....	133
4.	European policy impacts .....	137

### **Part 6 Annex .....139**

List of Case Studies	
Bibliography (National Overview)	
References (Duisburg Marxloh)	
References (Hanover Region)	
List of Tables	
List of Figures	
List of Maps	

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The following results do not necessarily represent the view of the European Community.

## **Foreword**

Between 2004 and 2006 IRPUD participated in two projects of the European Spatial Planning Observation Network, in short ESPON. Both projects fall into the policy impact studies of ESPON, trying to understand and identify the various effects of territorial policies implemented by the EU and its various bodies.

The ESPON project 2.3.1 "Application and Effects of the ESDP in Member States" focused on the European Spatial Development Perspective and tried to analyse, which effects this bottom-up policy document finally generated when looking towards the planning systems of member states (and beyond).

The ESPON project 2.3.2 "Governance of Territorial and Urban Policies from the EU to Local Level" on the one hand can be understood as a follow up of the mid-90ies Compendium of EU Planning Systems. On other hand, the study clearly goes beyond the earlier compendium trying to establish a deeper understanding of urban and territorial policies in Europe, not least surveying 29 states.

IRPUD contributed to both projects various elements but in particular quantitative approaches towards the analysis. What needs to be stressed here is, that the quantitative approach in both cases constitutes only a very first attempt. Both policy fields are very complex analytical entities which do not lend easily for a quantitative indicator based survey. The results rather have to be seen as preliminary, raising many more questions than providing ready made answers.

The reports presented here are excerpts of the final reports produced for ESPON. The complete versions can be found at [www.espon.eu](http://www.espon.eu).

The team for both projects (with varying responsibilities) consisted of Prof. Dr. Peter Ache, Alexandra Hill, Michael Höweler, Christian Lindner and Stefan Peters.





## **Part 1 Introduction: ESPON 2.3.2**

### **1. Introduction**

#### **1.1 Preface**

ESPON project 2.3.2 “Governance of Territorial and Urban Policies from EU to Local Level” holds an important position in the definition and elaboration of a common ground for investigating the institutional, instrumental and procedural aspects of territorial and urban policies in Europe. The project focuses on the question how effective different systems are, e.g. considering a policy mix of spatial planning (in different forms implemented by Member States), local government powers and taxation policy in defining common spatial development strategies and objectives such as a polycentric urban system, balancing urban-rural needs, reviving derelict urban areas, urban regeneration, sustainable management of the natural and cultural assets. In that perspective, an analysis based on a comparative review of the instruments used, and stakeholders involved in various policy areas and processes, is being undertaken to draw some valuable conclusions of practical relevance on governance.

The report sums up the main overall findings of the ESPON 2.3.2 project and presents in more detail the contributions delivered by IRPUD.

The structure of this report is as follows. Part 1 summarizes the project in terms of research aims, hypotheses and key findings. The following parts present research work done by IRPUD. It starts with a German National Overview on the application of governance practices (part 2) and two case studies for urban and territorial governance (part 3). The second half of the report presents on a quantitative analysis of several indicators. Part 4 on data and indicators discusses data quality and develops the quantitative approach for measuring governance. In part 5 the report draws a synthesis of governance trends identified in the national case studies.

## 1.2. Project partners and runtime

The ESPON project 2.3.2 started in 2004 and ended in 2006. Within this runtime three interim reports and a final report had to be delivered by the consortium, which included the partners as listed below. In addition to partners national contributed to the case studies.

### Lead Partner:

University of Valencia, Department of Geography, Valencia, Spain  
Contact : Joaquin Farinos

### Project Partners:

- IGEAT Institut de Gestion de l'environnement et d'aménagement du territoire, Université Libre de Bruxelles, Bruxelles, Belgium
- UMR Géographie-Cités, University Paris 7, Paris, France
- IRPUD - Institut für Raumplanung, University of Dortmund, Dortmund, Germany
- NTUA - National Technical University of Athens, Athens, Greece
- Politecnico e Università di Torino, Dipartimento Interateneo Territorio, Torino, Italy
- CUDEM - Center for Urban and Environmental Management, Leeds Metropolitan University Leeds. United Kingdom
- NORDREGIO, Stockholm, Sweden
- Nijmegen School of Management, Nijmegen, The Netherlands
- University of Graz- Institut für Geographie und Raumforschung, Graz, Austria

The reports presented here are excerpts of the final reports produced for ESPON. The complete versions can be found at [www.espon.eu](http://www.espon.eu).

## 1.3 Territorial Governance - Setting the scene

Even though governance refers jointly to the three dimensions of political activity (that is, the making of the Polity, Politics and Policies), the emphasis is usually placed mostly in the first of these, as an expression of the 'soul' and 'proud' of each country. Despite this, Territorial Governance, a broader concept that also integrates these three dimensions of political activity, focuses more on the third dimension, the Policies, for which the other two have to be adapted, in order to achieve the goal of sustainable spatial development and the objective of territorial cohesion.

Territorial governance can be seen as a simple application in the urban and territorial field of general principles of governance. In this view territorial governance, unlike economic governance, confronts, or should do so, the interests representation problem, thus considering among its objectives the specific social and political dimension of collective action. Nevertheless, in the more complex and interesting way that it is used in this ESPON 2.3.2 project, territorial governance can be seen not only as a governance process applied to urban and territorial policies, but as a process that has a specific character deriving from its object, the territory. Within this

perspective, the complexity of territory not only allows us to consider territorial dynamics as one of the most interesting tests in order to verify the effectiveness of the general principles of the governance approach, but also gives a specific character to territorial governance.

The policy of territorial cohesion is *"...a dynamic policy that seeks to create resources by targeting the factors of economic competitiveness and employment especially where unused potential is high..."*, *"...the objective is to help achieve a more balanced development by reducing existing disparities, avoiding territorial imbalances and by making both sectoral policies which have a spatial impact and regional policy more coherent..."* (CEC, 2004, Third Report on Economic and Social Cohesion, p. 21 and p. 27). Territorial cohesion is then realised, at any territorial level, by the implementation of inter-sectoral, or integrated, policies. If the objective of territorial cohesion is to complement the sustainability agenda and to promote greater coherence and coordination of policies that have a substantial territorial impact, it needs to be combined with sustainable development to achieve the objectives of the Lisbon and Gothenburg Strategies.

Accordingly the project defined territorial governance as a process of the organization and co-ordination of actors to develop territorial capital in a non-destructive way in order to improve territorial cohesion at different levels.

#### **1.4 Aims and Objectives**

- Elaborate a research framework which allows to comprehensively investigate the issue of governance, through: theoretical work and national & EU overviews
- Definition of a set of indicators related to specific factors that characterise successful governance or obstruct it
- Preparation of comparable Case Studies, with particular focus on governance at transnational level
- Draw conclusions and strategic recommendations on improvement of governance at EU level

#### **1.5 Methodology**

Urban and territorial governance represents a very particular field of research because it depends on the specific character of each territory. It was an ambitious aim of the research to exactly define relations between territorial governance and territorial cohesion, improving territorial capital, a precondition also as a result of territorial governance actions. In addition, the project had to deal with the challenge of considering all levels, from EU to local, and their interrelations; it had to combine ambitious objectives with limited resources and a scarcity of directly related data and indicators. In territorial matters correlations, or relations between cause and effect, can be re-interpreted. Certainly it is difficult to define an 'a priori' hypothesis, in the sense of cause-effect relations for a case such as governance. This particular condition, as well as the objective of

benchmarking in order to learn about reasons for successful and failed examples and their possible transferability within ESPON space, makes an inductive/qualitative approach especially appropriate. The project consortium used inductive methods instead of deductive methods because there is not enough theory yet. It was a task as a pioneering project to use the experience we were gaining as a source and base to help build the theory concerning governance and territorial cohesion. From this point of view the National Overviews and the Case Studies constituted, as sequential steps, the way in which we tried to understand territorial governance in its three dimensions: as structure (or preconditions for governance), as process, and as results.

The scarcity of data and indicators referred to above, as well as the specific nature of territorial governance, made it necessary to explore new methods and ways of collecting qualitative data (through the national overviews and the case studies). This qualitative information was transformed and combined with quantitative indicators. In order to avoid inaccuracies, the result of this process was checked using other indicators from external sources (Eurostat, Eurobarometer, World Bank, Committee of Regions) as well as other ESPON projects, such as 1.1.1, 2.4.2 and 3.3.

## **2. Key messages and findings**

### **2.1 Identification of governance trends – overall comments**

The following paragraphs sum up some selected overall comments on governance trends as worked out within the project:

- Key challenges for territorial governance are to create horizontal and vertical cooperation/coordination between (i) various levels of government (multi-level governance, vertical relations); (ii) sectoral policies with territorial impact and (iii) governmental and nongovernmental organizations and citizens (multi-channel governance, horizontal relations between actors and their territories). Vertical and horizontal coordination leads to integration and coherence between disparate responsibilities, competences and visions of territories.
- Certain tensions and contradictions exist between the prevalent nature of governance/government and emerging new practices: whilst a lot of expectations and assumptions found in the literature on territorial governance are connected to more network-based, flexible and less hierarchical modes of governance, the picture emerging from the case studies is one where the central government/federal states and its regionalised authorities, as well as local authorities, still play a major role and where hierarchical relations still determine many of the preconditions and parameters for decision-making, problem-solving, management and conflict resolution.
- Participation, openness, effectiveness, and accountability seem to be the central elements of 'good governance' in urban and territorial policies. These factors re-emphasise so to say the favourable pre-

conditions for governance, as expressed in the 'good' governance characteristics.

- What seem to be favourable pre-conditions for governance are experiences (and experiments) with participation processes and partnership formation, combined with processes of devolution of powers or general decentralization conducive to strong and competent local and regional actors, which also command a matching set of resources.
- The EU has acted as a stimulus for innovation and change in several ways, from practical to 'psychological'. European Union policies, principles and processes of integration have been the dominant force (the referent), which has been operating in favour of the adoption of governance approaches.
- According to the best practices from the case studies, spatial planning plays a key role as a nexus between cross-sectoral coordination and coherence. Best practice examples relating to horizontal relations are often related to spatial planning processes where cross-sector interaction is promoted and more coherent policy packages are developed as a consequence.

## 2.2 Governance trends –comments regarding territorial categories

An underlying hypothesis in this project has been that to be able to understand territorial governance, the territorial context needs to be taken into account. Although there are commonalities within the development of territorial governance, such as increased vertical and horizontal collaboration, there are also differences in terms of challenges and difficulties that different types of territories face.

Hence, solutions and policy orientations need to be adapted accordingly. For this reason, the case studies have been identified with regards to the following six territorial categories:

- Trans-national and cross-border regions
- National case studies
- Regional, polycentric and urban network case studies
- Functional urban areas and metropolitan regions
- Urban-rural areas
- Intra-city case studies

A list of all case studies can be found in the Annex.

The **cross-border case studies** tended to be based on voluntary collaboration between local authorities across national borders, with an overall lack of participation of civil society and stakeholders. In addition to this horizontal collaboration, the vertical relations to the nation states are of importance particularly in relation to their role as providers of legal frameworks etc. The case study areas can also be characterised by their Europeanisation, both in terms of EU funding and EU programme frameworks such as Interreg. Crossborder collaborations are the

laboratories through which transnational ideas on governance can be channelled and tested.

The **national case studies** are a heterogeneous collection of cases which makes it very difficult to draw conclusions from the group. Three case studies deal with devolution or decentralisation regarding local and regional development strategies. The devolution case has not proved successful, while the other two were regarded as comparatively positive developments. Three case studies entail the development of national spatial plans in states that have historically been centrally planned. All these seem to be, at least partially, success stories regarding governance processes, reflecting greater vertical and horizontal collaboration. There is a limited trend among the national case studies towards greater participation and openness.

The '**Regional, polycentric, urban networks**' case studies are also a heterogeneous group. However, the increasing importance of the regional level of governance is clear, both in terms of decentralisation trends and particularly regarding increased horizontal collaboration. At the same time, the central state retains a strong role. Too little seems to be done to involve civil society in the governance processes, and collaboration is mainly achieved between different public actors. Many of the successful cases of increased collaboration resulting in joint spatial development plans or visions are generated through a pragmatic need for collaboration as the functionality and interaction in regions cover larger and larger areas.

There are 13 case studies in the group '**Functional urban areas and metropolitan regions**', representing a wide variety of urban areas in all different types of national contexts. Bottom-up mobilisation and consensus-building in the case studies are important steps forward in governance terms. Several of the case studies remain conflictual. Openness is quite well catered for, but participation less so. Due to the large number of public actors involved in most of the case studies, it seems more difficult than in earlier cases to identify who is accountable.

The analysis of the **urban-rural** case studies clearly indicates a shift in governance trends towards a more integrated approach for urban-rural relationships. The case studies are considered fairly successful in terms of achieving agreements, developing shared views, and the continuation of projects, but there is still more to do with regard to governance processes. There is an overall trend of decentralisation, and in most cases new forms of regional governance have appeared between the central state and the local level (or between the regional state and the local level in the federal cases).

All five **intra-city** case studies are subject to quite radical changes regarding their respective national political frameworks. Territorial governance is highly diversified within the case studies, but one shared characteristic is that the role of governmental actors in all five case studies remains significant, particularly at the municipal level. Non-governmental actors also seem to be increasingly present within the governance processes.

### 2.3 Good governance factors

The following paragraphs sum up the main results from the case studies concerning the 5 principles of good governance:

- **Participation** is often not very actively promoted. The new forms of governance are more inclusive in the sense of being partnershipbased, but are still weak on participatory mechanisms. The most common type of public participation involves organised actors who are often from the public side, and in most cases through processes of consultation.
- Most of the mechanisms and practices promoting **openness** were related to information activities.
- The various forms of national, regional and local governance reflect very different ambitions and aims, as well as traditions, when it comes to **accountability**. In many cases the clarity of roles and division of responsibilities is much more difficult to ensure in the new governance models emerging across Europe today than in traditional models of government.
- Strategic visions and plans can be tools for improving **effectiveness**, but many new governance models emerge first as projects or connected to projects and are not necessarily long-term initiatives. Political support and commitment allows for accountability but also entails shorter time perspectives, and here the challenge is that what are essentially long-term strategic issues such as spatial and territorial development do not fit very well into an election-cycle timeframe.
- **Coherence** can be assessed in relation to clarity of individual policies, of coherence between policies, and of co-ordination and integration of interventions across sectors. Coherence is also connected to the way in which broader policy-level themes and objectives (e.g. the ESDP, etc.) are integrated into territorial initiatives. Sector barriers are a major bottleneck to coherence, and efforts towards more horizontal integration and a more integrated approach to territorial policies are therefore of key relevance.

### 2.4 European policy impacts

The following paragraphs sum up the main policy impacts described within the project's final report:

- Increased collaboration may not first and foremost stem from the European policy documents themselves, rather it has in many cases grown out of a bottom-up need to cooperate, though it is then also in line with EU objectives such as those of the ESDP.
- Interreg projects have been influential in some cases. Interreg is often seen as a main driver of integration on European spatial policy, as far as the dissemination of ideas and policy thinking within national, regional and local territorial planning is concerned.
- The Open Method of Coordination was investigated in all the case studies, but proved to be a non-issue in the territorial policy and spatial planning field. However, it could contribute significantly to overcoming

constraints to vertical as well as horizontal territorial coordination/cooperation, contributing in this way to territorial governance from EU to local level.

## **2.5 Key policy recommendations**

The following paragraphs sum up the main policy recommendations worked out within the project:

- Territorial governance has to be 'democratic governance'.
- Public authorities, at any level, still play a central role, and hierarchical relations determine much of the preconditions and parameters for decision-making, problem-solving, management and conflict resolution.
- Central governments and the EU, and regional levels to a lesser extent, should strengthen their role in establishing the framework, that is, to set preconditions for territorial governance actions and processes.
- However, the object of participation risks being exclusively formal if it is not considered as one of the main issues of TGAs. Citizens, stakeholders and organized interests can get tired of getting involved in participative processes in which they can have their say on marginal issues, while the central issue is out of their reach.
- There are three categories of best practice for territorial governance: a) experimenting and learning with regional, national and local pilots; b) promoting policy learning through new spatial policy ideas; and c) reform of structures, planning instruments and methods.
- In the dimension of coherence the best practices see a more evidence-based approach, where academics or other professional expertise is more actively utilised as a means to improve the coherence of interventions.
- The dimensions of good governance are very much intertwined, for example effectiveness is difficult without coherence, which is in turn related to horizontal and vertical coordination; public participation is difficult without openness, openness is related to accountability, etc. Therefore they should all be included and work together.
- One would expect that the best case practices would represent the perfect situation in which all dimensions of good governance were present. However, this is not the case. When good governance can start with only a partial application of good practices and principles, then an adequate combination of them is all that is necessary.
- The vertical, horizontal and public participation dimensions of territorial governance seem to be the minimal requirement, as these are the common features in all examples of best practice studied. Perhaps they can be seen as the necessary basic requirements, while the other dimensions of good governance can improve the situation further.
- Governance is a context-specific and path-dependent process that requires time, and one where the local, regional and national specificities have to be considered closely. Hence, 'best practice' approaches and examples of 'good governance' from other countries, regions and localities should be used only as inspiration.



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- Territorial governance actions and processes need to be territorialized, i.e. to refer to the territorial capital recognized and available at each level, in order to strengthen territorial cohesion (economic and social cohesion, safeguarding and valorisation of the natural and cultural patrimony, promotion of balanced competitive strategies with reference to the wider European space). This requires a (re)valorisation of territory and the improvement of a public (in the sense of common) new territorial culture, for which the role of public actors is crucial.
  - In this sense more attention should be paid to spatial planning policy, mainly to strategic/participative spatial planning as far it is the main nexus that has been observed for coordinating policies to make actions more coherent. Better coherence relates to effectiveness.
  - Together with ESPON and the Committee of the Regions, thought should be given to the way in which an observatory and/or a coordinated network of regional observatories on territorial governance could/should be developed in order to harmonize data and criteria to define good governance preconditions and practices and to promote their application.

### **3. Further research issues and data gaps to overcome**

#### **3.1 Further research issues**

- Production of an updated EU Compendium of Spatial Planning Systems and Policies, with a territorial governance focus. A very interesting point is that due to the increased number of Member States the differences between European regions grew deeper and the whole situation is more heterogeneous. However, due to the convergence that is taking place within the planning 'families', the differences are slowly start to decrease again.
- Development of a series of demonstration projects of trans-frontier cooperation to investigate "barriers and catalysts" of cooperation.
  - Systematic research into "trans-frontier identities" to investigate cultural, environmental and man-made unifying factors, conducive to cooperation.
- Research into the special problems of applying governance processes in isolated, remote and resource-deficient areas.
- Investigation of the diverse national/ local cultural conditions which can provide support for future governance cooperation, networking and policies.
- Study of participation practices in the spatial planning processes of member states and their governance value.
- Study at national level of intra-state differences in territorial governance practices. Variations may be due to practical reasons A fundamental division is urban-rural differentiation.

- The degree of involvement in all case studies shows that vertical relations are mainly characterised by local and regional actors. Further research into these relations seems to be a promising field, mainly at the regional polycentric network and urban-rural scales, as well as in metropolitan regions where, contrary to the other two scales, relations are much more conflictual despite their strategic importance from a spatial and demographic point of view. More attention has to be paid to finding alternative solutions and learning from benchmarks.
- At the local level there are cooperation arrangements which do have an innovative character even if they do not produce spectacular results, like municipal development companies, public-private partnerships for land development, or quality agreements in certain economic sectors which are important in their national context. The most numerous examples are those focusing on cities, where one also finds the most numerous examples of policy packages. They often exhibit experimental or innovative arrangements at the neighbourhood, city or urban region level, with the other levels usually aiming at economic development and urban regeneration. Their potential deserves further investigation to examine whether they can be exploited and extended in the future.
- The research project managed to probe into the field of territorial governance mainly with the help of qualitative methods. What has been obtained are mainly mental maps displaying the processes and structures of projects and experiments in the field of governance. The quantitative approach towards governance is far more difficult, as was experienced in the course of the project. Nevertheless, to address the effectiveness of governance structures across all EU member states and regions, the quantitative side of the research needs to be further developed, taking the preliminary approaches of the ESPON 2.3.2 project as a starting point.

### **3.2 Data gaps to overcome**

As has been stated throughout the project, a number of types of data could be useful for future studies on governance and its impacts:

- Data on government structures in the European regions (e.g. regionally differentiated data on budgets; budget figures as such are available but they mainly relate to financial concerns and not regional ones); and on administrative structures, administrative processes (response times), e-government (the ESPON Database as an incomplete start).
- Data on civil society in the European regions (e.g. voting patterns can be a start and are available but the coverage is insufficient; besides, as political scientists in the project team pointed out, their interpretation is open to debate). Also, ESPON 2.3.2 established a starting point regarding governance aspects in territories, i.e. with the qualitative indicators S1-S10. This work should be continued and systematically extended, e.g. with a targeted collection of these aspects across all EU regions.

- In particular, data on the potential impact side of governance beyond the economic are missing (e.g. the Eurostat data on social structures and characteristics address the welfare system [transfer payments] but are weak in other respects).

As outlined in the case study analysis attached as an appendix to this final report, the changes taking place within territorial governance are linked to an increasing shift towards multi-level modes of governance, in a system of continuous negotiation and adjustment among governments and non-governmental actors at several territorial levels, from supra-national to sub-national (regional and local). This broad process of institutional adjustment and adaptation is shifting some previously centralized functions of the state to the supra-national level, whilst others are delegated or in some cases devolved to the sub-national tiers of government. Yet in other cases the adjustments taking place relate to actors, organisations and interactions beyond the government system, involving other than governmental actors and organisations, from the private sector to the voluntary sphere, as well as to social movements and their mobilisation effects.



## Part 2 National Overview

### "Application of Governance Practices"

## Institutional Context

### 1. Country Profile

#### 1.1 Essential Socio-demographic and economic statistics

Table 1 – Area and Population

Raumeinheit	Fläche 2001	Einwohner 2001	Bevölkerungs- dichte 2001
	in km <sup>2</sup>	in 1000	Ew./km <sup>2</sup>
Bundesrepublik	357023	82440,3	231
Schleswig-Holstein	15761	2804,2	178
Hamburg	755	1726,4	2286
Niedersachsen	47616	7956,4	167
Bremen	404	659,7	1632
Nordrhein-Westfalen	34082	18052,1	530
Hessen	21114	6077,8	288
Rheinland-Pfalz	19847	4049,1	204
Baden-Württemberg	35752	10600,9	297
Bayern	70550	12329,7	175
Saarland	2568	1066,5	415
Berlin	892	3388,4	3800
Brandenburg	29476	2593	88
Mecklenburg- Vorpommern	23173	1759,9	76
Sachsen	18413	4384,2	238
Sachsen-Anhalt	20447	2580,6	126
Thüringen	16172	2411,4	149

Average population density is 231 inhabitants per square kilometre. City states show the highest density, reflecting the exclusively urban character. Brandenburg and Mecklenburg-Vorpommern show the lowest density figures, due to the mainly rural character.

Table 2 – GDP per capita

Raumeinheit	Bruttoinlandsprodukt je Ew. In 1000€
Bundesrepublik	24,6
Schleswig-Holstein	22,2
Hamburg	41,9
Niedersachsen	22,2
Bremen	33,2
Nordrhein-Westfalen	25,1
Hessen	29,9
Rheinland-Pfalz	22,4
Baden-Württemberg	28,2
Bayern	28,6
Saarland	22,4
Berlin	22,2
Brandenburg	16,1
Mecklenburg- Vorpommern	16,1
Sachsen	16,4
Sachsen-Anhalt	15,9
Thüringen	16,2

GDP per capita figures show main differences between the city states and the territorial states, with Hamburg sitting at the top of the league table. This is not just a statistical effect, Hamburg is due to its rich merchant history, the strong service sector, but also due to high tech industries (Airbus/EADS) also EU wide the region with the highest GDP per capita. Hessen (with Frankfurt a.M.), Baden-Württemberg (with Stuttgart), and Bavaria (with Munich) follow behind.

Germany is still an economy where half of the GDP is produced by the secondary sector. In particular the Mittelstand (SME) but also large international corporations like Siemens, Daimler&Chrysler or BASF stand for this sector. In terms of secondary sector structures, the states of east Germany show very low figures, not compensated for by higher figures for the tertiary sector. The tertiary sector peaks for Hamburg (see before) and Hessen, where Frankfurt a.M. is the centre of the banking sector, including e.g. ECB.

Table 3 - GDP per sector

Raumeinheit	Bruttowertschöpfung 2000 Sektor I	Bruttowertschöpfung 2000 Sektor II	Bruttowertschöpfung 2000 Sektor III
	in 1000 €/Erwb.	in 1000 €/Erwb.	in 1000 €/Erwb.
Bundesrepublik	22,9	50,8	48,8
Schleswig-Holstein	29,1	49,1	46,9
Hamburg	30,2	67	63,9
Niedersachsen	28,3	54,6	44,9
Bremen	33,7	66,4	48,5
Nordrhein-Westfalen	25,5	52,2	50,6
Hessen	19,8	54,3	58,2
Rheinland-Pfalz	23,9	55,1	45,9
Baden-Württemberg	24,7	56,9	50,8
Bayern	16,5	53,1	53,8
Saarland	16,4	43,9	44,3
Berlin	18,8	47,1	44,2
Brandenburg	21,3	35,8	38
Mecklenburg- Vorpommern	28,6	32,6	36,9
Sachsen	17,5	33,4	35,3
Sachsen-Anhalt	29,5	34,7	38
Thüringen	22,1	32,3	35,5

The most recent unemployment figure for Germany amounts to 5.000.000. This is the highest figure since the 1950ies (see also Figure 1 from FAZ). General activity rates are close to 50% (reference population >15 to <65), activity rates amongst women is slightly higher (51%, see Table 5). The city states of Hamburg, Bremen and the states Hessen and Bavaria (Bayern) show higher rates, as expected. The high tertiary rates of the east German Laender (Brandenburg to Thüringen, bottom of the list) are mainly a statistical effect. The most important tertiary centres can be found in Hamburg, Hessen, and Bavaria.

Table 4 - Employment

Raumeinheit	Beschäftigten- quote 2001	Beschäftigten- entwicklung. 95-01	Beschäftigte		
			Sektor I	Sektor II	Sektor III
Bundesrepublik	49,9	-1,1	1,2	35	63,7
Schleswig-Holstein	43,8	0	1,9	28,8	69,3
Hamburg	64,6	2,7	0,4	20,6	79
Niedersachsen	45,9	1	1,5	35,6	62,9
Bremen	64,5	-2,4	0,4	30,2	69,4
Nordrhein-Westfalen	49,4	1,4	0,8	35,7	63,5
Hessen	53,5	2,9	0,6	30,3	69,1
Rheinland-Pfalz	44,6	1,6	1,1	37,4	61,4
Baden-Württemberg	54	3	0,7	44	55,3
Bayern	53,4	4,2	0,8	39,7	59,5
Saarland	50,3	3,1	0,4	39,1	60,4
Berlin	46,2	-10,2	0,5	20,4	79,1
Brandenburg	42,4	-14,6	3,7	28,9	67,4
Mecklenburg-Vorpommern	45,3	-12,4	4,3	24,5	71,2
Sachsen	49	-12,4	2,5	31,9	65,6
Sachsen-Anhalt	45,1	-16,4	3,3	29,2	67,5
Thüringen	46,9	-10,7	3,1	34,7	62,1

Figure 1 – Unemployment Rates of the German Länder 2005

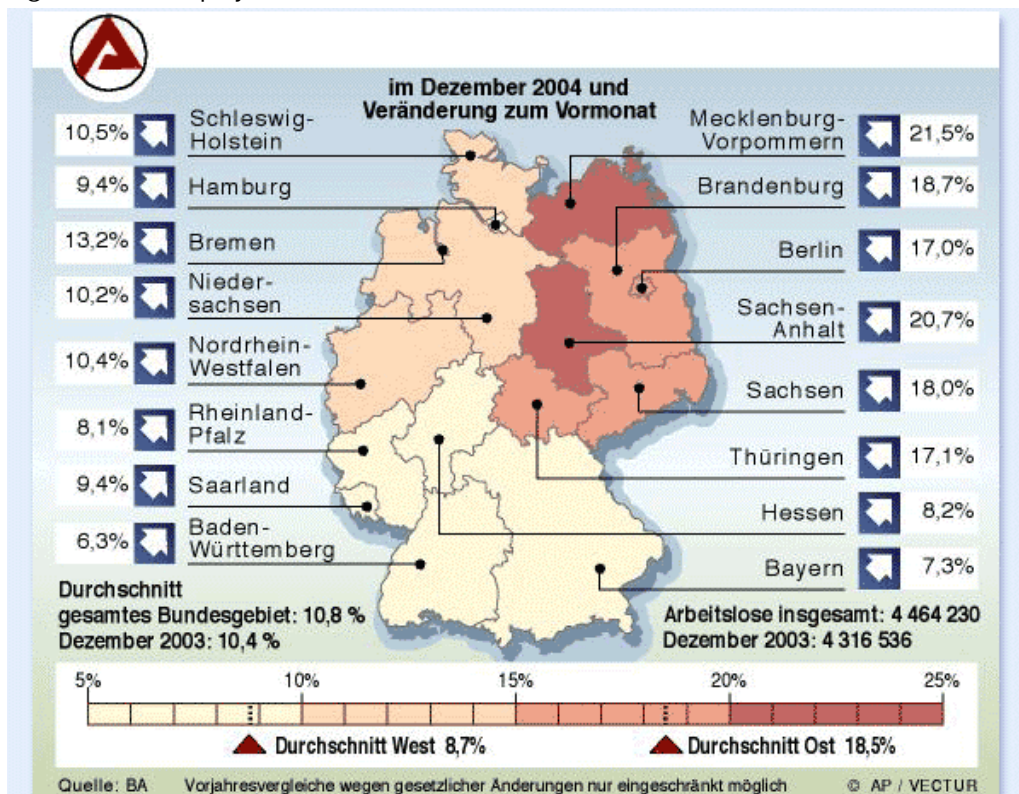




Table 5 – Activity rates

Raumeinheit	Frauenanteil 2001	65-jährige und älter	Beschäftigtenquote	Zentrennahe Bevölkerung
Bundesrepublik	51,1	16,6	49,9	75,6
Schleswig-Holstein	51,1	16,8	43,8	71,2
Hamburg	51,5	16,9	64,6	100
Niedersachsen	51,1	16,9	45,9	60,9
Bremen	51,7	18,4	64,5	100
Nordrhein-Westfalen	51,3	17	49,4	84,4
Hessen	51	16,5	53,5	85,2
Rheinland-Pfalz	51	17,4	44,6	69,5
Baden-Württemberg	51	15,9	54	76,2
Bayern	51,1	16,2	53,4	75,8
Saarland	51,5	18,3	50,3	85,8
Berlin	51,4	14,6	46,2	100
Brandenburg	50,6	15,6	42,4	53,4
Mecklenburg-Vorpommern	50,6	15,2	45,3	55,3
Sachsen	51,5	18,6	49	77,1
Sachsen-Anhalt	51,3	17,5	45,1	49,6
Thüringen	51	16,9	46,9	45,1

Overall, the majority of the German population lives either in urban centres or close to urban centres (see *Zentrennahe Bevölkerung*).

## 1.2 Spatial structure and urban system

Germany is one of the most densely populated states in the EU. The national territory is clearly marked by differences in the settlement structure, in particular between the highly urbanised agglomeration areas and the rural regions. 80 % (2000) of the population are concentrated on one third of the territory. Within the EU, only the Benelux-States, southern UK and northern Italy show similar structures. In other states, the population is far more concentrated in capital city regions, along coasts, or following river basins.

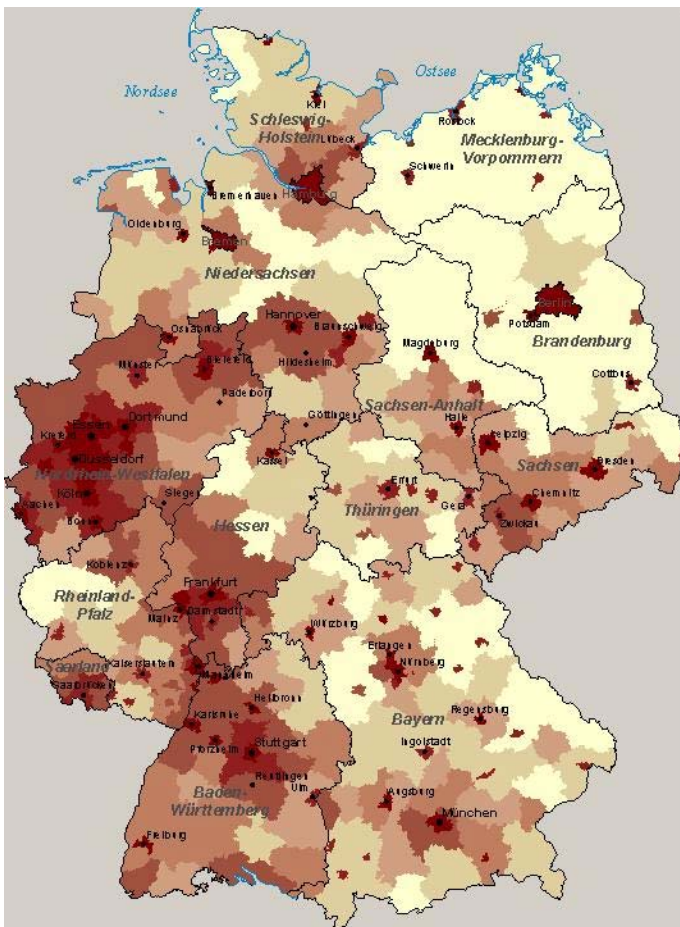
Settlement structures in the western and eastern part of Germany are not very different regarding the general picture. However, looking at smaller scales differences enhance: West Germany shows a higher density (on average 250 persons per sqkm; East 150). In east Germany the differences between the agglomerations in the southern parts and the rural areas in the northern parts are higher. Within the agglomerated areas of east Germany, the further concentration on core cities is different, cf. West Germany. Part of the reason behind this was a less developed sub-

urbanisation pattern in GDR times. Everything concentrated on core cities. In west Germany, sub-urbanisation processes were much more excessive, at one point captured with the hypothesis of the *Zwischenstadt* (Sieverts). (See Figure 2)

The division of economic activities and work places follows the general trend, i.e. concentration on the major agglomerations. Overall, Germany is here further characterised by a north-south divide, overlapped by an east-west division. The southern parts of Germany (with cities such as Frankfurt a.M., Stuttgart and Munich) are generally considered to be more dynamic, due to innovative and modern industries and services. Northern parts of Germany had to cope with a lasting structural change of the 'old' industrial core structures (especially in the Ruhr Region, but also harbour and fisheries along the coast). This however, has almost come to an end at least in terms of the expected scale of further changes, as expressed in loss of jobs. (See Figure 3)

In economic terms, east Germany constitutes the highly problematic area with high unemployment rates, lower industrial activities, high outmigration of young and economic 'active' parts of the population. Only few centres such as Leipzig, Dresden, and Berlin of course provide a critical mass for a potentially sustained economic development.

Figure 2 – Population Density

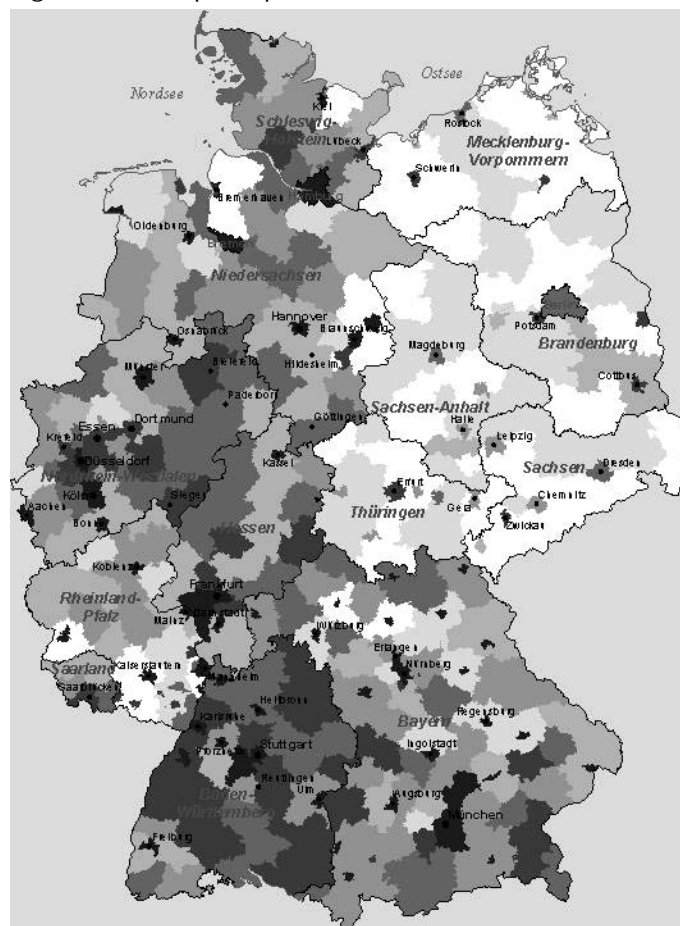


This map shows density figures (2001) at the level of NUTS III. The dark areas are the high density centres, bright colours reflect the rural areas.

The rural areas (and mountain ranges) in Germany also follow differentiated patterns. In particular in north and north east Germany, rural regions are still characterised by agricultural structures and related economic or service activities. Rural regions in the vicinity of highly agglomerated areas are increasingly incorporated by sub-urbanisation processes. Rural areas in the south of Germany, in particular around Munich and the *Bodensee* even show high tech industrial structures and perform better than some of the highly agglomerated areas.

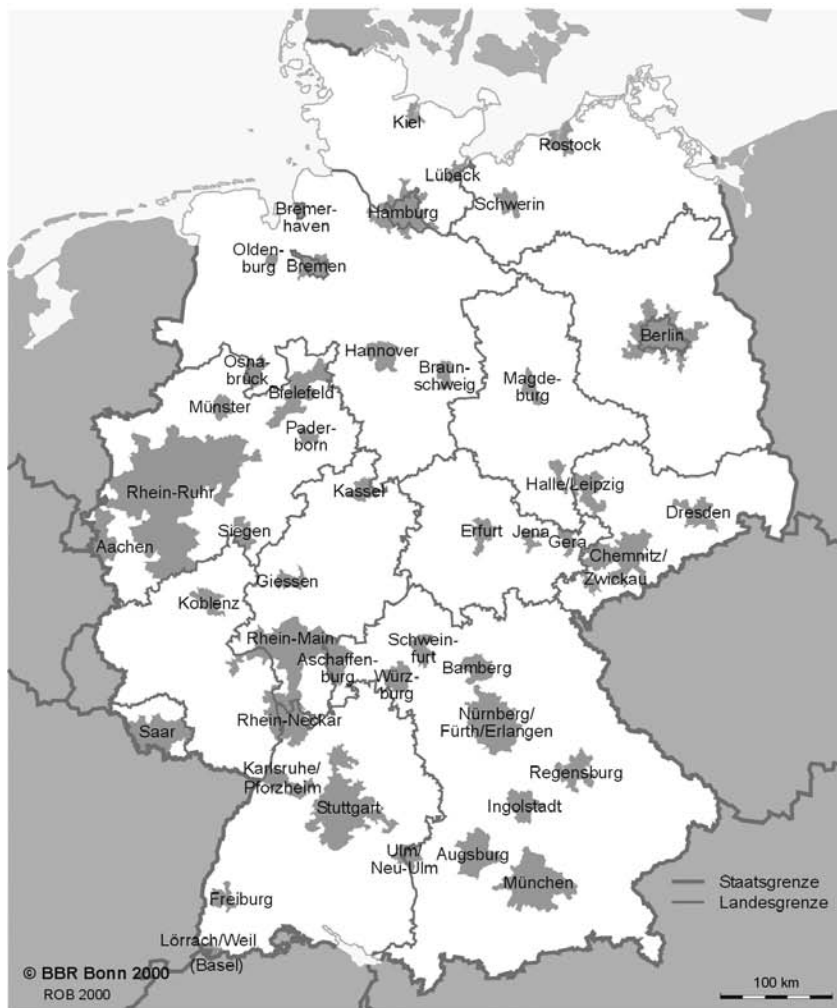
Overall, the German spatial structure is hence characterised by four to five large agglomeration areas (being important Europe wide), of either a polycentric (as Rhine-Ruhr) or monocentric (as Munich) structure. Internally, these agglomerations are highly differentiated and reveal economically, socially, and functionally advantaged structures opposite to disadvantaged areas. A typical picture for many European high density areas (ROB 2000, see Figure 2).

Figure 3 – GDP per capita



*This figure shows the distribution of GDP per capita (2001), on NUTS III level. The weaker position of the east German Laender, and the concentration on core areas and southern Germany can be seen.*

Figure 4 – Agglomeration Areas



■ Verdichtungsraum

Anmerkung: Verdichtungsräume in gemeindefarber Abgrenzung gemäß Beschluß des Hauptausschusses der Ministerkonferenz für Raumordnung vom 7.9.1993, angeglichen an den Stand der Verwaltungsgrenzen vom 31.12.1998.

Datenbasis: Laufende Raumbeobachtung des BBR, Angaben der Länder

Gemeinden, Stand 31.12.1998

*This figure shows the agglomerated areas in Germany, with the largest one being the Rhine-Ruhr area*

### 1.3 Key spatial problems, conflicts and issues

As has been already said, the divides between successful metropolitan regions and disadvantaged regions is the major problem in Germany. The most severe problem in this respect concentrates on east Germany. This has in fact led to a discussion about the general aim to establish equal living conditions in Germany and whether this can be still kept effective, not least due to the steady decline of available resources.

The winner regions, in particular in west Germany suffer at the same time from intense sub-urbanisation processes, occasionally even characterised as de-urbanisation processes, as expressed in the *Zwischenstadt* hypothesis. The consequence of these developments include the standard 'canon' of traffic increase, green field consumption, difficult financial situation of core

cities with a steady deterioration of services, and the like. Nimby-ism and the transformation of previously rural local cultures into quasi urban cultures (commuter villages) are another feature. On the other hand, deserted east Germany cities are the culminating point of several overlapping negative trends, especially outmigration and loss of jobs.

The 'planning' system responds to this with different strategies (see also below), from road charges, to the abolishing of commuter allowances, to subsidies for home builders (family grants), to the introduction of city networks and the new delineation of regional institutions, better reflecting the functional urban area.

In east Germany, large housing estates are even deconstructed with the help of additional subsidies to clear out the market. A development not only restricted to Halle or Leipzig, where the most prominent examples can be found. West German cities have partly to develop strategies against the massive population outmigration, in particular out of housing estates from the 1960ies, too.

In the 'Wirtschaftswunderjahre', the German planning and control system was very effective in the distribution of growth and wealth. In times of marginal growth, occasional down swing, population decline and job losses, the very formal system does not prove to be flexible enough. So, in general new forms of more flexible responses, including different actors and resource holders are searched for. The most prominent will be outlined in the following sections.

## **2. General institutional structure**

*The information in the EU Compendium on Germany provides still a valid overview! In the following passages, a couple of recent developments are outlined.*

Since unification on 3<sup>rd</sup> October 1990, Germany consists of 16 Federal States (Laender), five from the former GDR, eleven (including Berlin) from the former West-Germany. The German state is qualified as a co-operative federation with an in principle agreed co-operation between three levels of statutory powers, the federation, the Land, and the local authorities (Gemeinden, the smallest building stone). The co-operation is based on a distinctive and constitutionally confirmed division of labour between the different levels. All is bound together, again confirmed by the German constitution, by the maxime of 'gleichwertige Lebensverhältnisse' – equivalence of living conditions.

As can be seen further down, this includes in particular the tasks of territorial policies with the following elements

- Spatial planning in Germany is a system of planning levels that are clearly delineated legally, organisationally and related to the planning tasks. The spatial planning on the federation level, the federal states and the municipalities are closely interlinked through the principle of counter-current as well as on the basis of complex regulations regarding information, participation, agreement and co-operation.

- regional policy, in particular the joint task improving regional economic structures (*GA, Gemeinschaftsaufgabe Verbesserung regionaler Wirtschaftsstruktur*) has always been the realm of Laender policies, coordinated between the Laender and the federation by a specific ministerial conference, operationalised in bi-annual programmes
- other joint tasks focus on the extension and improvement of universities and university hospitals, and the improvement of the rural country side and the protection of coastal areas,

All above is either written in the constitution or laid down in regulations, decrees and laws. So, the law making process – typically a matter of government – is very central to the entire policy making process in Germany. Crucial to this process are the two parliamentary assemblies at the federal level, the German *Bundestag* (usually referred to as 'lower house') and the German *Bundesrat* ('upper house').

Given the changing of political tides in elections, the specific power constellations in and between the two assemblies vary over time. The main conflict line emanating between the big political parties (SPD, CDU/CSU) being in charge of the respective governments in the Laender and the Federation, sometimes bound in additional coalitions with junior partners (i.e. Bündnis90/Die Grünen, FDP, PDS).

The co-operative federalism has come under pressure in the recent past, especially due to political blockade in the law making process. The government at the federal level was obstructed by the coalitions in the Bundesrat. This led to the installation of a commission on federalism which delivered its first report in December 2004. The main result was, that it failed to fulfill its remit, mainly due to unbridgeable conflicts in the question of university regulations. Here, the Laender want to keep the federal government out (currently, a framework legislation is provided by the federation to assure a 'standard'). How the work of this commission will continue remains to be seen. The reform, however will still have to wait.

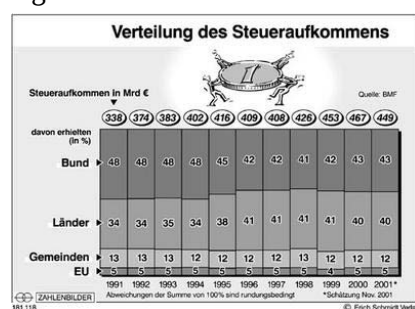
Figure 5 – Modernising the state



Since 1999 the federal government runs a master plan to modernise the state administration. In principle, the approach rests on ideas of New Public Management, focusing on higher efficiency and effectiveness (see also figure above). Elements include new management approaches, clearing out administrative procedures, and also eGovernment. The main ministries involved in this programme are the ministry of the interior, jurisdiction, and foreign ministry.

Regarding taxation, the system of revenues, levies and taxes distinguishes also between the different state layers, i.e. the federation, land, and local authorities.

Figure 6 – Tax revenues



According to the *Konnexitätsprinzip* (principle of connection), all distributions of tasks within a federal system need to be linked with a distribution of financial resources, covering the costs incurred. Since 1969, federal level, Laender, and local authorities generate their income in a mixed system of separate (exclusively available to a distinct level, about 25% overall) or conjoint (collected centrally and distributed according to indicators, about 75% overall) sources.

In terms of volume, the main income sources are represented by income tax, company tax, and value added tax. They are shared between all three levels, with the local authorities e.g. obtaining from the income tax 15%, and the federation and the Laender sharing they remaining 85%. Both, local authorities and Laender receive a share according to the regional and/or local capacity (f.i. income tax payers).

Figure 7 – Transfer payments

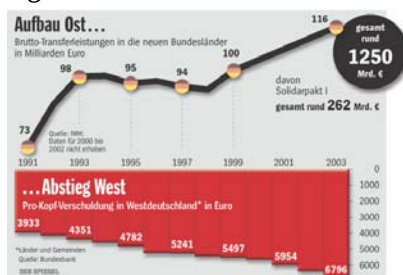


In an economic sense 'weaker' (usually expressed as an per capita income indicator) countries and local authorities benefit from horizontal and vertical transfer payments. The largest of this, about 1.300 b € was spent

for the new German Laender in the former GDR. This transfer was organised with two packages, the first the special fund 'Deutsche Einheit' (until 1994), the second 'Solidarpakt' (solidarity pact, I and II) until 2019.

A wider political debate has been initiated in Germany, critically interrogating the effects of the unification process in general and the effects of the massive financial subsidies in particular. A group of elder statesmen labelled 'Gesprachskreis Ost' recently published the results of its deliberations on 'Building the East' of Germany (Aufbau Ost) and came to outright negative results: Since 1991 about € 1,250 billion have been transferred from the West to the East German Laender! Two thirds of these are estimated to be just consumed to sanitize public and private budgets. This means, that the West German Laender were ultimately hindered in their development, as the 4 % GDP transfer outperforms the around 2 % GDP growth – endangering substance. The experts therefore call for a radically more focused approach towards the regeneration of the East German Laender, defining the entire area as a 'special enterprise zone' and concentrating the subsidies on growth cores, i.e. clusters. This is a turn away from the creation of equal living conditions in Germany and away from a concentration on the weak regions. On the contrary, the likeliness of return on investment is now the focus, counting on spill-over effects for the disadvantaged regions (Spiegel Online 2004, Dohnanyi/Most 2004).

Figure 8 – Aufbau Ost



### 3. The system of governance

*The information in the EU Compendium on Germany provides still a valid overview! In the following passages, a couple of recent developments are outlined.*

#### 3.1 Responses

It has already been outlined, that the system of governance in Germany, especially the precise division of responsibilities in the federal system is currently under discussion. Besides this formal aspect, changes towards a more flexible and potentially rather informal system can also be traced. However, the results are usually a mixture of government and governance institutional structures. Examples include, with a view towards territorial and urban policies, ...

The structural funds (SF) of the EU had a mixed influence on the German governance system. In part SF structures and processes simply reflect a



practice which existed in Germany before or at least in parallel to the SF regulations. In particular regional policy practice in the state of NRW was influential in the design of SF regulations (cf. Bachtler ...). The NRW model operated on the basis of regional assemblies (non elected) and integrated (combining different funds) multi-sectoral (stretching different topics) and multi-annual regional development programmes. Recently, this structure has been reemphasised due to the merging of two different sets/types of regional secretariats, one coming from the ministry responsible for labour, the other from the economic ministry, into one institutional structure. This model was copied in other German Laender, eventually also in response to the requirements of EU SF.

### 3.2 Debate and attitudes

It is quite difficult to identify some answers to the questions of this subsection. Judging from the 'published' opinion, none of the topics (White Paper f.i.) are prominent in the media – or have been. Even in the context of unification, the main thrust concentrated on the formal administrative structures (installing Laender, regional districts, counties, amalgamating smaller cities into larger more effective units).

With respect to public polls, the acceptance or rejection of the EU constitution is currently a matter of some public opinion forming – with different regional outcomes (... , Volksabstimmung). In this respect, also influences of different political cultures in the federal states come to the surface.

A remarkable sign of a changing political culture is also the fact, that in recent elections in east Germany neo fascist parties (NPD) managed to gain seats in the Laender parliaments. A result of the highly frustrating economic situation especially for young white males in east German regions, giving voice with NPD.

### 3.3 Methods

The OMC can be seen as a somewhat mystical creature in the German context – at least judging from a feed back by colleagues in several institutions working in the field of territorial and urban policies. The relevance of OMC is considered to be mainly related to inter-governmental negotiations in fields such as labour market policies. As a method of negotiations between Laender or region within Germany, OMC seems not to be present.

However, since long a system of co-ordination exists between the different Laender in Germany and also with the federal government. Several minister conferences exist in sector policies. Regular meetings between the federal Chancellor and his counter parts in the Laender are held. Beyond that, on the level of ministerial administrations, civil servants run inter-ministerial and Laend/federal informal working groups to co-ordinate, or to check and balance policy making between levels in the federal system. This system has been captured by F. Scharpf as '*Politikverflechtung*' and has also been qualified as 'executive federalism', denouncing the occasional

lack of parliamentary control or consent. Further information on this section can also be found in Part "Territorial Governance".

In spatial planning, the co-ordinating body between federal level and Laender is the minister conference for spatial planning (MKRO), which was behind e.g. some fairly important documents in the 90ies, the *Raumordnungspolitischen Orientierungsrahmen* (1994) and the *Raumordnungspolitischen Handlungsrahmen* (1996). Both documents reflect for the national territory important developments not least with respect to EU wide trends.

Furthermore, with the establishment of new institutional structures between Laender (e.g. Berlin-Brandenburg), regions (e.g. Hanover), and cities (city alliances, Städteverbände), with the current debate about abolishing the Regierungspräsidien (regional representatives of Laend government, intermediate institution, Lower Saxony), or with the introduction of city networks new forms of co-operation and co-ordination are experimented with.

### **3.4 Forms of co-operation**

In part the new forms have already been mentioned above. In regulatory terms, beyond the institutional structure also new processes are available: preparatory land-use plans might be developed between cities on a regional level (Regionaler Flächennutzungsplan); since some time now, private contractors can work on the basis of contracts on behalf of the local authority in cases of urban regeneration or planning (Städtebauliche Verträge). The impetus of the latter is to enhance efficiency – not always better communication.

## **Territorial governance**

*The information in the EU Compendium on Germany provides still a valid overview. In the following passages, a couple of recent developments are outlined.*

## **4. Territorial competencies and responsibilities**

### **4.1. Overview of planning legislation**

"Two general tendencies have distinguished spatial planning policy in recent years:

- Planning and acting in "networks" is increasing in importance, especially at the regional level. (...)This increases the pressure on responsible bodies and agencies in the regional to co-operate and to agree on common goals. The independent responsibility of the regions must be strengthened. At the same time, this supports a decentralised spatial and settlement structure.

- Spatial planning can no longer simply consist in the preparation of plans or in decisions about programmes. It must actively promote the realisation of the planning goals by initiating and supporting the co-operation between public administration and the private sector. Regional planning increasingly takes on the task of moderating (...) and implementing projects (...)." (BBR 2001: 43)

#### **4.2. Key institutions and important planning agencies at national level**

The federal Germany governmental level gives general guidelines for spatial planning in Germany (see chapter 6.1). Relevant ministries on federal level are (2005)

- the Federal Ministry of Economics and Labour,
- the Federal Ministry of Transport, Building and Housing
- the Federal Ministry of Environment, Nature Conservation and Nuclear Safety
- the Federal Ministry of Consumer Protection, Food and Agriculture.

In addition to the federal ministries, there is a number of research and service agencies providing sectoral and intersectoral expertise (cf. chapter 7.4.3). For the field of spatial planning, two major institutions are to be named, the standing conference of ministers for spatial planning (Ministerkonferenz für Raumordnung) and the spatial planning advisory council (Beirat für Raumplanung).

The conference for spatial planning is a standing conference of all State ministers responsible for spatial planning. The conference comments on all federal spatial planning policy issued. "It makes the principal spatial planning decisions in relation to, for example, the development of central places and the preferred structure of settlements in Germany or the integration of spatial and environmental policies" (European Commission 1999: 52) which are provided by the main programmatic documents.

The Spatial planning advisory council is an institution following requirements in the Federal Regional Planning Act (ROG) and advises the federal minister responsible for spatial planning regarding guiding principles of spatial planning. "The advisory council is made up of representatives and experts from the fields of supra-local spatial planning, urban development, science, economic development, agriculture, nature protection, sport, employers and employees organisations and from local government organisations" (European Commission 1999:52).

The largest governmental spatial planning research and observation institute is the Federal Office for Building and Regional Planning (BBR). It is a federal authority within the portfolio of the Federal Ministry of Transport, Building and Housing. It was established in 1998 by merging the Federal Construction Directorate (BBD) and the Federal Research Institute for Regional Geography and Regional Planning (BfLR). In the field of research and advice it provides the Federal Government and other authorities with advice and assistance in the fields of Spatial Planning, Urban Development, Housing and Building (cf. Website BBR).

### **4.3. Roles and responsibilities of governmental layers and agencies**

In 1965, the Federal Spatial Planning Act (*Raumordnungsgesetz*) was adopted for the first time, regulating supra-local spatial planning. Since the beginning of the 1990ies, a guidelines for spatial planning formulate the operational framework for spatial development objectives on federal level (for details cf. chapter 6.1).

Germany has no national plan at its disposal, but in its place the Federation lays down principles of the "*Raumordnung*" which are the fundamental guidelines for the whole spatial planning and spatial policy in Germany.

Each of the German states has its own State regional planning act, fulfilling the provisions of the Federal Regional Planning Act. Furthermore each state provides a spatial development programme and a regional development plan, which normally is specified on a larger scale, e.g. the district or an association of municipalities. The states are free how to proceed in organising their regional planning (cf. chapter 4.6).

The second level of the German spatial planning system is represented by urban land-use planning, which is under the authority of the municipalities. Contrarily to the "*Raumordnung*" the federation owns an extensive legislative competence here. Hence, the "*Baugesetzbuch*" (Federal Building Code, FBC) lays down homogenous objectives, instruments and procedures which are binding for the urban land-use plans of all municipalities. The procedures of spatial planning at the local level are regulated in the Federal Building Act but must take into account the aims and regulations of the respective regional plan (cf. chapter 6.1).

### **4.4. Roles and division of competencies between departments**

*See section 8.5.*

### **4.5. Allocation of resources by agency/department**

*See chapters 1-3 (Introduction to national overview).*

### **4.6. Centralization/decentralization/devolution of spatial planning**

For regional planning below the State level, all State governments except from the Saarland and the city states of Berlin, Hamburg and Bremen have commissioned subregions. In three states, regional planning regions are identical to the districts (NUTS 2 level) and in the State of Lower Saxony the counties (NUTS 3 level) provide regional planning. However in most States, functional regions are shaped in order to allow regional planning, resulting in 111 German regional planning regions (cf. IfL 2004b: 68).

In order to make regional planning more effective and coherent with respect to the neighboring municipalities, many agglomerations have established their own planning or municipal association. Regions around cities like Hannover, Stuttgart, the Rhein-Main agglomeration and the Ruhr

area have own multi purpose association (for Hannover and Stuttgart, see chapter 8.5).

#### **4.7. Involvement of politics in actual policy implementation**

The impact of politics in the process of policy implementation is very high. The following examples are selective but telling:

- For a number of years now, the city state of Hamburg almost desperately tries to move and shake local, regional and national policy to secure the location of EADS (producing the airbus airframes). The negotiation and bargaining processes included even federal planning laws, which have been changed in order to allow Hamburg the extension of a runway.
- The minister responsible for economic policy in NRW was unsatisfied with two major bodies promoting regional development and planning (the International Building Exhibition, and the Kommunalverband Ruhrgebiet) in NRW, bypassing both with the parallel structure of the 'Project Ruhr', a new office directly working towards him and mainly important for regional economic development. This parallel structure has not proven successfully, and has caused constant stress in the regional institutional scene.
- The mayor of the city of Dortmund was not satisfied with the local economic promotion department, he disliked in particular the director of that department, which was also a strong political figure but not the personal choice of the mayor. A parallel structure was installed to work on a cluster strategy, combining several planning and economic projects. In 2005, a new formal institutional structure will be built, integrating both departments under a new director.

## **5. Cross-border and transnational co-operation**

### **5.1. Arrangements for trans-national and cross-border co-operation**

Due to its geographic situation within the European Union, Germany is involved in a large number of cross border co-operations, of which figure 9 gives an overview. Many efforts rest on activities of the Council of Europe, especially the 1980 convention for improving cross border co-operation. On this basis, Germany has fixed application treaty with the Netherlands in 1992, allowing direct cross border co-operation between municipalities (cf. Malchus 1994: 438).

Table 6 - Cross border spatial planning structures and organisations in Germany

Institutions and Modes of co-operation	Work results
<b>European level</b>	
Council of Ministers	Structural policy
European Commission	
European Conference of Ministers for Spatial Planning	European Spatial Development Perspective Recommendations (Charta for Spatial Planning)
Council of Europe	Action Models (Framework Convention)
Association of European Border Regions	European Charta of border and cross border regions, political implementation and advice
<b>National, bilateral, multilateral level</b>	
Government commissions	General spatial planning objectives
Sectoral minister conferences	Recommendations for action
Binational/multinational working groups	Coordination of national and subnational spatial planning policy Elaboration of national "agendas of co-operation" Project planning and monitoring
<b>Subnational level (also multilateral)</b>	
Expert committees and working groups	Elaboration of subnational development objectives Elaboration of regional agendas of co-operation INTERREG/PHARE consultations Coordination of subnational (municipal, district, State) spatial planning policy with federal level
<b>Local level</b>	
Euroregions, cross border urban networks, local and regional working groups, project initiatives	Space of reference of cross border structural policy INTERREG/PHARE project management Development of practical local missions statements and concepts for action Coordination of cross border activities on local level Implementation of strategic key projects

Source: ARL 1999: 146, own translation.

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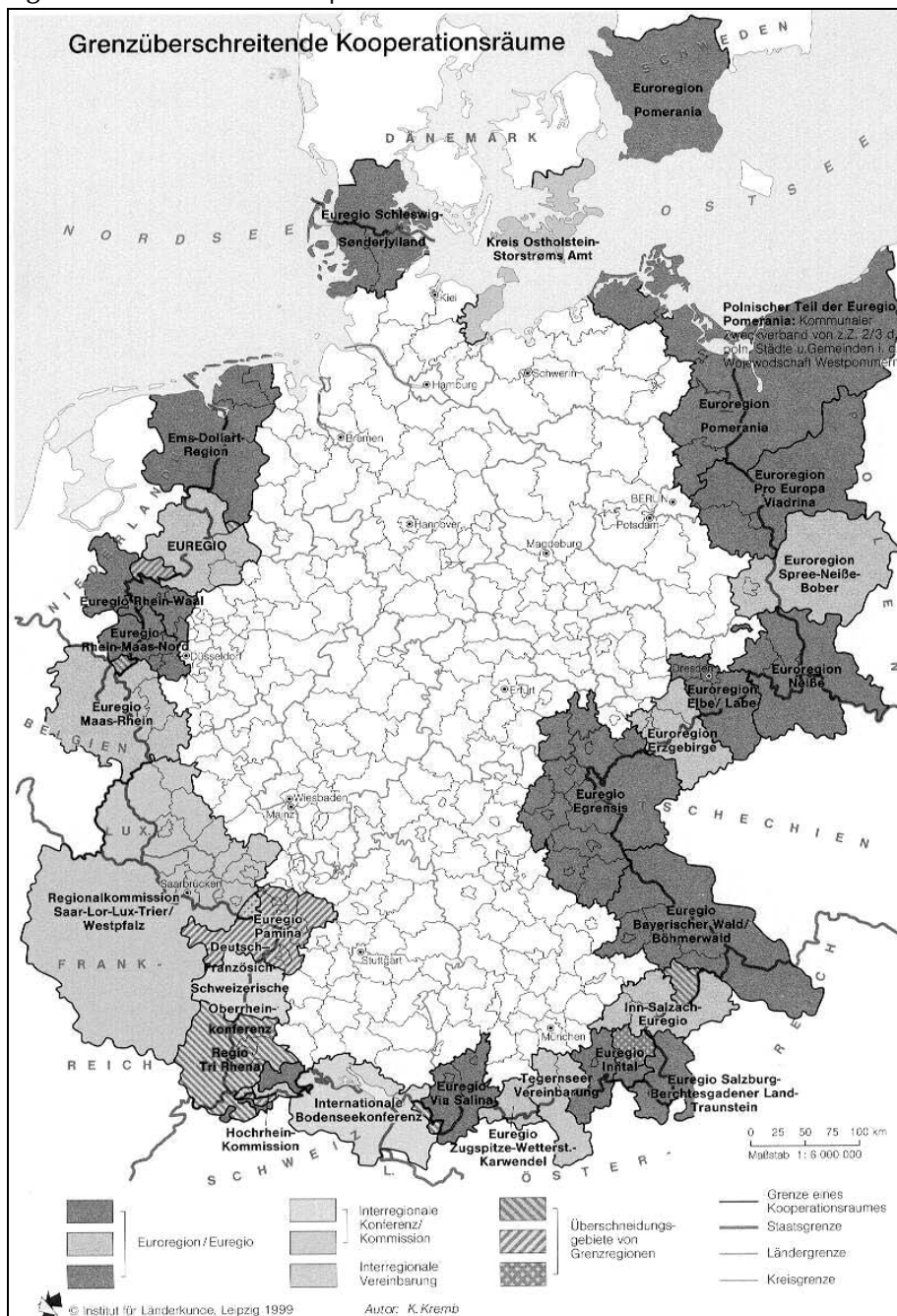
The highest institutional form of German cross border co-operation is the government commission (Regierungskommission). Government commissions are supposed to foster the international dialogue by fixing processes and or rules consulting cross border stakeholders. In the field of spatial planning, the Dutch-German spatial planning commission was established in 1967. Its duties are to coordinate cross border planning projects and to formulate general planning objectives for cross border spaces (cf. ARL 1999: 148). Further government commissions exist with Germany and Belgium, France, Luxemburg, Austria, Switzerland and Poland respectively. The latter produced a spatial planning mission statement for the German-Polish border regions in the 1990ies. Apart from the German-Polish commission, the government commissions' original work was moved towards the growing activity regions and municipalities (cf. BBR 2000: 214).

Apart from informal personal contacts there are large variety of cross-border working groups and boards between authorities responsible for spatial planning and those responsible for a sectoral policy. On the respective Federal, State or regional level they coordinate common issues on both sides of the border. Such working groups exist between the regions (Regierungsbezirke) of the German State of North Rhine-Westphalia and Belgian and Dutch regions respectively. A similar cooperation exists between Brandenburg regions and the respective Polish regions (cf. ARL 1999: 148).

The Association of European Border Regions (AEBR) based in the German city of Gronau acts as lobby institution for co-operating border regions, especially for the so called euregios or Euroregions.

Encouraged and activated by the work of the government commissions, regions and municipalities started fostering cross-border activities. The euregios or Euroregions act as co-operation bodies on the municipal levels. In Germany, 21 institutions exist which follow objectives of cross border co-operation and administer European Funds, especially INTERREG for their territory. In the 1960ies and 1970ies Euroregions between Germany and Dutch, French and Austrian regions were established, co-operations with Swiss, Polish and Czech regions followed in the 1990ies (cf. BBR 2000: 214). It is important to stress that a Euroregion is no new administrative body in the planning system but adopts coordinating activities between the national oriented projects and tasks of its member regions. Euroregions are particularly involved in the INTERREG funds management. Projects are normally even implemented by responsibility of one selected national region.

Figure 9 - Cross-border co-operations



Source: IfL 2004b: 132

Germany is involved in five of INTEREG programmes, namely the Baltic Sea area, the Central and Southeast European area (CADSES), the North Sea area, Northwest Europe (until 1999: Northwest European Metropolitan Area), the Alpine Space (since 2000) and the programme region "Preventive Flood Protection Rhine/Meuse" (1997-2003) (cf. chapter 8.3).



## **5.2 Existence of cross-border joint planning agencies, joint plans or cross-border standing committees.**

International Commissions exist for the protection of large rivers, streams and lakes, the oldest dating back to 1950. In order to prevent deterioration of the water quality, to prevent floods and increase biodiversity, standing conferences with members from all respective adjacent states work for the Rhine, Mosel and Saar, Danube, Oder and Elbe river and for the Lake Constance. Younger commissions have elaborated recommendations regarding environmental audits for projects touching their rivers (cf. BfN 2002: 213).

## **6. Instruments for spatial planning and policies with territorial effects**

### **6.1 Planning instruments**

The Federal Regional Planning Act (Raumordnungsgesetz) and the Federal Building Code (Baugesetzbuch) formulate the main policy principles and measures for spatial planning in Germany.

The main goals resulting in actions of federal spatial relevant policies are (cf. BBR 2001: 47):

- the reduction of discrepancies in living standards between East and West Germany;
- the improvement of development potentials of structurally weak rural areas;
- the solution of employment and housing market problems;
- the further expansion of infrastructure and the maintenance of urban functions;
- the active protection of the environment.

The Regional Planning Act was renewed in 1998 and amended in 2004. Since 1998, it follows one overall objective, sustainable spatial development. Social, economic and ecological issues shall be considered as equally important requirements for spatial development policy.

One important issue of the Federal Regional Planning Act in function since 1998 is that regions are required to put a higher emphasis on the actual implementation of their regional plans by allowing more and better participation and negotiation in the phase of plan drawing and reaching a higher degree of acceptance. New informal instruments are thought to support this objective as for example regional development concepts (Regionale Entwicklungskonzepte), urban networks (Städtenetze, see Chapter 7) and contractual agreements (cf. BBR 200: 200).

The Federal Regional Planning Act legitimates the Federal Office for Building and Regional Planning (Bundesamt für Bauwesen und Raumordnung) to maintain an *information system for spatial development in Germany* and to regularly deliver the results to the government and its

ministries (cf. Art. 21 ROG). One of the observatory's results is the *spatial planning report* issued every few years, reporting the spatial and socio-economic situation in Germany, the space-related policy instruments available and the development perspectives for the near future.

Apart from planning laws the Federal level formulates a number of major guidelines giving policy orientation in spatial planning: The guidelines for spatial planning (Raumordnungspolitischer Orientierungsrahmen) and the operational framework for spatial planning (Raumordnungspolitischer Handlungsrahmen) (cf. chapter 6.2).

The other federal law of major importance for German spatial development in terms of land use planning is the Federal Building Code. It was issued in 1976 for the first time by merging the former Federal Building Act (Bundesbaugesetz) and the Promotion of Urban Development Act (Städtebauförderungsgesetz) and for the last time amended in 2004. Its main contents are:

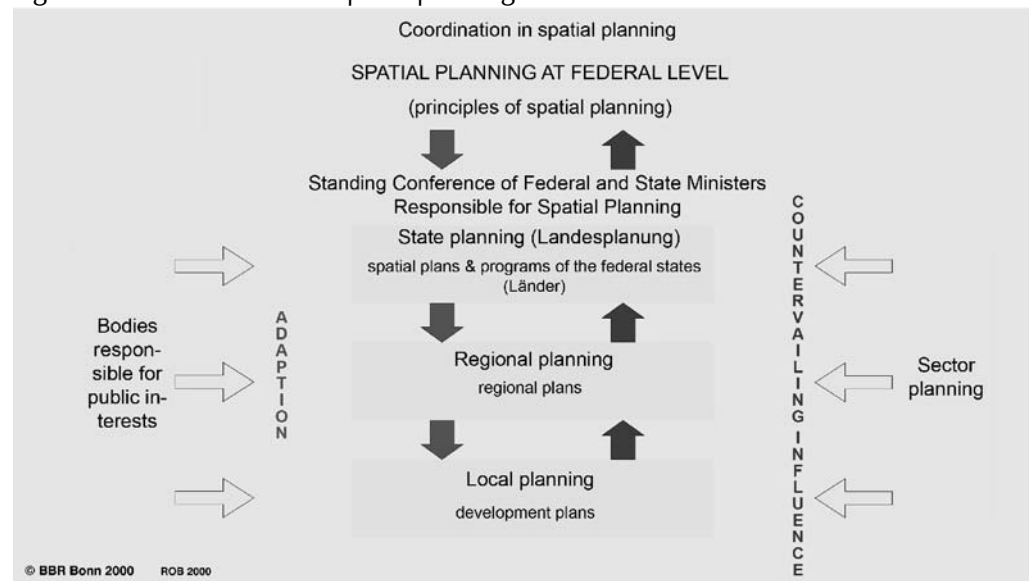
- “the regulations covering the contents and procedures for the preparation of the local land use plans (...); and
- the rules for the assessment of whether a development proposal is permissible or not” (European Commission 1999: 59).

Several Federal ordinances help to operationalise the Federal Building Code. The most important ordinances are the Federal Land Use Ordinance (Baunutzungsverordnung) and the Federal Valuation Ordinance (Wertvermittlungsverordnung).

The Federal Building Code was amended for the last time in 2004 by the European Law Adaption Act Building (Europarechtsanpassungsgesetz Bau). The act responds to the need to provide an environmental impact assessment for all legal spatial development plans. Introducing the environmental impact assessment thus is the major intention of the amendment. Simultaneously smaller proposals for modernisation of the Building Act are integrated in the amendments, as suggested by administration and research experts especially from the independent expert commission (Unabhängige Expertenkommission) in 2002 (cf. Schroedter 2004).

It is important to notice that the above named frameworks as well as the legislation explicitly recommends multi level and intersectoral governance by pointing out that different modes of cooperation can help implement programmes and plans (cf. Diller 2002: 72). The Federal Regional Planning Act says: “The authorities responsible for regional planning at state and regional level (...) shall further cooperation between the public authorities and persons or entities under private law responsible for the realization of regional planning. This can, above all, be realized through development concepts for individual regions which recommend and coordinate regionally significant plans and measures (...). Cooperation between local authorities must be supported in order to promote developments in individual regions (urban networks). Contractual agreements can be concluded for the preparation and realization of the regional plans.” (cf. Art. 13 ROG).

Figure 10 - co-ordination in spatial planning



Source: BBR 2001: 44

The Federal level only gives the framework and guiding principles for spatial planning, whereas the States (Länder) are constitutionally responsible for the implementation of spatial planning, usually carried out by the State Ministry for Spatial Planning or Spatial Development. The Federal Regional Planning Act obliges the Federal States to set up an overall plan or programme for the whole state. The plan defines the principles, objectives and requirements of regional planning for the respective territory. Apart from the States of Brandenburg and Berlin, who have a common spatial planning programme, every State works independently (cf. BBR 2000: 201). Table 7 shows the most current State spatial planning programmes respectively plans.

Planning documents on district level add to the planning objectives of State level. A district in Germany comprises several counties. For nearly all districts in Germany, corresponding to the statistical NUTS 2 level, regional plans exist. They concretize statements from the State plan. Major subject regarded in the regional plans are centres following the central place system (cf. chapter 6.5), development axes and the so called priority areas (cf. BBR 2000: 202).

Planning documents on municipal level follow the principles formulated in the State and Federal planning acts. Two main spatial planning policy instruments exist for local spatial development, both explained in detail in the Federal Building Code:

- Preparatory land use plan (Flächennutzungsplan)
- Legally Binding land use plan (Bebauungsplan)

The preparatory land use plan is issued by the municipality, a communal planning association or an association of smaller municipalities, adopted by the municipal council and consists of a graphic plan and a written statement. It is binding for all public authorities, but not for private or legal individuals (thus individuals cannot sue against single planning decisions

once the plan is legally adopted) and should be renewed every 10-15 years. The preparatory land use plan determines the main features of the different kinds of land-use for the whole territory of a municipality on the basis of the intended urban development and of the predictable need of the municipality., especially areas zoned for residential, commercial, industrial, transport use, green and water areas, areas for mining, agriculture, forestry and nature protection. Moreover special purposes can be indicated such as areas or sites with protected monuments, contaminated land, flooding and polder areas. The plan is usually issued at a scale of 1:5,000 to 1:25,000 subject to the size of the mapped area (cf. European Commission 1999: 63-64) and has to be permitted by a state control board.

Table 7 - Most current State regional planning documents

State	Regional Planning Acts, plans and programmes
Baden-Wuerttemberg	State Regional Planning Act 2003 State Development Plan 2002
Bavaria	State Regional Planning Act 1997 State Development Programme 2003
Berlin and Brandenburg	<b>Brandenburg:</b> State Development Plan I - Central Places 1995 <b>Brandenburg and Berlin:</b> State Regional Planning Contract State Development Programme 1998 State Development Plan (Draft) 2004
Hesse	State Regional Planning Act 2002 State Development Plan 2000
Mecklenburg-Western Pomerania	State Regional Planning Act 1998 State Regional Planning Programme 1993 State Regional Development Programme (Draft) 2004
State	Regional Planning Acts, plans and programmes
North Rhine-Westphalia	State Regional Planning Act 2001 State Regional Development Programme 1989 State Regional Development Plan
Rhineland-Palatinate	State Regional Planning Act 2003 State Regional Development Programme III 1995
Saarland	State Regional Planning Act 2002 State Regional Development Plan Environment 2001 State Regional Development Plan Settlements 1997
Saxony	State Regional Planning Act 2001 State Regional Development Plan 2003
Saxony-Anhalt	State Regional Planning Act State Regional Development Plan 1999 (new Draft 2004)
Schleswig-Holstein	State Regional Planning Act 1996 State Regional Planning Plan 1998
Thuringia	State Regional Planning Act State Regional Development Programme 1993 (new Draft 2004 as State Regional Development Plan)

Source: Website TU Berlin; own translation and additional research

In order to accelerate planning processes in agglomerations and densely populated areas, the regional plan and the preparatory land use plan can be combined creating a *regional preparatory land use plan* (cf. Chapter 8.2).

The most precise planning document in Germany is the above named legally binding land use plan (Bebauungsplan). It "provides the basis for individual building permissions. It can be applied to virgin land to open it up for first-time development, or equally it can be prepared to cover areas already developed or to be redeveloped (...)" (European Commission 1999: 65). It must be developed out of an existing preparatory land use plan (apart from few exceptions), is adopted as local statute (Satzung) by the municipal council and is binding to public authorities as well as private and legal individuals until it is overruled by the municipal council. A legally binding land use plan only covers a small part of the municipalities and gives information concerning the type and extent of land use, the area and share in total to be covered with building, the areas required for local traffic purposes. It consists of a plan and a written statement (cf. European Commission 1999: 65-67) The plan is usually issued at a scale of 1:500 to 1:2,000 subject to the size of the mapped area

All planning documents and programmes require public participation and grant the right of commenting on drafts to citizens at different stages of the elaboration process.

Adding to the legal planning and programming instruments, a large variety of policy instruments have been developed which want to influence spatial development on a voluntary and informal basis. "They are implementation- and project-oriented and strengthen the moderating and designing role of spatial planning" (BBR 2001: 56). Aggregated under the title of "Demonstration Projects of Spatial Planning" (Modellvorhaben der Raumordnung), they aim at producing good examples and stimulation imitation in other places. There are always 2-4 demonstration projects running simultaneously whose common characteristic is the promotion of regional co-operation (for examples see section 7.2).

## 6.2 Territorial and urban policies

The Federal German level formulates a number of major guidelines giving policy orientation in spatial planning: The guidelines for spatial planning (Raumordnungspolitische Orientierungsrahmen) and the operational framework for spatial planning (Raumordnungspolitische Handlungsrahmen).

The guidelines for spatial planning adopted in 1993 and the operational framework for spatial planning adopted in 1995 provide a general outline for spatial development in Germany, the latter concretizing the former. Both cover the following contents:

- "settlement structures, for examples the polycentric urban structures and city networks;
- the environment and land use, for example polycentric spatial development imposes less of a burden on the environment;

- transport planning, including inter-regional traffic management and trans European transport routes;
- Europe, including principles for European spatial planning;
- Planning and development, including regions in need of development and regions in need of containment and development control." (European Commission 1999: 58)

The EU compendium of spatial planning systems and policies names three policy trends still relevant for Germany. Environmental protection and sustainability, controlling and balancing growth and integrating policies describe some general trends (cf. European Commission 1999: 111). On the urban operational level and partly adding to the trends observed towards the end of the 1990s, we regard important further fields of urban policy:

- Counteracting urban sprawl, in terms of housing as well as commercial land use;
- Counteracting segregation of urban districts (problematic where groups of low income remain in a districts whereas middle or high income segregation does not cause larger problems in Germany);
- Vitalisation of inner cities (as a response to still growing number of shopping malls in the suburban areas);
- Traffic congestion and responding traffic management systems including fostering the expansion and use of public transport systems.

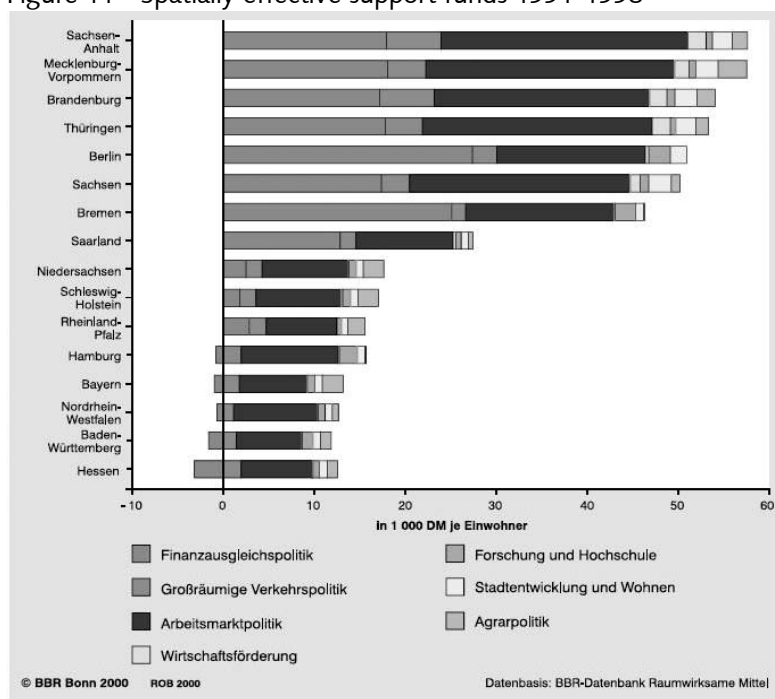
### **6.3 Sectoral policies**

Aside from spatial planning, the German planning system holds a second, sectoral dimension with own organizational units, procedures, instruments and measures, which are in charge of specific sectoral aspects. In consequence, own planning authorities for water management, transport, environmental affairs etc. are dealing with special purposes in accordance to the each relevant sectoral planning act, as shown below:

The most important instrument, to be used by the different sectoral planning divisions consists of the so called "*Planfeststellungsverfahren*" (plan approval procedure) in accordance to sections 74ff "*Verwaltungsverfahrensgesetz*" (Administration Procedure Act). In consequence, the sectoral planning divisions, each for its own purpose (e. g. for water related issues), take the responsibility for the planning and implementation of certain projects, which are dealing with specific sectoral aspects (e. g. a dike). It has to be stressed with regard to Section 38 FBC, that local land-use planning has no application in respect of plan approval procedures for development projects of supra-local significance. In consequence, already approved sectoral plans have priority to local land-use planning. This leads in practise often to controversies between state authorities and municipalities. In some cases, first a judgement made by the responsible higher administrative court ("*Oberverwaltungsgericht*") clarifies these controversies.

In addition, the sectoral planning divisions are in charge of preparatory sectoral plans, e. g. water management plans. These plans are internally for the water management itself (and in some cases also externally for other planning authorities) binding and can be understood as basis for plan approval procedures, related to concrete measures aiming at the implementation of the designated objectives of the preparatory sectoral plans. Finally, sectoral planning divisions are responsible for the protection of certain areas, based on specific legal acts (e. g. flood zones, groundwater protection areas, nature conservation areas etc.).

Figure 11 - Spatially effective support funds 1991-1998



Source: BBR 2001: 231

Moreover, several sectoral policies are involved in implementing the spatial planning policy goals (cf. chapter 6.1) such as financial equalisation policy, economic promotion, large scale transportation policy, labour market policy, joint tasks (Gemeinschaftsaufgaben), research and higher education, urban development and housing policy, agricultural policy and environmental policy. It is the task of the standing conference of ministers for spatial planning (see section 4.2) to co-ordinate sectoral policy issues with respect to space.

Instruments of the **financial equalisation policy** are (cf. BBR 2000: 234):

- State based financial equalisation
- Federal supplementation allocation of funds (Bundesergänzungszuweisung) consisting of five requirement classes
- Community action “upswing east” (Gemeinschaftswerk Aufschwung Ost) and Investment Development Act East (Investitionsförderungsgesetz Aufbau Ost)

Figure 12 - Traffic projects German unity, 2000



Source: <http://www.bbr.bund.de/infosite/grafik/karte108.jpg>, 23.01.2005

Relevant investments in the field of **transportation policy** regard Federal roads, railway lines, waterways and the obligations of the Regionalisation Act. The main instrument is the Transportation Route Plan, adopted in 1992 is projected to be in force until 2012. It concentrates on improving the traffic infrastructure in the Eastern German States (cf. figure 12) (cf. BBR 2000: 235-236).

Essential instrument of the **labour market policy** are (cf. BBR 2000: 242):

- Active labour market policy by the German Federal Labour Office (Employment creation measures, Productive wage subsidies, Structural adaptation measures, professional training and retraining measures, rehabilitation subsidies)
- Passive labour market policy (unemployment benefit, retirement transfer payment [Altersübergangsgeld], bankruptcy loss payment [Konkursausfallgeld], insolvency payment [Insolvenzgeld] )

Essential financially relevant instruments of **economic promotion** lie in the field of loan funding (cf. BBR 2000: 245).

Major instruments of **urban development and housing policy** are (cf. BBR 2000: 255):



- Social housing (cf. URBAN programme chapter 8.3; "Socially integrative city" chapter 6.5)
- Home owner allowance (Eigenheimzulage)
- KfW loan programmes
- Urban development funding (Städtebauförderung)
- Local Authority Traffic Financing Act (Gemeindeverkehrsfinanzierungsgesetz)
- Funding of near economic infrastructures within the joint task "improvement of the regional economic structure" (cf. above).

For housing and urban development, the Federal government and the States adopted the "Districts With Special Development Needs – the Socially Integrative City" programme in 1999. Its objective is to counteract the widening socio-spatial disparities in the cities. The programme fosters participation and co-operation in urban districts and represents a new integrative political approach to urban district development (cf. chapter 6.5).

Major instruments of **agricultural policy** are (cf. BBR 2000: 264):

- Joint task "improvement of agricultural structure and coast protection"
- Agricultural social policy
- Market policy and pricing policy within the common agricultural policy of the European Union.

Selected instruments of the **environmental policy** are (cf. BBR 2000: 265):

- Large scale nature and landscape protection
- Environment related and eco friendly measures on agriculturally used sites.

Two additional fields of spatially effective sector policies can be mentioned: **labour market policies** with direct and mediated measures (which have been recently changed in the so called Hartz IV package), and **science and research policy** (cf. BBR 2000: 251), one of the joint tasks between the federal level and the Laender, which has come under pressure in political debates (see introduction). Main instruments here are

- new university foundations, or today mainly extensions of existing universities,
- special programmes to promote universities and research fields,
- large scale research infrastructures (e.g. synchrotrons),
- innovation programmes.

Besides, the existing structure of universities, polytechnics, R&D facilities etc. shows a very decentral structure in Germany.

#### **6.4 Problems arising out of inadequate policy co-ordination**

-void-

## 6.5 Examples of policy packages

We introduce four examples for policy packages by giving an overview over the central place concept, the regionalized structural policy and the Funding programme "The Socially Integrative City". They represent completely different fields - the first aiming at reaching a general order for the system of land use, the second a regional economic development and the third at safeguarding an reliable development of neglected urban districts. The last section is dedicated to so called "retail concepts" of German cities and municipalities aiming at balanced development of commercial and retail sites in the city centre and suburban districts.

A concept applied to the whole of Germany is the central place system. Operationalising the leitbild of "decentra concentration" of the spatial structure, it bundles public, social and commercial services relevant for the respective settlement's surroundings. Its aims at reaching the optimal distribution of infrastructure in order to ensure equal economic and social development in all parts of the country. For sparsely populated, predominantly rural areas it ensures a minimum standard of public infrastructure (cf. IfL 2004a: 34).

The central place system is an instrument guiding public investment and planning decisions, for example in the case of large scale commercial and shopping parks. It can be applied to plan the distribution of funds, for structural and location policy and to plan traffic infrastructure networks (cf. BBR 2000: 202).

Since the mid 1990ies it becomes clear that commercial development interest sometimes exceed the objectives of the central place system, leading to "over equipped" cities and regions. It were mostly large scale retail facilities that provided much higher supply of services and goods than originally intended by the central place system. Reasons lie on the supply side as well as on the side of consumer demands. Consequently, the central place system is more and more controversially discussed though its general value for spatial development remains beyond dispute (cf. IfL 2004a: 34).

Figure 13- Central Place System Germany 2003



Source: Website BBR, [http://www.bbr.bund.de/raumordnung/grafik/zos\\_12\\_2003.jpg](http://www.bbr.bund.de/raumordnung/grafik/zos_12_2003.jpg) (23.01.2005)

The so called regionalized structural policy of the Germany is a major example for a policy package, from the governance point of view as well as from the policy point of view. It is up to the States to decide whether and how to implement intersectoral structural policy, thus the structural and institutional forms differ significantly. In North Rhine-Westphalia, Thuringia and Saxony, the respective municipalities, the Chamber of Industry and Commerce (Industrie- und Handelskammer), Trade Unions and Associations and large companies group to regional development conferences in district or multi county size, in North Rhine-Westphalia lead by the respective District Government. In Thuringia and Saxony however the non governmental stakeholders are not admitted to decisions in the implementation process of the concept. It is only in Saxony-Anhalt and North Rhine-Westphalia that such conferences cover the entire region, other states apply this structure only insular or not at all (cf. Diller 2002: 76-78). The conferences elaborate a regional development concept, proposing how to distribute structural funds available for the region. The concepts act as reference for the distribution of funds for the use of all

ministries involved as well as for the co-operation of the ministries. While in North Rhine-Westphalia the main focus is on labour market, technology and trade policy, other States like Hesse and Saxony-Anhalt integrate regional development policy, respectively regional planning into the work of their so called regional for a (which in Hesse also served as regional development concepts for the LEADER+ programme). In States like North Rhine-Westphalia, where the economic policy approach prevails, additional initiatives emerged fostering regional urban development policy programmes or cultural policy (cf. Diller 2002: 78-79).

Again speaking for North Rhine-Westphalia, very recently the two parallel structures of secretariats representing the interests of the ministry of labour on the one hand, and the economic ministry on the other hand, have been merged into one structure.

In the field of housing and urban development policy with strong relations to local economic, labour, immigrant and cultural policy, the Federal government and the States governments adopted the "Districts With Special Development Needs – the Socially Integrative City" in 1999. In December 2004 it consisted of 363 urban districts in 252 municipalities. Its objective is to counteract socio-spatial disparities in the cities. The programme fosters participation and co-operation in urban districts and represents a new integrative political approach to urban district development. Improvement strategies as well as public funds are administered by a municipal steering committee and an advisory board consisting of governmental and non governmental stakeholders from the urban district.

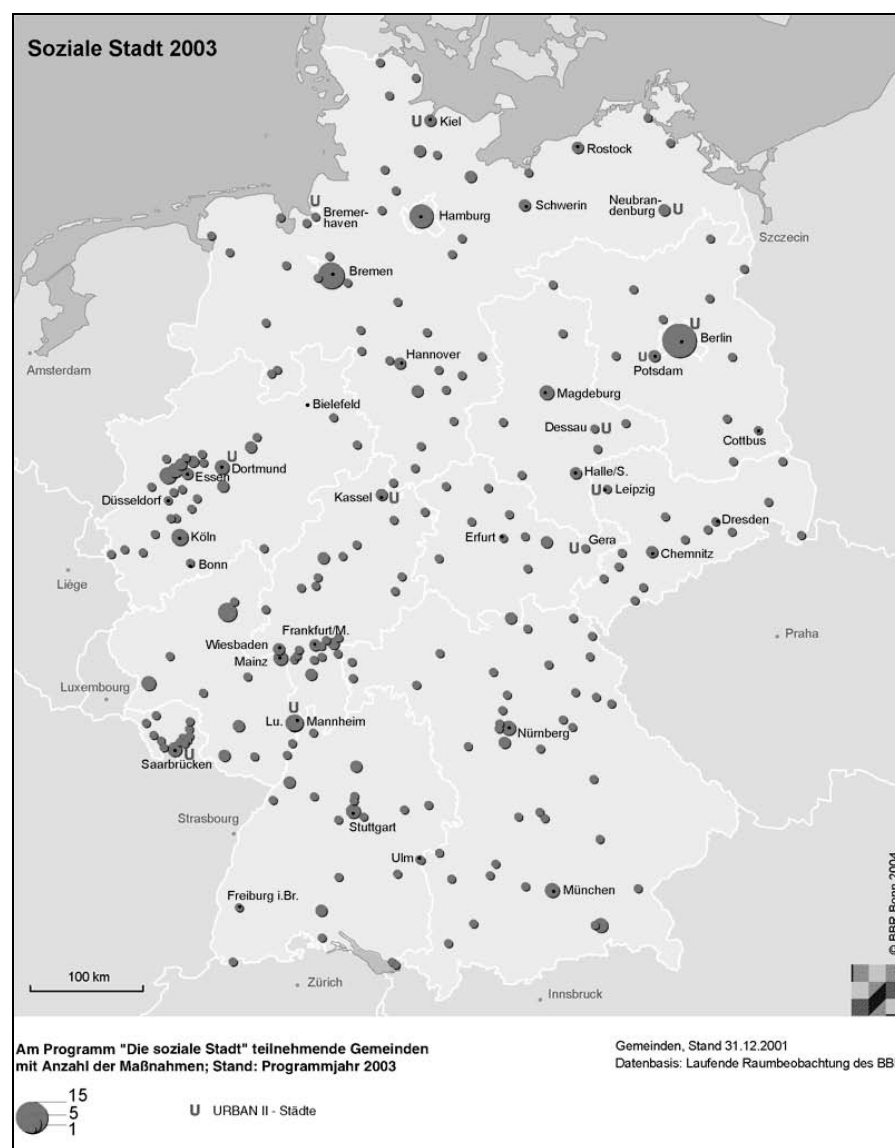
"The integrative approach of Socially Integrative City is reflected in the fact that measures and projects are realized in all policy areas and often cover more than one policy area at the same time. Realization of measures and projects in substantive activity areas of Socially Integrative City demands the establishment of effective coordination and efficient management of multilateral participation in instrumental-strategic fields of activity." (Website The Socially Integrative City)

#### Areas of activity

- Employment, qualification and training
- Accumulation of neighbourhood assets
- Social activities and social infrastructure
- Schools and education
- Health promotion
- Transport and the environment
- Urban district culture
- Sports and recreation
- Integration of diverse social and ethnic groups
- Housing market and housing industry
- Living environment and public space
- Urban district marketing and public relations

The German Institute of Urban Affairs (Deutsches Institut für Urbanistik) supported the programme for the initial implementation phase (1999-2003), commissioned by the Federal Ministry of Transport, Building and Housing. Central elements were setting up a nationwide network, providing onsite programme support and designing a programme evaluation system. Since December 2003, the "Socially Integrative City" exchange point safeguards sharing of information and experience between all participants in the programme.

Figure 14 - German Programme "The Socially Integrative City" and Community Initiative "URBAN"



Source: <http://www.sozialestadt.de/gebiete/karten/2003-karte.gif>

In order to develop inner cities as strong places for retail and commerce, so called "retail concepts" organise where to settle commercial and retail companies within the city borders. Since the 1970ies, retail companies head from the inner city districts towards suburban areas, where they achieve better traffic accessibility and cheaper prices for land, resulting in degenerating inner city districts. The main aim of the concepts is to keep as

much retail companies as possible within the inner city district, providing parking space, building ground and flats of appropriate size and allowing retail development on the outskirts of the city only if the inner city development has come to an end. Retail concepts have their origin in the field of sectoral land use and economic promotion policy but also affect social and housing issues as the quality of life in German city depends on functioning inner cities. Such concepts exist in most Germany cities.

## **7. Processes for spatial planning**

### **7.1. Co-operation between official agencies and agencies outside formal government system**

Within the elaboration process of spatially relevant plans and programmes, the public and a fixed register of public agencies (Träger öffentlicher Belange) has to be given the possibilities to contribute suggestions. This applies to all plans at State level, regional and municipal level as introduced in chapter 6. The register of public agencies comprises ministries and departments on the same administrative level and above, municipalities in the planning region, federal levels of railway, mail and telecommunication companies, military administration, regional or local power suppliers, public transport companies and the German Chamber of Industry and Commerce (Industrie- und Handelskammer). On a voluntary basis, social and nature conservation organisations can be included in the register (cf. European Commission 1999: 56).

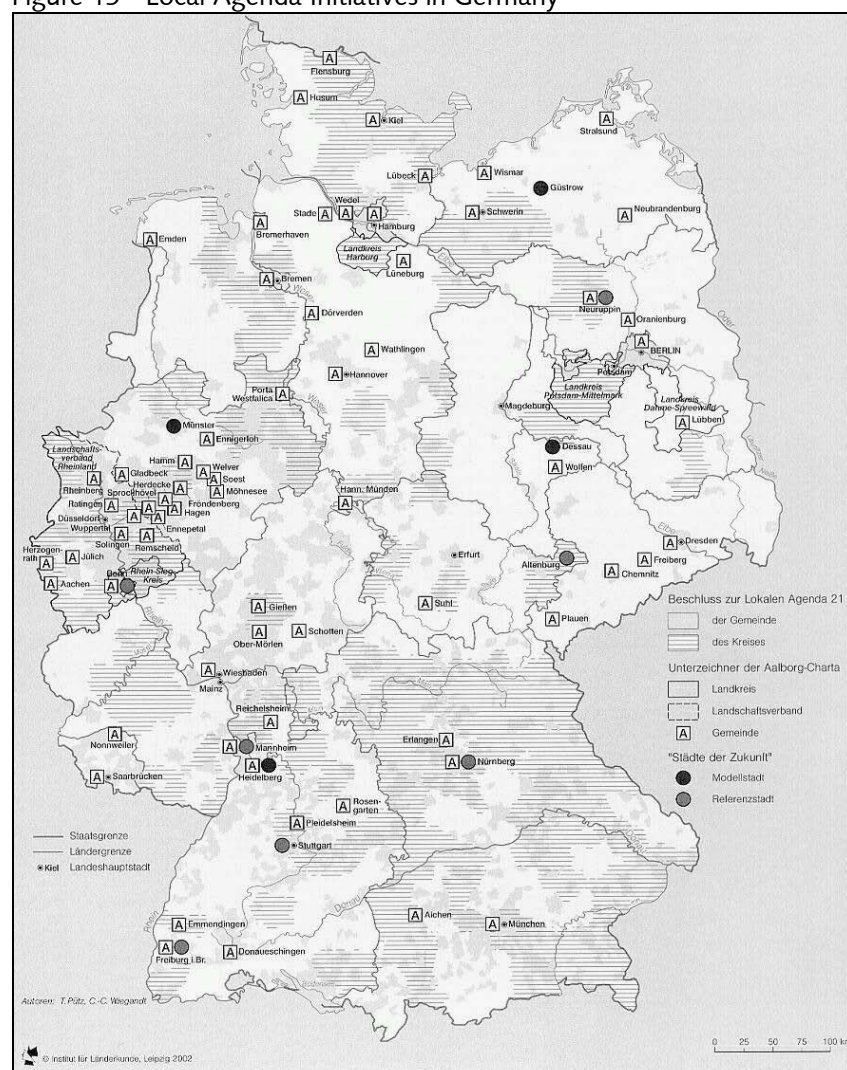
### **7.2. Examples of existing professional and public "fora" for dialogue and debate**

Public fora exist as funding programmes for public benefit as well as in the shape of scientific conferences and places of discussion for polity and science. Our examples touch scientific and political knowledge exchange points, the participative initiatives of Local Agenda 21, the so called "Demonstration Projects of Spatial Planning" funded by the German Federal Ministry of Transport, Building and Housing and the "Active Regions" funding programme for rural areas funded by the German Federal Ministry of Consumer Protection, Food and Agriculture.

Scientific observatories such as the institutions named in section 7.4 provide exchange of knowledge and know how between researchers, administrative employees and politicians. Apart from scientific institutes such as the ARL, IfL, iör, IRS and DIFU (see section 7.4. for details), co-operations of German municipalities (also named in section 7.4) provide regular meeting and conferences and discuss current issues for public administration and policy making. Finally, associations of professionals working in the field of town and spatial planning such as the Informationskreis für Raumplanung (IfR) the Vereinigung für Stadt-, Regional- und Landesplanung (SRL) provide working groups, competitions

and conferences on current issues of urban and regional development as well as governance questions.

Figure 15 - Local Agenda Initiatives in Germany



Source: IfL 2004a: 115

Public participation is possible as part of the Agenda 21 process originating from the UN world conference for environment and development in Rio de Janeiro in 1992. Objectives and visions of the conference concerning social and ecologic problems meet space especially on the local level. This is why the Agenda in Art. 28 proposed setting up *Local Agendas*. After the city council has made the decision to support a local Agenda 21, moderated working groups consisting of public, private and non profit stakeholders come together and develop visions and ideas for a sustainable, citizen friendly urban development. Widespread aspects discussed in those working groups are the reduction of unsealed surface consumption, climate protection, energy supply, mobility, co-operation for municipal development, sustainable consumption, fostering regional and sustainable (circular flow) economy. Between 1997 and 2000, the German Federal Ministry for Transport, Building and Housing ran the programme "regions of the future" under the roof of "Demonstration Projects of Spatial

Planning" (Modellvorhaben der Raumordnung) (cf. Chapter 6), providing funding for 26 regions (out of 76 originally applying regions covering three quarters of the German territory) (cf. Diller 2002: 75). Apart from that, until 2000 approximately 1,400 municipal councils of the total of 14,000 municipalities and 110 counties have made the decision to support Local Agenda 21 (cf. IfL 2004a: 114).

The so called "Demonstration Projects of Spatial Planning" (Modellvorhaben der Raumordnung) aim at producing good examples and stimulation imitation in other places. There are always 2-4 demonstration projects running simultaneously whose common characteristic is the promotion of regional co-operation. Examples for subjects of demonstration projects which usually are organised as competitions are (cf. Website BBR):

- Fostering three Regional conferences and their elaborating of regional development concepts in order to strengthen intra regional communication and co-operation structures (1996-2000);
- Regional co-operation in terms of Urban Networks fostering the development of common projects in all fields of territorial and urban policies (1998-2003; cf. chapter 7);
- Competition "Regions of the Future" requesting regions to devise innovative approaches for a sustainable spatial and settlement development in terms of the Agenda 21 approach (1997-2000; cf. figure 15).
- CEMAT Model Regions - Innovation Regions fosters establishing local and regional co-operation structures in the new EU member states (since 2001).
- Innovative Projects for Regional Development asks 13 regions to develop strategies and instruments answering challenges in the fields of "sustainable urban development" and "infrastructure and demographic change" (since 2003).
- Initiativkreises Europäische Metropolregionen in Deutschland/ working group european metropolitan regions in germany (cf. Figure 16)

As a new model for competitive and participation oriented funding, the German Ministry for Agriculture introduced the Federal competition "Active Regions - shaping rural futures" in 2001, in effect until 2005. It funds regional working groups standing for holistic rural development covering development related issues like economic development, education and qualification, rural marketing and tourism, eco agriculture. The stakeholders form "associations which in turn provide the foundation for long-term involvement in structuring their region's future." (BMVEL 2002: 8). The groups' regional development concepts' were assessed and 18 participants finally chosen for funding the concepts implementation (cf. figure 17). "A public body in the region assumes responsibility for financial management and budget administration. Regional partnerships are thus established (...)." (BMVEL 2002: 8). The ministry spends 45 million Euro in total for implementing the development concepts, thus installing a



participative rural development programme besides the similarly oriented LEADER programme of the European Union.

Figure 16 - Regions involved in the Working Group European Metropolitan Regions In Germany



Figure 17 - Regions involved in the „Active Regions - shaping rural futures“ programme



Source: <http://www.nova-institut.de/modellregionen/karte.gif>, 24.01.2005

### 7.3. Examples of mechanisms of participation and spatial conflict resolution

In this section we want to pick out voluntary participation as the central theme, focussing on new instruments of co-ordination and co-operation such as urban networks and the regional park concept. Legally binding forms of participation however remain valid as described in the EU compendium of spatial planning systems and policies. The public is asked to give advice and name objections in the elaborations process of each compulsory plan on municipal as well as regional level. Instead of repeating what we do not consider as new modes of governance, we refer to the detailed information on compulsory public participation in the EU compendium.

Urban networks started as instrument within the funding programme "Demonstration projects of spatial planning". In urban networks the political bodies and administrations of the cities of a region co-operate. "The goal of urban networks is to agree on common projects and measures. The subjects of these co-operations are marketing and public relations, economic support, education, settlement development and land management, transportation and tourism." (BBR 2001: 57). They reflect the first Federal approach of informal regional planning and are thought to complete and improve the formal instruments for regional planning. They are especially *not* intended to depict an alternative vision for the central place system (cf. Diller 2002: 72-73). The urban networks regard their co-

operation as being so successful that work is continued after the funding programme is expired.

Table 8 - Selected fields of action of the model projects "urban networks"

	ANKE	EXPO region	K.E.R.N	Lahn-Sieg-Dill	MAI	Prignitz	Quadriga	Saxonian-Bavarian network	SEHN	City Quartet	Urban Forum Southwest	HOLM
Business development	✓	✓			✓	✓				✓	✓	✓
Regional/localational marketing, public relations work	✓	✓			✓					✓	✓	
Public transport (rail, road, central place system oriented)	✓	✓		✓	✓		✓	✓	✓	✓	✓	✓
Supply and waste management infrastructure		✓	✓									✓
Technology promotion/transfer	✓				✓			✓			✓	✓
Urban and city centre development						✓	✓		✓			
Real estate management			✓	✓								
Administration				✓								
Nature/Environment conservation, Ecology	✓	✓								✓		
Professional training	✓		✓	✓						✓		
Local recreation and tourism	✓	✓	✓		✓		✓	✓	✓	✓		✓
Cultural institutions and events		✓					✓	✓	✓	✓		✓
Health care system							✓					

Source: IfL 2004b: 70, own translation.

Figure 18 - Demonstration projects of spatial planning 2000



Source: BBR 2001: 209

The States of Berlin and Brandenburg in Eastern Germany developed the tool of the **Regional Park** aiming moderating a reconcilable relation in spatial development between built up and green areas in the surroundings of the German capital of Berlin. In the eight regional parks the objectives are “to develop in an environmentally compatible way the economic potential, create jobs and recreational opportunities. In addition, the natural characteristics are to be taken into account while protecting the landscapes’ particular qualities and the local flora and fauna.” (cf. MLUR 2000).

## **7.4. Examples of existing informal and ad hoc mechanisms for planning and development**

### **7.4.1. NGOs assigned observation/watchdog role**

Since the beginning of the 20. Century two parallel municipal federations have been established, bundling the interests of municipalities, cities and counties. Their main responsibilities are representation of the municipal self administration to the federal government, federal council (Bundesrat) and the German Parliament (Bundestag), research institutes as well as other associations and advice, information and knowledge exchange for its members. The three main associations, German Association of Towns and Cities (Deutscher Städtetag), German Federation of Cities and Municipalities (Deutscher Städte- und Gemeindebund) and German County Association (Deutscher Landkreistag) consist of State and Federal levels and are associated in the Federal Association of Local Government Organisation (Bundesvereinigung der kommunalen Spitzenverbände) (cf. Diekmann 1994: 546).

### **7.4.2. Secondment arrangements between government and universities**

The Spatial planning advisory council advises the federal minister responsible for spatial planning regarding guiding principles of spatial planning. "The advisory council is made up of representatives and experts from the fields of supra-local spatial planning, urban development, science, economic development, agriculture, nature protection, sport, employers and employees organisations and from local government organisations" (European Commission 1999:52).

### **7.4.3. Spatial development observatories**

The largest governmental spatial planning research and observation institute is the Federal Office for Building and Regional Planning (BBR). It is a federal authority within the portfolio of the Federal Ministry of Transport, Building and Housing. In the field of research and advice it provides the Federal Government and other authorities with advice and assistance in the fields of Spatial Planning, Urban Development, Housing and Building (cf. Website BBR). Other Federal Offices (Bundesamt) provide expertise for sectoral policies, such as the Federal Nature Conservation Agency (Bundesamt für Naturschutz), Federal Environmental Agency (Umweltbundesamt) and Federal Office for Freight Transfer (Bundesamt für Güterverkehr).

Some States provide own spatial planning research institutes such as the Research Institute for Regional and Urban Development (Institut für Landes- und Stadtentwicklungsforschung und Bauwesen) in North Rhine-Westphalia. "Together with the ministerial departments, local authorities, professional associations, entrepreneurs and in other forms of cooperation the Institute promotes the development of strategic solutions, the analysis and transfer of best practices and the optimisation of realisation processes." (cf. Website ILS)

The Wissenschaftsgemeinschaft Gottfried Wilhelm Leibniz e.V. is an umbrella organisation for 80 non-university research institutes and service facilities. Out of its five fields of research "Economics, Social Sciences, Regional Infrastructure Research" is the field where the major non-university spatial science institutes are aggregated, calling themselves "4R-Institutes" (cf. Website WGL):

- The **Leibniz Institute of Ecological and Regional Development** (Leibniz Institut für ökologische Raumentwicklung, iör), 89 employees (5.1 million Euro annual budget), carries out research in the fields of ecologically-based approaches to land use and management sciences on national and European level.
- The **Academy for Spatial Research and Planning** (Akademie für Raumforschung und Landesplanung, ARL), 35 employees (2.1 million Euro annual budget), researches in the field of spatial impacts of human activities in the economic, social, ecological and cultural sphere and analyses the scope for sustainable spatial development.
- The research of the **Institute for Regional Development and Structural Planning** (Leibniz Institut für Regionalentwicklung und Strukturplanung, IRS), 65 employees (2.5 million Euro annual budget), characterises itself as practice-oriented and focuses on generating knowledge in four fields: Regionalisation strategies for economic spaces, Regional institutional change to safeguard collective goods, Knowledge milieus and settlement structures, Regeneration in shrinking towns. Apart from Germany, the research area encompasses eastern central Europe and EU countries.
- The **Institute For Regional Geograh**y (Institut für Länderkunde, IfL), 66 employees (3.3 million Euro annual budget) is the only non-university institute for geography in Germany. It is involved in fundamental research in the field of regional geography and concentrates on regions in within the process of European integration and in currently transforming countries. Besides research, the institute regards it as important to transmit knowledge to other fields of society, especially science and universities, teachers and students, government, administration and the public (cf. Website IfL).

The German Association of Towns and Cities (Deutscher Städtetag, cf. chapter 7.4.1) maintains a research and service institute, The **German Institute of Urban Affairs** (Deutsches Institut für Urbanistik), 100 employees (6.5 million Euro annual budget in 2004). "Difu examines local government policies. It conducts interdisciplinary research on municipal problems and develops strategies to support towns and cities. The research institute for German towns and cities provides policymakers and civil servants with an up-to-date and reliable basis for decision making and action" (Website DIFU). It simultaneously investigates and advises local policies in the fields of Urban development, urban planning and housing; Economics, technology, infrastructure and funding; Social policy and culture; Environment; Transport. The DIFU is commissioned with in the monitoring research of the "Socially Integrative City" Programme (cf. Chapter 6.5).

## **8. Approaches for horizontal and vertical cooperation and coordination**

### **8.1. Relationships between different agencies at one level of government**

Policy instruments and sectoral policies influence each other in a reciprocal, multi level relation known as the counter current principle (Gegenstromprinzip).

### **8.2. Co-operation between agencies, departments, authorities and tiers of government**

The minister conference for spatial planning (see section 4.2) brings together all State ministers responsible for spatial planning and thus also represents a form of co-operation on one level of government.

The Federal Regional Planning Act reacts to the growing importance of the regions within German administration by allowing setting up a regional land use plan (Art. 9 ROG). This consent enables the State to set up a plan which simultaneously acts as regional plan and land use plan for agglomerations and densely populated regions, thus saving one level of spatial planning (cf. BBR 2000: 200).

Due to the over-sectoral function of regional planning, it can be understood as a coordinator in the field of different interacting sectoral planning divisions. For that purpose, a so called "*Raumordnungsverfahren*" (regional impact assessment procedure) in accordance to section 15 FRPA is aiming at the coordination of regionally significant plans and measures, carried out by sectoral planning divisions and other actors. They shall be harmonized with each other as well as coordinated with the requirements of regional policy.

However, in practise, the coordination between regional planning as well as land-use planning on the one side and sectoral planning is quite weak. There is mostly no agreement about goals and measures that have to be implemented.

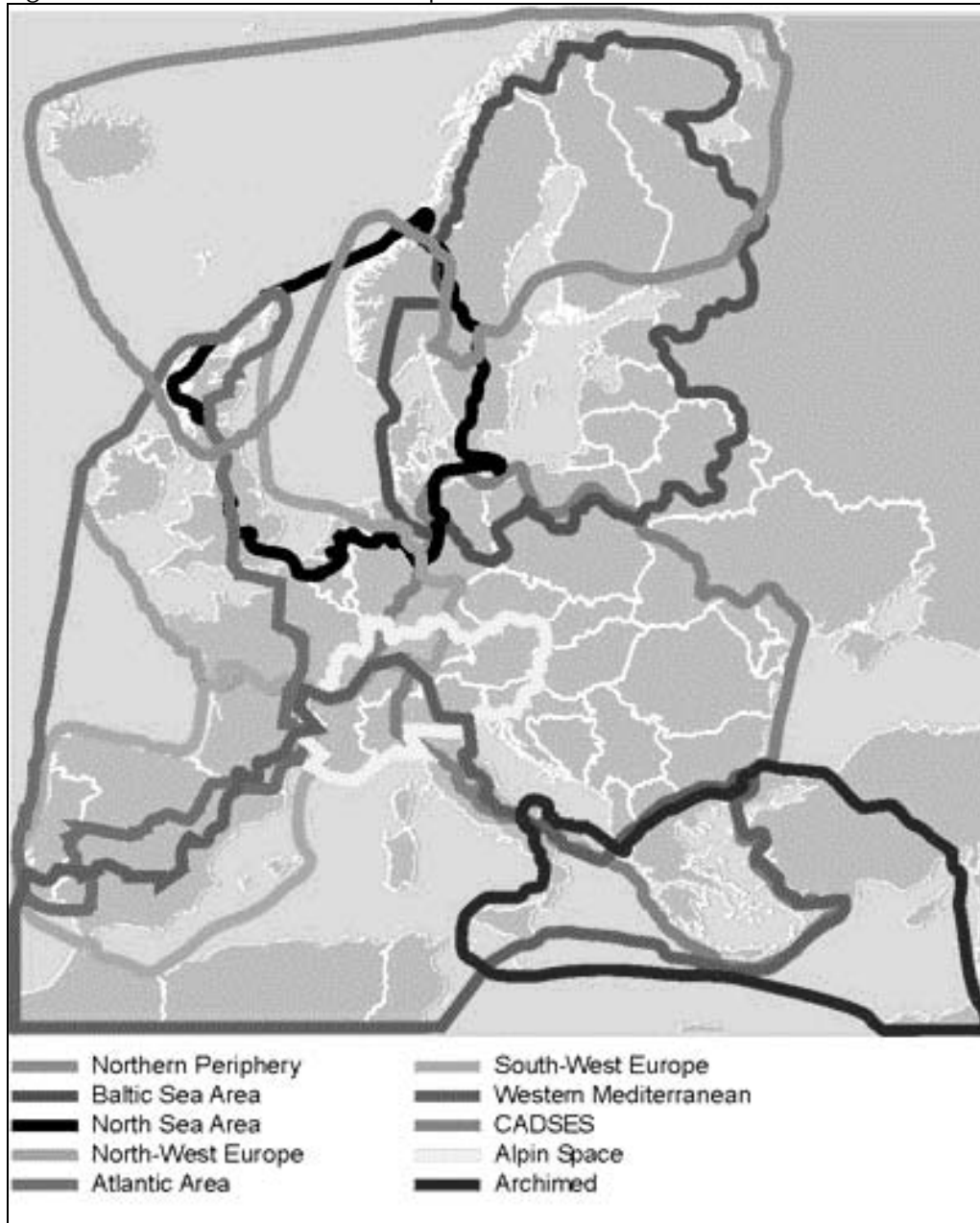
### **8.3. Relations with EU policies and/or programmes**

Germany has strong ties to all Community Initiatives of the European Union, namely INTEREG, LEADER, URBAN and ESF. In this section we focus on the first three due to mote more territorial approach.

Interreg III aims to stimulate interregional cooperation, especially economic and social cohesion throughout the European Union. Germany is involved in all three strands of the Interreg programme, receiving 737 million Euro from the European Commission between 2000 and 2006 and being the second largest beneficiary of Interreg funding (cf. Website EC Interreg). With Interreg III A fostering cross-national co-operation especially the 17 German programmes benefit. Programme coordination at the Western borders of Germany is predominantly carried out by the Euroregions,

whereas German States for Baden-Württemberg, Bavaria, Saxony, Brandenburg and Mecklenburg-Vorpommern take over responsibility for coordinating activities in the Southern and Eastern German border regions (in co-operation with their non-German counterparts). At the northern border the cooperation is coordinated on district/municipal basis. Within the Interreg III B programmes funding transnational co-operation, Germany is involved in the programmes of the Baltic Sea area, the Central and Southeast European area (CADSES), the North Sea area, Northwest Europe (until 1999: Northwest European Metropolitan Area) and the Alpine Space (since 2000) (cf. figure 19). For Interreg III C, focussing on interregional co-operation, Germany is involved in activities of three of the four programme zones. The programme secretariat of the North Zone is situated in the German city of Rostock.

Figure 19 – Transnational areas of cooperation of INTERREG IIIb



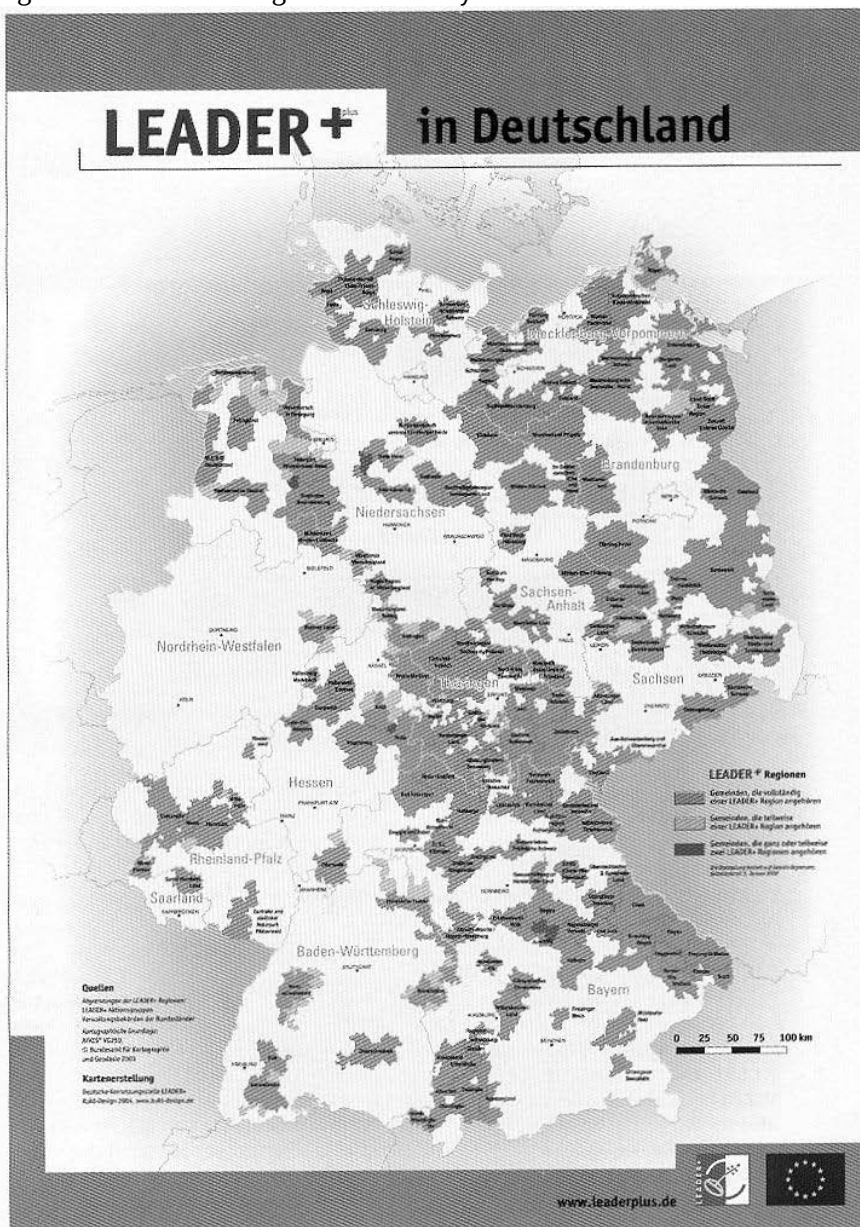


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Source: [http://www.bbr.bund.de/raumordnung/grafik/interreg3b\\_gesamt.gif](http://www.bbr.bund.de/raumordnung/grafik/interreg3b_gesamt.gif),  
23.01.2005

LEADER is well-regarded for its bottom-up approach and innovative responses to local issues (e.g. valuation of resources, promotion of new activities, networking and co-ordination, education and qualification). "Leader+ is (...) designed to help rural actors consider the long-term potential of their local region. Encouraging the implementation of integrated, high-quality and original strategies for sustainable development, it has a strong focus on partnership and networks of exchange of experience." (Website EC LEADER+). For 2000-2006, 148 German regions receive funding by the LEADER+ programme (cf. figure 20). Administered by the respective State ministries, the German co-ordination unit is located at the Federal Agency for Agriculture and Food (Bundesanstalt für Landwirtschaft und Ernährung).

Figure 20 - LEADER+ regions in Germany



Source: LEADER+ Germany

LEADER+ programme implementation is co-ordinated by the States. In order to getting to experiences gathered so far, we give an implementation example from the mid-term programme evaluation in Lower Saxony, besides Bavaria the State with the second highest number of LEADER+ regions in Germany. Main positive findings with relation to governance and territorial planning were: Strong public interest in participative strategic activities (but moderate response from commercial stakeholders), high value of existence of strategic steering committee for each region and general effective cooperation within the intersectorally staffed local action groups. However according to the evaluation study remaining difficulties were: fewer initiatives for international cooperation projects than originally planned, lack of funds for municipal co financing and difficulties of cooperating with competing municipalities in one region (cf. MCON 2003: 11-15).

In the field of economic and social urban regeneration and development, Germany has been partner of the European Commission since the start of the URBAN programme in 1994. 12 German cities currently participate in the URBAN programme of the European Commission, receiving 8.4 million Euros of funding during the period 2000-2006. Since 2001, exchange between participating cities is coordinated for Germany and Austria by the German Association for Housing, Urban and Spatial Development (Deutscher Verband für Wohnungswesen, Städtebau und Raumordnung e.V.) (cf. Website DV).

For the field of nature conservation policy, the FFH-Directive (92/43/EEC) names 198 habitat types of which 87 exist in Germany and 706 species of which 112 exist or formerly existed in Germany. For the protection of these sites of community interest a coherent network of biotopes is to be installed. Germany contributes 6.7% of its total territory to the Natura 2000 network by communicating its reserve propositions to the European Commission and protecting them in compliance with German law as nature reserve or landscape reserve until the pending final decision of the European Commission. The Birds Directive (79/409/EEC) is also implemented in Germany, the 450 birds reserves covering 5% of the total territory currently being audited concerning existence and overcuttings (in 2000) (cf. BfN 2002: 137-143).

In the field of traffic policy, the European member states share responsibility with the European Commission since 1992. In 1996 the guidelines for Trans European Transport Networks (TEN-T) have been adopted by the European council of ministers, leading to obligations also in centrally situated Germany as a country of strategic importance for the success of traffic networks. 14 priority projects were selected in 1994, of which four rail infrastructure projects touch Germany. Most of the German TEN projects, among them all road transport projects, are also listed as one of the 16 Traffic Projects German Unity (Verkehrsprojekte Deutsche Einheit, cf. chapter 6.3) and have been accomplished or works have at least been started (cf. BBR 2000: 237-240).

Table 9 - Regional economic promotion actors, elements, central local government relations

actors	elements	main relation	characteristics
(1) Land	statutory task	Land-Subregions	Co-operation, Co-ordination, Regional Conferences
(2) Land -EU	operational programmes	Land-EU	Bund technical supervisor
(3) Land -Bund	joint task (Gemeinschaftsaufgabe, GA)	Bund-All Länder	planning committee

Source: Own Compilation, MWMT 1994, October

Structural funds policies have been very important in Germany. Table 9 provides the main actors and elements of regional economic promotion in Germany, and in NW respectively. It is, for the purpose of a better understanding, a broad picture, just discerning the main actors, elements, and relations.

The actors in the field of regional economic promotion/regional economic development (in German Regionale Wirtschaftsförderung) are well defined. According to the constitution<sup>1</sup>, economic promotion is a statutory task of the Land, with the federal republic (labelled Bund) and the EU increasingly playing a supportive role.

In principle (and deliberately in inverse sequence), three basic elements are coming together:

- the Bund-Länder-Task 'improving regional economic structures' (Gemeinschaftsaufgabe, GA),
- the Länder-EU regional policy (where applicable), and
- genuine Länder programmes.

The important decision on which parts of Germany and which regions qualify for regional economic promotion, are made by the federal state and the Länder regarding the joint task. The same is done by the EC, the federal state, and the Länder regarding European regional policy. Finally, just the Land decides which regions (or which sectors) to support, regarding the Länder programmes (MWMT 1994b).

As said above, regional economic development is the exclusive task of the Land. The federal level is incorporated in the framework planning and the financing. The result of the co-determined regional policy is the GA. The main co-ordinating body is the Planungsausschuß (planning committee), a congregation of Länder ministers responsible for economic matters, and the federal ministries for the economy and treasure. The GA basically works on a project basis. The Land autonomously selects and approves projects under the GA. The main feature is financial support for industrial investments. Due to this character, the GA falls under the control mechanisms for competition and subsidies and has to be approved by the EC. Restrictions have been especially placed on the geographical coverage, as the EC was keen to limit the percentage share of inhabitants, covered by GA. Currently, the GA covers an area with 29 million inhabitants, approximately 37 % of the overall population (24. Rahmenplan). A new delineation of the areas is due early 1997. For the year 1995, the available budget of the GA amounted to DM 700 million, jointly financed on a 50 % basis by the Länder and the federal level. 2

On a first level, with respect to European regional policy, the following constellation results: In principle, European policy is a matter of foreign policy, which in the case of the Federal Republic of Germany is the exclusive task of the federal government, i.e. the Bundesregierung.

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1 Article 30 and 28 of the constitution define the tasks. The GA is regulated in Article 91a.

2 Until 1990, the Bund-Länder-Task (GA) has been the basis for the early, mainly project based European regional policy.

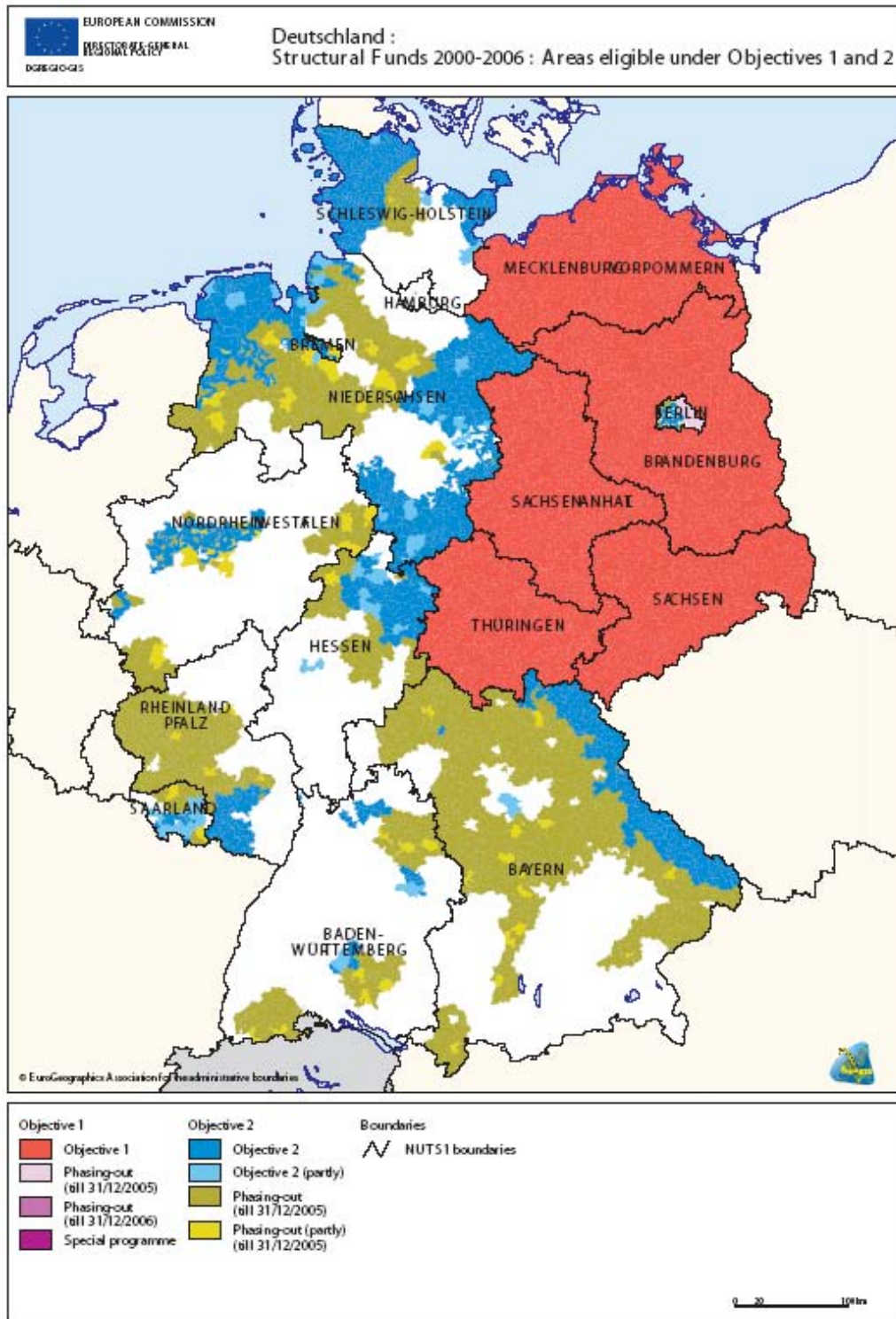
Although the task of regional economic development is the constitutionally exclusive task of the Land, both parties, Bund and Land, have to come together. The GA has been the central institution for this purpose. In the 'early' days of a mainly project based European regional policy, the federal level in the first place received the allocated European budget, and took away the proportion, matching the federal contribution to investment projects, to refinance a new round. With a European regional policy increasingly based on programmes and the principle of additionality, the Bund was put into the position of the technical recipient, instantaneously forwarding the allocated aid to the Länder. Today, the Bund still chairs the Begleitausschüsse (monitoring committee), and all formally necessary bodies with respect to European spatial and regional policy.<sup>3</sup>

The need, to politically tackle structural change and intra regional problems, constitutes the context for Land and EU policies in NW (see page 8 (2)). The Land NW and the EU have a long standing experience with a joint structural policy. The origins are going back to the European Community for Coal and Steel (EGKS), where first programmes have been set up for post war restructuring of the carboniferous capitalism. Table 3 provides a chronological overview of all NW-EU-Programmes, including community initiatives. Programmes were focused mainly on problems in the steel, coal, textile industries. More recently, attention was paid to cross border co-operation.

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<sup>3</sup> In the course of ratifying the Maastricht treaty, the German constitution has been changed, reemphasising the federal principle and the participation rights of the Länder (subsidiarity), and adjusting the terms of cooperation between government, parliament (*Bundestag*) and upper house (*Bundesrat*). The principles are co-decision, co-determination, and co-representation, in all cases, where European policy impinges directly the interests of the *Länder*.

Figure 21 - Structural funds in Germany, 2000-2006

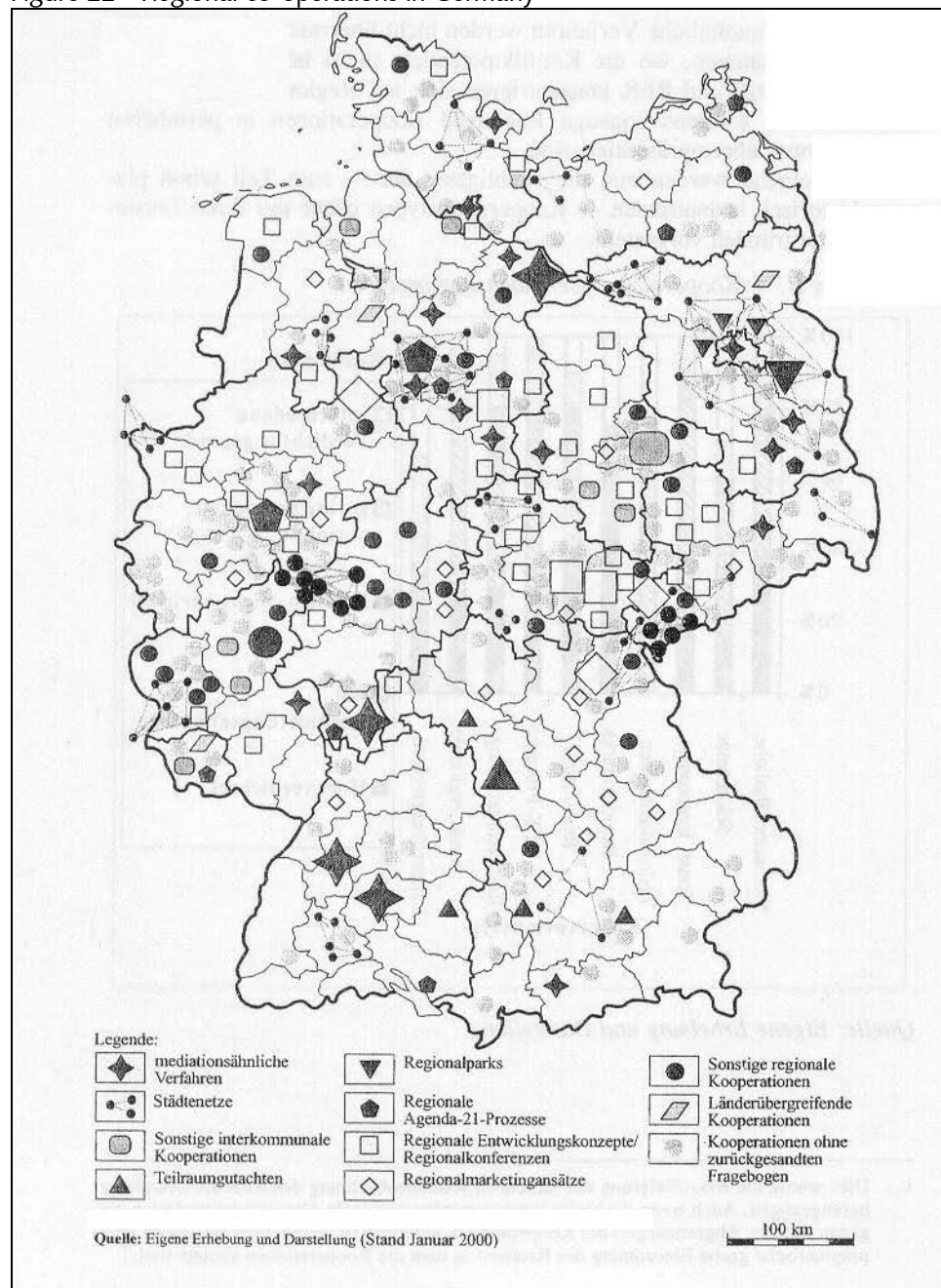


#### 8.4. Examples of regional / local initiatives for integrated territorial planning

Diller investigated German informal regional co-operations between 1998 and 2000 and assumes that 400 of such informal institutions existed at that time, working mainly for regional planning or other spatially relevant regional coordination issues. Issues identified under more than 250 surveyed networks were urban networks, regional planning groups,

regional development concepts or conferences for regional planning or in order to receive structural funding, regional marketing, Agenda 21 processes and regional parks. A second type of co-operations within the group of 250 is identified in the field of conflict management, e.g. for controversial large planning projects in order to increase public acceptance of formal planning decisions (cf. figure 22, cf. Diller 2002: 21-24).

Figure 22 - Regional co-operations in Germany



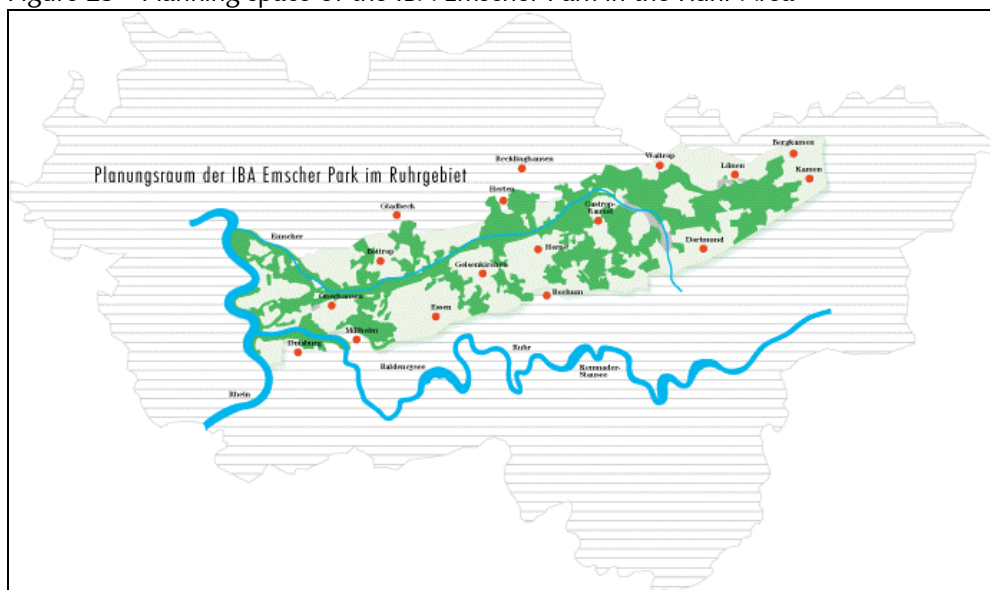
Source: Diller 2002: 68

Informal networks in Germany identified in the (first named) group of development planning have several common features. They are prevalently initiated by the State or Federal level as a means of operationalizing a funding programme and frequently do not involve the formal level of

regional planning (though they cover regional issues). Response of participating municipalities differs from region to region and depends of the subject. Many municipalities feel constricted by the regulations derived from formal plans and conceptions, thus regarding it necessary to develop parallel tools for informal problem solving. Consequently, informal co-operations close the gap between insufficient specifications of formal regional planning and the project development on local level. Sometimes economic, other tourist, social, non governmental stakeholders or even citizens are also involved thus the majority of the networks crosses the boundary of the political sector and integrates non-political stakeholders (cf. Diller 69-70).

Large integrated projects with a long tradition in Germany are International Building Exhibitions. Similar to a world exhibition projects with planning or constructional character are prepared and presented. They can focus on ecologic, technical or stylistic specialities representing the region or the state of the art, spread over the whole region and follow an integrated, multidisciplinary approach. What unites them on their different locations is the common concept. The Ruhr area in the Western German State of North Rhine-Westphalia arranged the **International Building Exhibition Emscher Park** 1989-1999, being the fourth building exhibition in Germany since the beginning of the 20. century and investing 1,4 billion Euro of public funds. The overall concept was to transform the Ruhr into a new style of garden landscape by creating a network of green corridors and spaces and by applying ecologic standards of construction for housing and commercial buildings. The five areas of operation were the reconstruction of the canalised Emscher river; working in the park; new forms of housing and urban development; arts, industrial culture and tourism; social initiatives, employment and professional training (cf. Website IBA).

Figure 23 - Planning space of the IBA Emscher Park in the Ruhr Area



Source: [http://www.iba.nrw.de/images/thema/1\\_daten1.gif](http://www.iba.nrw.de/images/thema/1_daten1.gif)





The annual budgets of the Verband Region Stuttgart amount to about 240 million Euro, and comes almost exclusively from public funds in the form of transfers from county and municipal authorities and grants from the Federal and

the State governments. The largest item of expenditure is local public transport, which accounts for about 85 percent of the total budget.

“According to Baden-Württemberg state law, the Verband Stuttgart has the following responsibilities:

- Regional planning
- Landscape planning
- Traffic and transport planning
- Business promotion and tourism marketing
- Local public transport
- Waste disposal

The Verband can take on other tasks voluntarily:

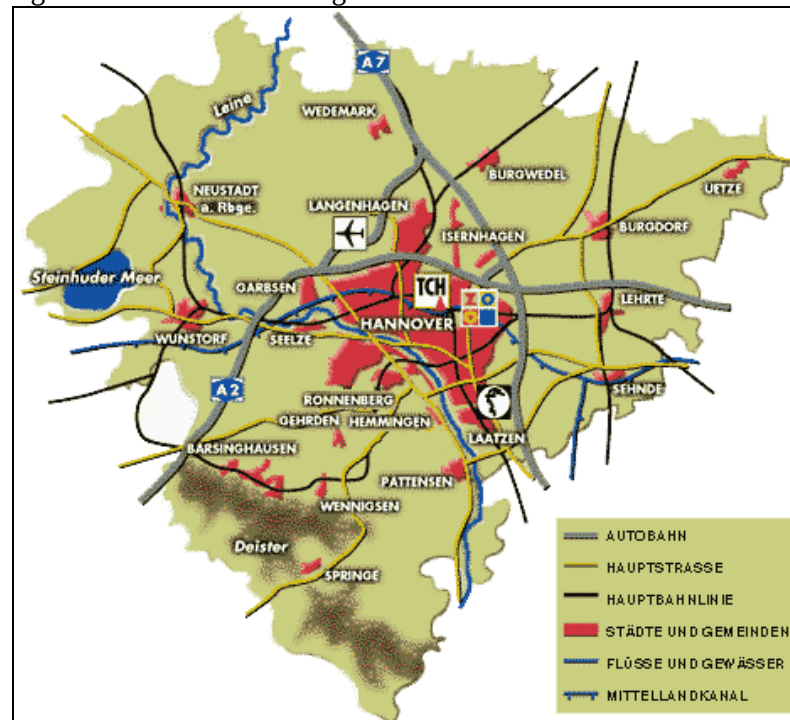
- organising new trade fairs and exhibitions of regional importance
- organising cultural and sports events and congresses” (Website Verband Region Stuttgart).

In order to promote business development, the Verband Region Stuttgart is involved in a number of private companies in the fields of Stuttgart fair, its Olympic Games application, business promotion and biotech promotion (cf. Steinacher 2002: 73).

## **Hanover Region**

The Hanover region is situated in the centre of the Northern German State of Lower Saxony, has 1.1 million inhabitants and covers a size of 2,300 square kilometres. The Hanover region institution was founded in 2001 with 21 member cities and municipalities. The newly shaped administrative entity replaces the former communal planning association and the former County of Hanover, integrates its municipalities and the City of Hanover. All municipalities remain independent bodies within the region that is from a formal point of view a county that encompasses the whole region. The Hanover Region takes over the administrative and planning responsibly of the communal planning association and the county, whereas some of the county’s former responsibilities go to the municipalities. Apart from that, the Hanover region gains new tasks from the district government and sectoral state authorities. Its most important organ is the regional assembly consisting of 84 directly elected members. Thus its responsibilities go far beyond those of all other regional associations in Germany (cf. Prieb 2002: 81). Its power is especially due to the fact that the region is financed by allocation from all members as well as the Lower Saxon financial equalisation policy. Thus it is able to intervene where imbalances put a higher burden on rural or urban municipalities respectively, e.g. in the field of social welfare planning and youth welfare service planning (cf. Prieb 2002: 91).

Figure 25 - The Hanover Region



Source: [http://www.region-hannover.de/grafik/karte\\_gross.gif](http://www.region-hannover.de/grafik/karte_gross.gif), 24.01.2005

Tasks of the Hanover Region are (apart from regular tasks of German counties) (cf. Hanover Region Act, Art. 8):

- Traffic and transport planning
- Regional planning
- Social housing planning and funding
- Landscape planning
- Business and labour promotion
- Local recreation planning
- School and vocational school planning and administration
- Hospital planning and administration
- Youth welfare service planning and administration
- Social welfare planning
- Waste disposal

It becomes obvious that all major policies responsible for sustainable development such as regional planning, transport planning, landscape planning and nature conservation lie in the realm of the Hanover Region (cf. Prieb 2002: 89).

As an initiative to foster participation and citizen related governance, all regional policy boards (Ausschüsse der Region) include stakeholders from non governmental organisations such as nature conservation associations and the German Chamber of Industry and Commerce (cf. Prieb 2002: 86).

As it is the case in Stuttgart, the Hanover Region owns interests in a number of responsibility related private companies in the field of tourism promotion, economy and employment promotion, public transport, the

canal harbour, the technology centre, the zoo, housing and real estate, Hanover fair, waste management and climate protection (cf. Website Hanover Region).

It is seen as a crucial advantage of the regional reform in Hanover, that in a consensus between all stakeholders no responsibilities were to be delegated "upwards", i.e. from municipal to regional or county to district level. This brought smaller entities to support the initiative. Apart from that, the City of Hanover was supposed to remain as one entity and was not to be split up into its boroughs, thus bringing the city's consent. Last but not least three stakeholders of the municipal level were strongly involved in developing the regional idea (cf. Prieb 2002: 85-86).

## **9. Brief description of the style of planning which is characteristic of the country**

As its neighbouring country of Austria, Germany belongs to the Germanic planning family, providing strong traditions in the Roman law and a high importance of written constitutions. Thus, Germany has strong legal frameworks and decentralised decision-making structures, well visible by the important role district and State planning activities play for the system of governance and spatial planning.

At the moment and for the coming up-date of the Spatial Planning Report, the federal level works towards scenarios and visions covering the entire nation state. A 'vision' or 'leitbild' is needed, to integrate the ever more flexible approaches towards planning, urban and territorial policies.

The important Academy of Spatial Research and Planning (ARL) published in 2001 a statement on the German central places planning approach, basically stating that it is a) a bit out of time and b) could nevertheless in a more open and procedural dimension still be useful to achieve more sustainable spatial structures (ARL 2001).

The examples of newly established regions and city networks, programmes supporting 'innovation regions' or 'regions of the future' all point into a direction of a more flexible approach towards territorial and urban policies, allowing for interactive and stake holder oriented practice. However, as some observers emphasise, it is important in this context of a basically open urban society, which is characterised by ever more project based decision making processes, following more individual interests and orientations, that planners develop a 'stand point' – to be able to decide, defend or develop. It is not simply a question of universal consensus to unbinding values, so just a planners role as moderator. Leitbilder are increasingly important in this context.



## Part 3 Case Studies “Territorial Governance”

### Duisburg Marxloh

#### 1. Context

The German case studies for new modes of governance of territorial and spatial policies cover two very different fields, one focussing on inter-municipal cooperation with impacts on vertical relations and the other with a strong focus on public participation and horizontal relations. The current case study follows the second focus, describing the implementation of a federal funding programme in an industrial city quarter in the German state of North Rhine-Westphalia.



The funding programme “The Socially Integrative City” is similar to the European URBAN initiative. By aiming to reduce the widening socio-spatial disparities within cities and neglected urban areas the programme “The Socially Integrative City” fosters participation and co-operation. This comprises intersectoral governmental co-ordination as well as participation of NGOs and citizens. The programme follows a conceptual approach at the federal level, is financially and operationally supported by all German states and implemented at the local level. For this case study, we focus on programme implementation in the city quarter of Duisburg-Marxloh, adding information about the ties towards county and federal level. Duisburg-Marxloh is one of the German city quarter with the longest experience in the programme (12 years). Last year’s mid-term evaluation of the federal programme, carried out by the Institute for Urban Research and Structural Policy (Institut für Stadtforschung und Strukturpolitik GmbH, IfS) is used as a source for information on programme implementation and evaluation at the state level and the federal level (IfS 2004). The case study mainly discusses governance at the local level, predominantly considering literature and adding results from stakeholder interviews.

## **Counteracting widening spatial and social disparities: The Socially Integrative City**

The programme's general aim is to counteract social polarisation and ethnic segregation, to (re)install social cohesion and to achieve ethnically and socially mixed areas. The Socially Integrative City represents a new political approach to German urban district development. It is an independent investment and guidance programme for urban areas with special need for development. Based on experience with neglected inner city quarters in the 1960s, the current programme was established in the State of North Rhine-Westphalia in 1993 and on the federal level in 1999. It funds improvement measures in the field of town planning and asks other sectoral policies, especially social and labour market policies, to do the same. The programme is part of the mainstream national urban renewal funding scheme (Städtebauförderung). Projects supported by the programme need to be investive (esp. construction projects) or need to prepare investive measures (e.g. qualification, participation, community work, public relations work, advice, regulation or relocation activities). They may also be non-investive if not feasible under other funding titles or if implemented by third parties (e.g. project management in this case study).<sup>4</sup> The URBAN community initiative follows similar aims since 1994 on European scale and was used as example for developing the German federal programme (cf. IfS 2004: 21-23, 44, 60; ARGEBAU 2000).

Urban areas with multiple deprivations are eligible for programme funding. As precondition for installing the programme, the responsible body assumed that a (integrative) whole is more than a sum of (isolated) parts (otherwise sectoral funding programmes would be sufficient). Thus the programme follows a territorial instead of a sectoral approach. The programme looks at the container theory, the social groups' theory and the context theory to justify its innovative way of governance and funding.<sup>5</sup>

Participation of citizens and non governmental organisations as well as openness are crucial principles of "The Socially Integrative City". The programme acts in the five fields of

- citizens' participation and community life,
- local economy, labour and employment,
- quarter centres,

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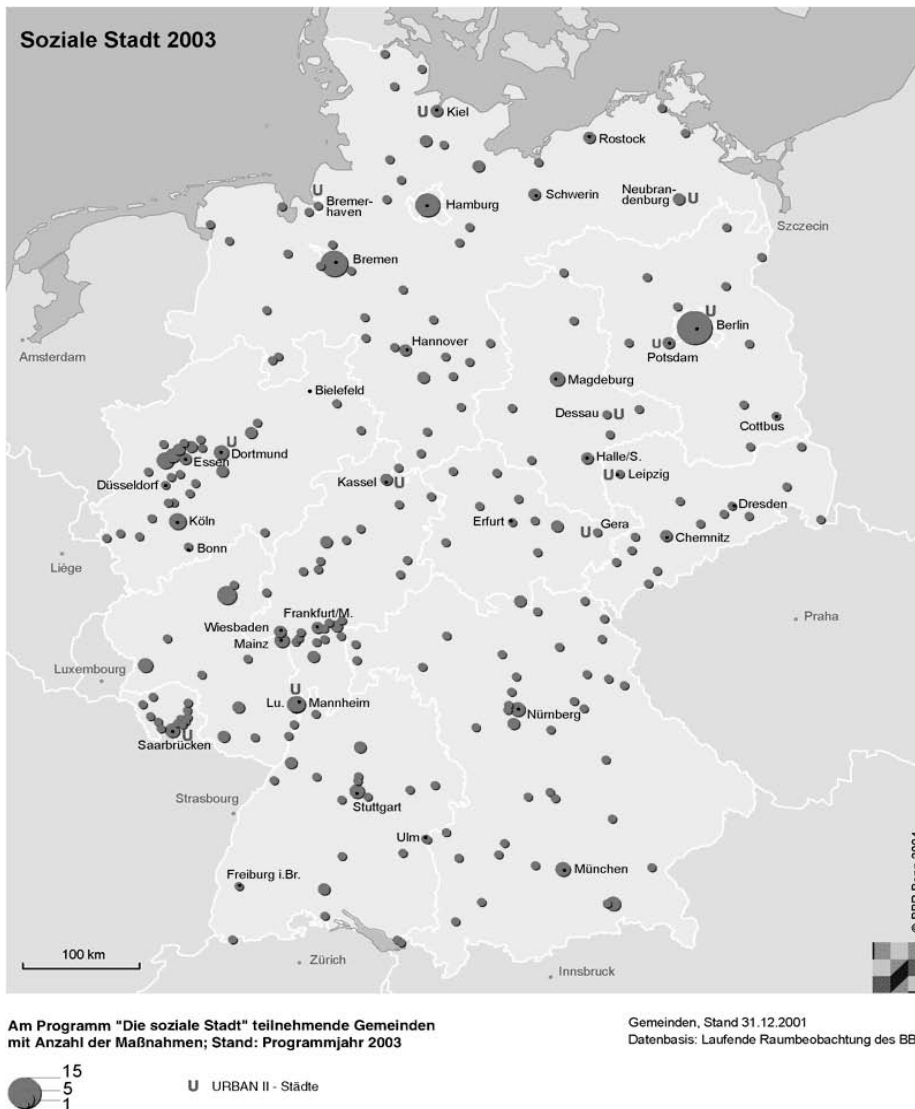
4 The definition of „investive“ and „non-investive“ projects differs from state to state in Germany as does the will to accept non-investive projects as eligible for funding. A strict interpretation supports the maximum effect of construction and urban design efforts; a more tolerant interpretation supports the more social/integrative approach of urban revitalisation (cf. IfS 2004: 53).

5 Briefly spoken, the container theory states that urban malfunctions induce social problems within a defined territory. The social groups' theory states that social problems within a quarter mainly result from the insufficient (social, economic, labour market) situation of its inhabitants. Summarized in the context theory, living and developing within a defined quarter is assumed to have significant impacts on its inhabitants' chances and perspectives. A quarter shapes the surrounding for social, cultural, economic processes. If a situation is to be improved, the context rather than isolated urban or social components need to be changed (cf. IfS 2004: 37-38).

- social, cultural, educational and leisure infrastructure,
- housing, and
- living environment and ecology,

brought together under the roof of an “integrated action programme” for each city quarter, elaborated with the help from stakeholders from the political sector, administration, non governmental organisations and population (cf. ARGEBAU 2000).

Map 1 - City quarters funded by the programme “The Socially Integrative City” in 2003



Source: <http://www.sozialestadt.de/gebiete/karten/2003-karte.gif> (30.08.2005)

In 2003, 335 urban areas in 237 German municipalities received funding from the programme, each one having allocated 1 Mio. Euro in average since 1999.<sup>6</sup> Most of the areas are characterized by housing estates erected

<sup>6</sup> There are significant differences from city to city as the amount depends on the resources applied for annually.



before the Second World War or buildings from differing periods. A fifth mainly consists of large scale housing estates erected between the 1960s and 1980s. Due to the complexity of problems addressed by the programme, the area covered is only 114 hectares on average (cf. IfS 2004: 29-31).

North Rhine-Westphalia has been maintaining its own state funding programme for urban renewal since 1993. By the end 2003, 47 urban areas received funding from the federal programme in North Rhine-Westphalia, but only 36 from the state programme (cf. IfS 2004: 52). Duisburg-Marxloh is one of very few city quarters which are part of the programme since its start, whereas areas usually take part in the programme for 6-10 years.

The Programme is characterised by both horizontal governance and vertical governance aspects, supported by scientific monitoring. The integrative approach of the programme is illustrated by the fact that measures and projects are realised in all fields of urban policy and often cover more than one field at the same time such as town planning, traffic planning, social, youth and family welfare, education, sports and more depending on the context. Project development and coordination addresses actors ranging from political administration to political bodies such as the quarter council and the municipal council and to addressing non governmental organisations.

Integrating NGOs and citizen representatives into programme advisory boards and organising frequent information activities and citizen workshops is supposed to improve quality and acceptance of projects and measures. Migrants and young persons (children, teenagers) are the main focus of participatory action, assuming that migrants are the socially least integrated group in the district and assuming that young persons will automatically act as multipliers for the programme as well as the district development.

Consequently, developing and implementing projects relies on a mixture of direct action in collaboration with citizens in order to reach short term effects and concept oriented measures in order to reach long term effects.

Fields of activity emphasising the programme's policy package focus are:

- Employment, qualification and training
- Accumulation of neighborhood assets
- Social activities and improving social infrastructure
- Schools and education with a strong emphasis on young persons' participation
- Health promotion, esp. for less educated and migrants
- Transport and the environment
- Urban district culture, aiming at improving the internal and external image of the district
- Sports and recreation
- Integration of diverse social and ethnic groups
- Housing market and housing industry

- Living environment and public space
- Urban district marketing and public relations.

In order to enhance its efficiency, both in North Rhine-Westphalia and at the federal level the research institutions of Institute for Regional and Urban Development Studies and Civil Engineering to the State of North Rhine-Westphalia (Institut für Landes- und Stadtentwicklungsforschung und Bauwesen des Landes NRW, ILS) and the German Institute of Urban Affairs (Deutsches Institut für Urbanistik, DIFU) respectively monitor and evaluate the programme, edit advisory publications, provide internet platforms and organise conferences, workshops and programme exhibitions. Thus, a tight network of acting stakeholders as well as monitoring bodies aims to stabilise neglected city quarters and communities' management work.

### **From economic strength to structural weakness: Duisburg-Marxloh**

Marxloh is part of the borough of Hamborn in the North Rhine-Westphalian City of Duisburg (see map 2). NUTS 3 region is DEA 12 "Duisburg, kreisfreie Stadt". Its neighbouring NUTS 3 regions are Wesel (DEA1F), Oberhausen (DEA17), Mülheim a.d. Ruhr (DEA16), Mettmann (DEA1C), Düsseldorf (DEA11), Neuss (DEA1D) and Krefeld (DEA14). Duisburg-Marxloh has approx. 20,000 inhabitants and covers an area of 760 hectares (Duisburg has 506,000 inhabitants and covers an area of 23,281 hectares). The city quarter is situated 10 km north of the city centre

Map 2 - Location of Duisburg-Marxloh in Germany



Source: IRPUD Database

and adjacent to partly disused Thyssen and Grillo industrial plants on two sides. Marxloh's economic past was strongly influenced by coal mining, steel and ferrous industry. In fact, the rise of the Thyssen steel mill in the early 20<sup>th</sup> century was the chronological and spatial nucleus for a densely populated workers' quarter. Its successful economic centre attracted customers from the northern part of city. Starting with the decline of the coal and steel industry in

the 1950ies and speeding up in the 1970ies however a decline of steel and coal related workplaces set in, resulting in a decline of shops and offices, too. Approximately 6,000 workplaces ceased to exist only in the 1990ies. The quality of the housing stock declined as owners ran short of capital to invest for private renewal. These processes still threaten to socially destabilise the area. In 1999, the total unemployment rate was 18%, migrants' unemployment rate was approximately 36%, the share of migrants in the total population was 36% (Duisburg average: 16%), of which 70% are Turkish migrants and the share of owner occupation is 5% (Duisburg average: 15%). Marxloh lost 3% of its inhabitants between 1987 and 1997, while the whole city gained 1% in average (cf. ILS 2000: 148; Weck 1999: 3).

The loss of workplaces is the area's central problem, causing social and strong ethnic segregation and leading to an image problem of the area. Marxloh is considered an unattractive place to live. Finally, the area is intersected by a motorway, other main roads and receives emissions from industrial plants still in use. However, Marxloh's key problems are also considered as keys for their solution: Promoting ethnic economies is as well promising as revitalising the area's economic centre (Turkish migrants owned 25% of all enterprises in 1997). The high amount of children creates perspectives for qualification (cf. ILS 2000: 148-150, Weck 1999: 4).

The city quarter joined the programme in 1993. Its experience with urban renewal however date back to the mid 1980ies when the council implemented first measures on the basis of a (at the time) innovative "problem oriented system analysis" of the area. Its aim was to revitalise the district in urban, economic and social terms following a holistic approach. Citizens and non-commercial stakeholders were supposed to play an important role in order to establish a basis for self-supporting structures.

In the early 1990ies, the newly founded "Marxloh Project" was involved in getting citizens interested in renewal projects (and in the elaboration of the integrated action programme), to activate and sensitize them for the improvement of their living environment. Shortly afterwards, the City Council adopted an integrated action programme (Integriertes Handlungsprogramm) for Marxloh, pointing out strategies and measures for urban renewal (see below).

From 1995 to 1999, Marxloh was part of the URBAN I programme by the European Commission, giving 8.1 Mio. ECU of funding to the district and contributing significantly to its progress. Between 1999 and 2002, between 500,000 and 1,400,000 went into the district annually (see figure 27, cf. EGDU 2003: 11).

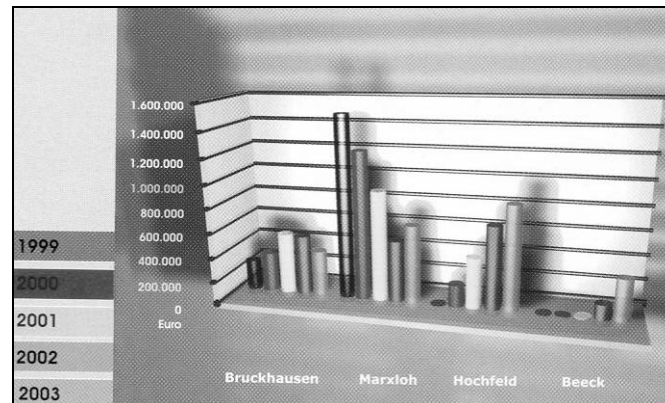
The overall aim of the urban revitalisation process is to install a project management in the heart of the area, to activate citizens and make them participate, and to foster self-help potentials (cf. Weller 2004: 51, 58-59). The above mentioned integrated action programme is valid until today. It acts as central document giving out broad lines of development for Marxloh and touches seven subjects: Local economy; labour and

qualification; housing, living environment and ecology; urban renewal; cultural and intercultural work; social structure/social infrastructure (cf. ILS 2000: 150).

Steering and coordination bodies (see section "horizontal relations") can react quickly to new project ideas as the integrated action programme is not as

precise and not focussing on single projects as in most other city quarters. Only broad aims for the development of the district exist and most project ideas are developed on the basis of recently observed needs. The project bodies develop new project ideas for urban and social renewal in Duisburg-Marxloh, on an annual basis (cf. Eichholz 19.08.05).

Figure 27 - Annual amount of funding for Marxloh and other neglected city quarters in Duisburg 1999-2003



1999-2002: actual amounts, 2003: projected

Source: EGDU 2003: 11

### Shaping spatial development: Stakeholders and subjects in Duisburg-Marxloh

Steering the Marxloh renewal differs significantly from most solutions in other "The Socially Integrative City"-areas.<sup>7</sup> Since 1999, the Duisburg Development Association (Entwicklungsgesellschaft Duisburg, EGDU, a municipal subsidiary company responsible for urban renewal in the city) is in charge of programme steering and implementation, whereas in most municipalities it is the municipal planning department.<sup>8</sup> The supervisory board of EGDU represents stakeholders from the political sector and administration, thus assuring intense cooperation between project development (political actors) and implementation (administration). The board is responsible for strategic management in Duisburg Marxloh. The municipal administration is not involved in the project work at all. The quarter board (Stadtteilausschuss) acts as a bridge between steering institution and city quarter and decides on new projects within the budget approved by EGDU. The "round table" (Runder Tisch) integrates several NGOs groups and citizens and acts as a platform for discussion and project development but has no immediate ties to decision making. Working

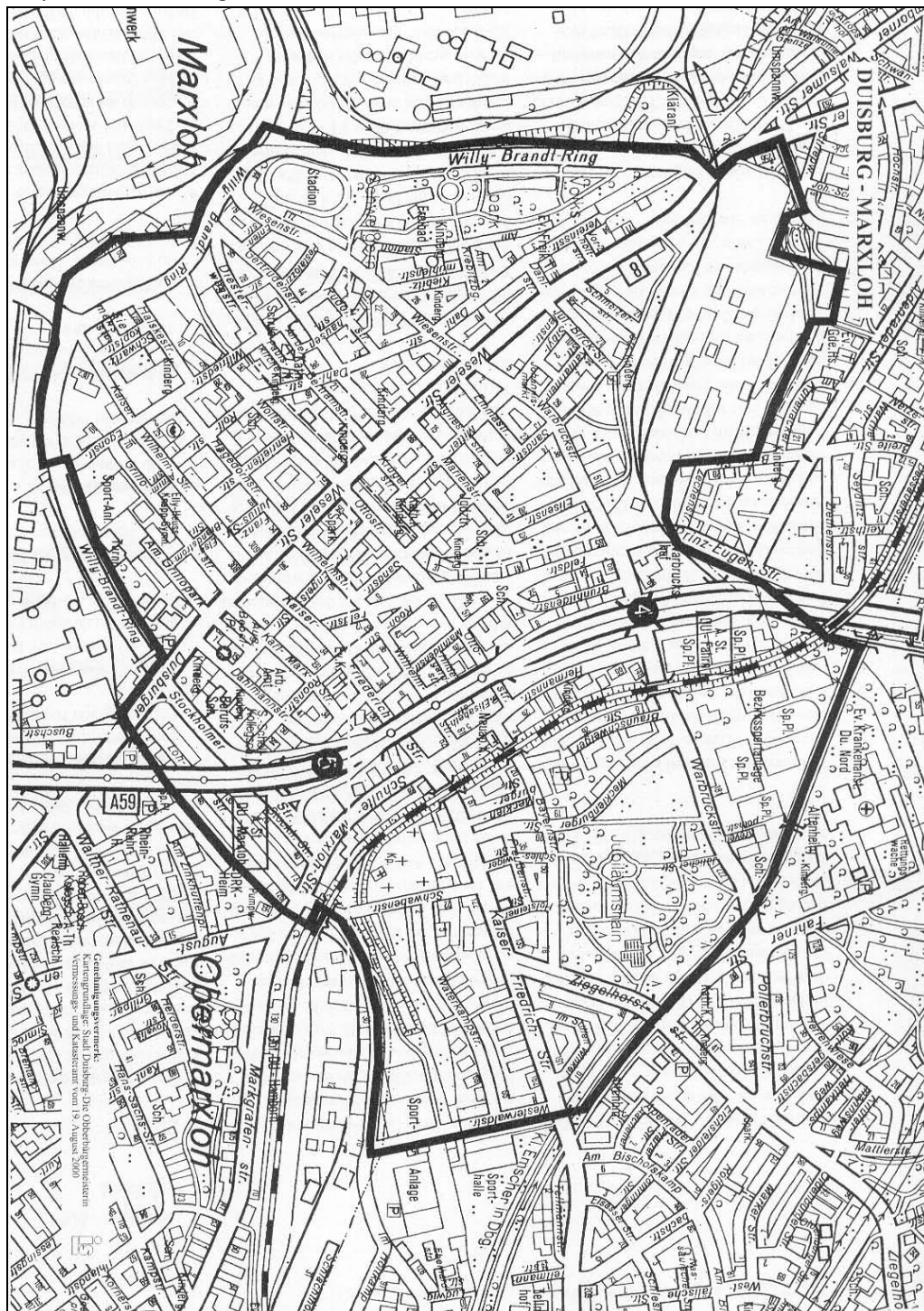
<sup>7</sup> For details of the organisational structure including illustrating figure see section "horizontal relations".

<sup>8</sup> Before 1999 the so called Marxloh Project relied on a different constellation of actors, including Development Association Marxloh (Entwicklungsgesellschaft Marxloh, EGM) in charge of economic promotion/ urban renewal and the City of Duisburg in charge of improving the quarters infrastructure, employment and qualification projects. The rising number of actors as well as funded quarters demanded a structural reform, resulting in making one partner responsible for all Duisburg quarters and all thematic issues (cf. Eichholz 19.08.05).

groups and lobby groups discuss the development of the area and act as applicants for funding, maintaining strong ties with the round table.

In order to better understand the governance structures and actors in Marxloh, we will subsequently depict the project's vertical relations and, what is even more interesting, its horizontal relations.

Map 3 - Duisburg Marxloh



Source: ILS 2000: 149

## 2. Key Aspects of Governance

### Vertical Relations

The Socially Integrative City is most active at the local level. As the largest part of funds originates from the state and federal level, both give out the guidelines for the programme.

On November 29, 1996, the working group of state ministers for housing "ARGEBAU" adopted the federal-state joint initiative "The Socially Integrative City". Since 1999 the programme has been part of the mainstream urban renewal funding (Städtebauförderung), coordinated by the Federal Ministry for Transport, Building and Housing (BMVBW). The federal share of the programme rose permanently from 51 Mio. Euro in 1999 to 80 Mio. Euro in 2003, covering one third of all eligible funding (leaving one third for the states and for the participating municipalities respectively)<sup>9</sup>. Additional funding by the URBAN programme is possible (cf. IfS 2004: 30; ARGEBAU 2000).

All German states maintain their own urban renewal programmes for neglected city quarters, building upon the ideas given in the ARGEBAU paper. Six states out of sixteen maintained similar independent state programmes before or launched such programmes in 1999, amongst them North Rhine-Westphalia. According to the mid-term evaluation study of "The Socially Integrative City", all states acknowledge the programmes importance for counteracting urban segregation, but some had difficulties in providing the co-financing and thus paused from the programme for one of the years (cf. IfS 2004: 51, 53).

ARGEBAU asks all state ministries to implement thematically relevant state funding programmes preferably in "The Socially Integrative City"-districts. Thus, not only urban renewal funds but also funds in the fields of town planning, housing, transport, education, qualification, labour, security, equal opportunities, gender, family and youth welfare, economic promotion, environmental planning, culture in the district and leisure exist in neglected urban areas (cf. ARGEBAU 2000).

ARGEBAU also asks municipalities to cooperate between departments, stressing the programme's interdisciplinary policy package approach. According to ARGEBAU, funding guidelines for the federal states (Länder) must provide creative leeway to municipalities. ARGEBAU also stresses the need for inter-departmental cooperation at all administrative levels from the district to municipal, state and federal level in order to optimize the programme's impact (ARGEBAU 2000).

German municipalities apply for funding by handing in an integrated action programme adopted by the city council. Once being accepted they are eligible to receive funding until further notice with a perspective of 10-12 years in total. Funds have to be applied for anew every year.

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<sup>9</sup> Most German states give more than a third of the cost eligible for funding, usually between 40% and 50%, thus enabling municipalities to participate in the programme which in the face of the crisis of German municipal public budgets would otherwise be hardly possible.

At the local level, the municipality usually assumes responsibility for governance and the whole project. In Duisburg-Marxloh, Development Association Duisburg (Entwicklungsgesellschaft Duisburg, EGDU), is responsible for administrating and spending the programme funds. Personnel costs are processed by the City of Duisburg which acts as chief executing unit for the local programme. Apart from that, the City of Duisburg gives 10% of the project costs from its municipal budget (cf. Weller 2004: 53). Due to this strict delegation from municipal level to EGDU no concurrences between sectoral departments occur. The hierarchical ladder is largely reduced to relations between EGDU and the project bodies (see section "horizontal relations").

According to Hartmut EICHHOLZ, programme manager in Marxloh, municipal departments are rather relieved than annoyed that a third party coordinates the Marxloh development issues. For plan elaboration of single projects, municipal departments contribute according to their legal tasks. EICHHOLZ however acknowledges that leaving more responsibility to the municipal departments, i.e. working inter-departmentally *inside* the administration, would enhance the project's sustainability: As planning activities for Marxloh are outsourced to EGDU, personal networks and formal structures between administration and public stakeholders in the project area cannot evolve. Once the project ends and EGDU retreats from the project management, only the non governmental cooperation structures remain (cf. Eichholz 19.08.05).

The project's conflict management relies on informal structures and the consensus principle. As the general climate of cooperation is good, conflicts are usually solved at a round table with all stakeholders involved in the conflict. Until now, there was no need for a formal conflict resolution method (cf. Eichholz 19.08.05).

What is much larger than the vertical relations between stakeholders are the horizontal relations, as described in the following section. A large variety of actors compete for influence on district level.

## **Horizontal Relations**

ARGEBAU asks for inter-departmental cooperation on all levels of the programme (cf. ARGEBAU 2000), however with differing success. Horizontal cooperation occurs at the federal level and state level only to a small extend. The strongest horizontal ties are to be found at the local level. Exemplified with Duisburg Marxloh we show whether and how stakeholders cooperate between administration and non governmental organisations.

### **Horizontal Relations at the federal level**

Only one federal ministry has been continuously accompanying the "Socially Integrative City" since its start in 1999 (continuing until end 2006) with own programmes: The ministry for family, women and youth supports cooperation efforts with two programmes in the field of education and qualification, in which 228 urban areas (programme E&C for

education and qualification) and 177 urban areas (programme LOS for micro-projects in the field of intercultural exchange and qualification) participated respectively in 2003 (cf. IfS 2004: 47-49). Cooperation in terms of parallel programmes for neglected city quarters by other ministries ceased after a short term or failed. This applies especially to federal ministries responsible for education, for immigration, for health and Federal Authority for Labour. Here, only programmes without special focus on neglected urban areas were launched. The authors of the mid-term evaluation study argue that this is *not* due to insufficient participation of ministers in the starting phase of the programme but due to a missing territorial approach and the sectoral self-conception of German federal ministries (cf. IfS 2004: 49-51).

### **Horizontal Relations at the state level**

Inter-departmental cooperation at state level works best in German states with experience in working with neglected urban areas (cf. IfS 2004: 52). To measure this, inter-ministerial working groups at the state level can be judged as indicator for functioning inter-departmental cooperation. The situation of the federal states reflect similar difficulties of working together as at the federal level: Though the programme was introduced in all 16 German states, only 12 established such inter-ministerial groups in 1999 (among them the six states with longer tradition for funding neglected urban areas). By the end of 2003, only seven states could refer to functioning groups. Asked for reasons, housing ministries of the states responded that from their point of view other ministries were unwilling to establish own funding programmes that would render it necessary to maintain such a working group. In face of the current budget difficulties of German states and municipalities, and the current development of administration reforms leading to more "efficient" sector-related work, this situation is not expected to change (cf. IfS 2004: 54-55, Stein 2005: 181). Another obstacle to horizontal governance between departments and ministries of state as well as municipal level is that many employees and civil servants turn out not to be qualified for inter-departmental work as they had to consider their department only for most of their professional life (appropriate training programmes do not exist) (cf. IfS 2004: 57).

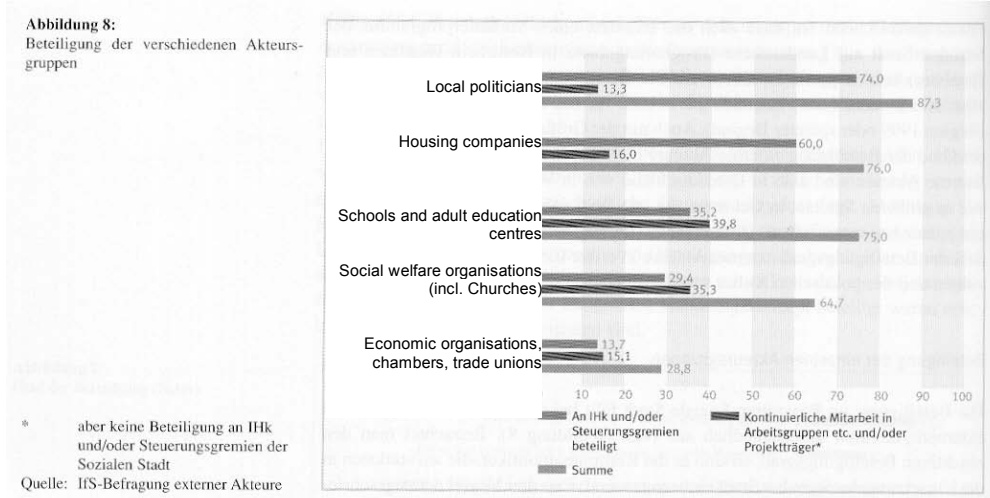
### **Horizontal Relations at the local level**

The integration of non governmental organisations and local politicians (so called "external actors" as they are external to the public administration) is good and intense on average in Germany according to the mid term evaluation of the federal programme "The Socially Integrative City". The institute in charge of the study used three questions to differentiate between the mere knowledge of the programme, the feeling of being integrated, and the actual integration (measurable by integration methods). According to the survey, only one sixth of German NGOs in programme areas do *not* or *hardly* know the programme (how long an area has been part of the programme has no significant impact on its high profile). Two thirds (64.4%) feel sufficiently integrated, while one third



(35.6%) judges that integration could be more intense. On the factual side, two thirds of the NGOs (68.3%) participate in local programme planning or implementation (Cooperation in the steering committee, in thematic working groups, elaboration of the integrated action programme, role as project executing organisation) and only one third (31.7%) only participates in public events or does not participate at all. As could be expected, local politicians show the highest degree of involvement into the programme if the factual involvement is differentiated by the group of actors: Nearly nine out of ten (87.3%) are involved in activities (74% of all actors stated "strategic involvement" in steering committee or elaboration of integrated action concepts). The degrees of involvement are as well high in the field of housing companies (76%. Share of all housing companies even stating "strategic involvement": 60%) and schools/adult education centres (75%. Share of all centres stating "strategic involvement": 35%). Social organisations incl. churches and economic associations/trade unions take part to a much lesser degree (social organisations incl. churches: 65%; "strategic": 29%; economic associations/trade unions: 29%. "strategic": 14%) (see figure 28, cf. IfS 2004: 108-112).

Figure 28 - Involvement of different groups of external actors into quarter activities



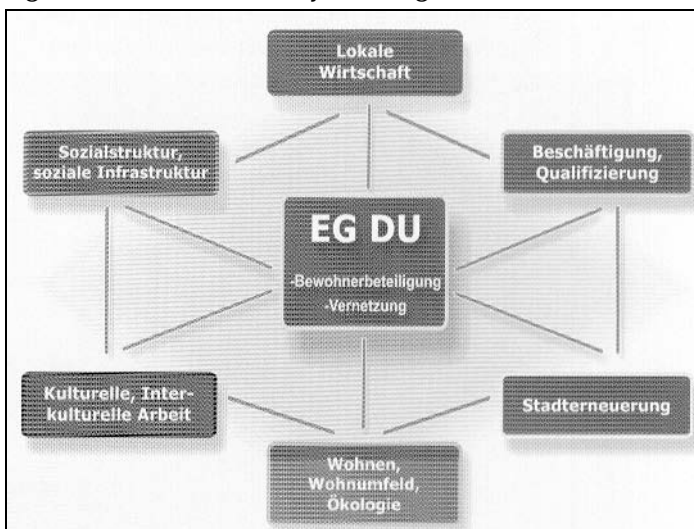
Source: IfS 2004: 112

## Horizontal Relations in Duisburg-Marxloh

As mentioned in the section “vertical relations”, Duisburg-Marxloh programme management is delegated to Duisburg Development Association (EGDU) which commissions municipal departments to execute single tasks according to their legal responsibility. EGDU coordinates urban renewal in four Duisburg districts with inter-departmental working approach. EGDU is active in all fields of integrated urban renewal, namely: urban renewal, local economy, employment and qualification, housing and housing environment, and ecology, culture and international culture, social structures and social infrastructures (see figure 4, cf. EGDU 2001: 15). These fields are identical to the fields of activity of the Marxloh integrated action programme (see section “context”). Borough labour market policy is promoted by a further body, the Association for Employment Promotion (Gesellschaft für Beschäftigungsförderung, GfB) (cf. EGDU 2001: 8-9; ILS NRW 2000: 150-151).

EGDU's *supervisory board* consists of the head of the Duisburg planning department (Dezernent), chief officers from municipal departments (Fachbereichsleiter) and stakeholders from the boroughs, thus assuring a intense relation between project development and implementation, between administration and politics (cf. ILS 2000: 151). It meets every 2-3 months and resumes strategic responsibility for the programme area by adopting the annual programme budget (Wirtschaftsplan) and by calling for tenders for approved projects. It is the most powerful body of the programme (see figure 4, cf. Eichholz 19.08.05; EGDU 2001: 11). Another body (quarter board, see below), however holds the responsibility for executing the supervisory board's strategic decisions.

Figure 29 - Fields of activity for integrated urban renewal



Source: EGDU 2001: 15.

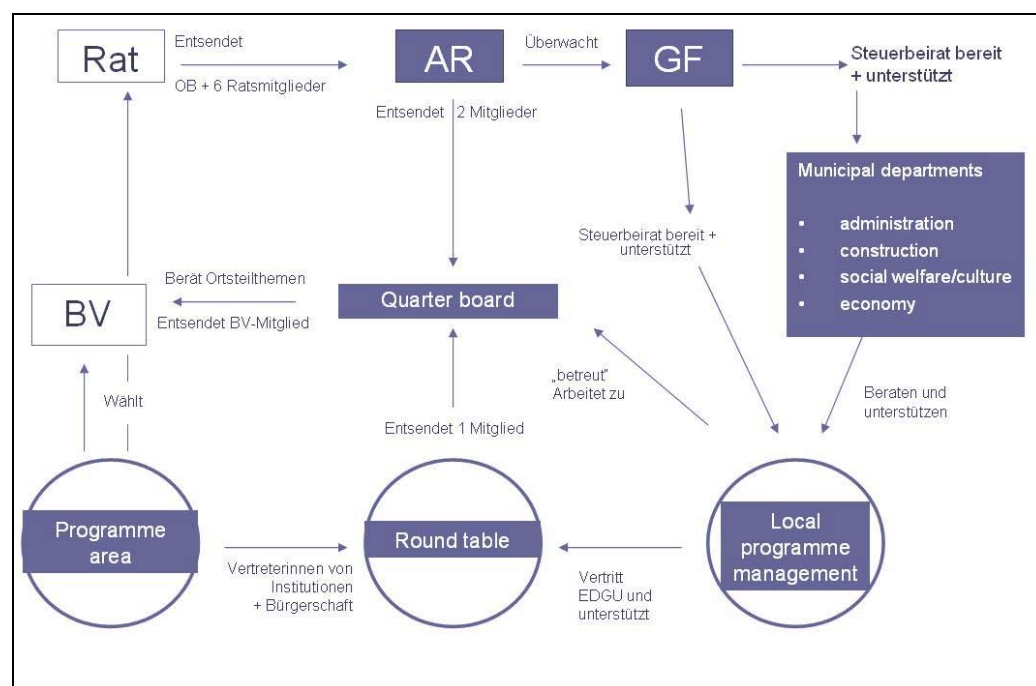
Since 1999 two codetermination bodies have existed in Marxloh below the supervisory board, one mainly political (quarter board) and the other participatory (quarter conference). A number of (social) lobby groups and of voluntary working groups support the round table's work and develop

own project ideas. Though formal ties between each other are rather loose, information exchange works well due to stakeholders working with many bodies simultaneously. Correspondingly, regarding non governmental organisations in the programme *personalities* instead of *institutions* drive the codetermination and cooperation process. All participatory bodies are vital places for developing projects and to finding project partners (see figure 30, cf. Eichholz 19.08.05).

The *quarter board* (*Stadtteilausschuss*) is the central decision body for funding projects and meets every 2-3 months (cf. Eichholz 19.08.2005). It advises the EGDU's supervisory board and can report the current state of project planning and implementation to the round table (see below). It consists of the round table's chairman, four local political representatives and two delegates from EGDU advisory council (cf. ILS 2000: 151-153; Weller 2004: 51). Thus, local politicians strongly influence how decisions are made. Non governmental organisations can only take part in decision making if they are elected as chair of the round table (cf. Eichholz 19.08.05). Local programme stakeholders however acknowledge that local politicians' acceptance of programme and projects is one crucial factor of success, thus justifying their strong influence on decisions to some extent (cf. Weller 2004: 62).

The quarter board has a quick release fund (*Verfügungsfonds*) at its disposal, containing 75,000 Euro for spontaneous and small projects in 2005 (see section "participation and openness").

Figure 30 - Organisational structure within the local programme management



Note: AR=supervisory board; GF=project management; BV=district council

Source: EGDU 2001: 14.

The *quarter conference* (Stadtteilkonferenz) or round table (Runder Tisch) integrates approx. 70 members from public and non-commercial institutions as well as citizens. It is the most important group for participation in the programme and open for every person and every group (meetings are public). The project management does not define a positive list of desirable members or of not desirable members as the conference is absolutely open to everyone.<sup>10</sup> It meets every 1-2 months to discuss current issues and proposes new projects on an informal basis to the quarter board once a year. It appoints two representatives for the quarter board (Stadtteilausschuss), one with voting power. Its main responsibilities are to organise the cultural and image work of the programme and to discuss project ideas. However discussion results are not formally reported to the quarter board (Stadtteilausschuss). Project working groups (see below) may use conference discussions for their project preparatory work and may bring them into the quarter board at a later stage (cf. Eichholz 19.08.2005).

Marxloh's social infrastructure is characterised by a relatively large number of well organised associations acting for the area's revitalisation. For better use of synergy effects, EGDU appoints representatives for all consecutively named bodies and groups (also see figure 31).

- The Development Association Marxloh (Förderverein Marxloh) consists of citizens and stakeholders of local institutions with the overall aim of improving the area's social and cultural situation.
- Stakeholders of social institutions form AK DU 11 (Working Group Duisburg 11) and act as lobby group for the social situation.
- In the field of economic promotion, a German and a Turkish retail lobby group as well as the Working Group Economy (Arbeitskreis Wirtschaft) develop ideas and strategies for economic promotion (all groups appoint representatives for the quarter conference). In this situation it is important to stress, that the Turkish retail lobby group was established in the late 1990ies as migrant retailers did not show interest in joining the general group. In fact, Turkish migrants sometimes seem to be more strongly considered by the programme than other groups including Germans, but following BLASE this is due to a several decade long disregard of Turkish migrants (cf. Blase 1997: 23).
- The associations' assembly (Stammtisch der Vereine) brings together German and migrant associations in the programme, especially mosque and Turkish cultural associations (which is a remarkable success in the light of a developing parallel society of Turkish migrants).

All institutions cooperate inside as well as outside the project bodies (cf. ILS 2000: 152-153). Quarter conference and the above named institutions carry out intense lobby work for the district and develop new project

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<sup>10</sup> Once an religious association wanted to enter the conference that was judged differently by the conference's members. Though concern remained that the association was democratic the conference decided that every group should be able to contribute to the conference (cf. Eichholz 19.08.05).



information events, an exhibition, a publication on the Islam in Duisburg, a student exchange, language courses, and more (cf. DIFU 2003: 118-120).

The programme provides a public programme office (Stadtteilbüro). Office employees have regular informal knowledge exchange with the EGDU strategic level in order to agree upon current projects. Within the city quarter they act as information and tacit knowledge exchange point (see section "participation and openness", cf. Eichholz 19.08.05).

26 of the North Rhine-Westphalian "The Socially Integrative City"-areas have established an information exchange and advice-network, the "City Network Socially Integrative City NRW", in which Duisburg-Marxloh also takes part. Since 1994 it has discussed practical questions of programme planning and implementation at the local level (cf. Website Städtenetz Soziale Stadt NRW). Apart from that, Marxloh cooperates with three other neglected urban areas under the umbrella of EGDU (Bruckhausen, Beeck, Hochfeld). Non governmental organisations active for the programme have their own sectoral networks (cf. Eichholz 19.08.05).

Regarding the question for inter-municipal spatial planning, no activities exist in the City of Duisburg. The Duisburg head of planning has informal meetings with colleagues of neighbouring cities but does not have formalised contacts. An inter-municipal planning document does not exist (cf. Eichholz 29.08.05).

The main mode for decision making is negotiation oriented rather than directive oriented. While developing project ideas, a lot of networking, informal talks and negotiations happen between potential project partners and the programme management in order to adapt an idea to the funding guidelines. Programme manager EICHHOLZ exemplifies this with a situation that has occurred in the "LOS" social funding programme (for LOS see section "vertical relations"). When the maximum amount of yearly funding was reached, all remaining partners applying for funding were asked to join a round table - a solution was reached by combining their interests and making project bundles. By proceeding so, the necessary amount of funds became smaller than in the beginning and fitted the amount of available funds (cf. Eichholz 19.08.05). It must however not be ignored that EGDU supervisory board takes the final decisions and thus has strong power even if there currently is a good political culture of negotiation (cf. MSWKS 2003: 171).

The project's conflict management relies on informal structures and the consensus principle. As the general climate of cooperation is good, conflicts are usually solved at a round table with all stakeholders involved in the conflict. As non governmental organisations know each other well, they know with who they get on well and with who cooperation is risky - as cooperation is voluntary, the stakeholders select their partners (cf. Eichholz 19.08.05).

Concerning the existence of policy packages, the programme implementation in Marxloh can be considered as a policy package. While projects mostly follow a specific aim with single persons and departments engaged with their implementation, the steering level of EGDU and the

project bodies and working groups safeguard an interdisciplinary, policy package style programme implementation.

### **Participation And Openness**

The Socially Integrative City programme highlights the difference between "participation" and "activation". The former mainly asks citizens to react to plans and programmes and to exert civil rights granted by constitution and law, ranging from participating in information activities to writing suggestions concerning planning processes and taking part in planning workshops. The latter addresses the bottom-up process of feeling responsible for community life in the district, including but also reaching beyond assuming civil rights with respect to influence on political activities. Thus, getting citizens to participate in activities is a necessary step for activation but no final success indicator. Consequently, only 20% out of a large number of governmental organisations and local politicians ("external actors") surveyed for the mid term evaluation of "The Socially Integrative City" think that citizens have been activated to a good extend (another 63% think that this is partly true) (cf. IfS 2004: 121-126).

Frequent restrictions to participation are caused by "internal immigration"<sup>11</sup> of inhabitants, destructive instead of constructive criticism, disbelief in the participation potentials and resignation in the light of the area's run-down general situation (cf. Gorres 1997: 25). In addition, "participation" is a traditional middle-class activity (usually forming a minority in neglected urban areas) and some citizens never learned which rights they have and how to articulate them. Thus, participation in neglected urban areas consists of systematic activation to a large extent (cf. IfS 2004: 125).

According to studies of the The German Institute of Urban Affairs (DIFU), all German states make major efforts to allow participation and activation in the programme areas (cf. IfS 2004: 123).

As highlighted in the section "horizontal relations", the programme as such and to a smaller degree working groups and decision making bodies are well used and well known to most NGOs in the area (cf. IfS 2004: 108-112). In this context, Marxloh carries good potentials for endogenous development as it has long been an economic centre for the North of Duisburg, has a good transport connection and ethnic businessmen are ready to invest (cf. Weck 1999: 3). Citizens however influence funding decisions only to a small extend as they are underrepresented in the decision making body. The outcomes of public discussions for single projects are non binding as far as participation is non statutory (see section "horizontal relations"). If participation is statutory (as for all public construction projects), citizens' contributions need to be measured with respect to their meaning for the project and its impacts on the area/the city

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11 In Germany the term "internal immigration" means that people no longer follow political and public discussions in their county, city and/or living environment respectively. They concentrate on their "private" living requirements, i.e. household, work, contacts with relatives and friends etc. This results in a lack individual contribution for the local community.

by the municipal administration which then proposes to the borough council and city council respectively how to decide on the project.

In the starting phase the entire group of project stakeholders aimed at activating and sensitizing citizens for the interest in developing their living environment. Today citizens can contribute opinions to the round table meetings and to thematic working group meetings. They are free to join workgroups of the local renewal programme, e.g. for Local Agenda 21, equal opportunities policy, gender specific education or work with the quarter conference (see section "horizontal relations"). Additionally, the programme regularly issues press information in order to inform the public. In a study investigating the political culture in Marxloh in 2001, public stakeholders from parties and NGOs judged that the degree of citizen activation in Marxloh is low. The interviewed stakeholders think that this is due to lacking interest and resignation with respect to the problematic situation of the district (cf. MSWKS NRW 2003: 170). However it must not be ignored that this also applies to other neglected urban areas funded by the programme, whereas participation activities exceed the legal obligations of the German Building Code by far.

The 1997 integrated action programme was mainly elaborated by political bodies, the public administration and the Marxloh Development Society (EGM) Advisory Board and is still valid. As mentioned in the section "context", EGDU can decide on new projects annually as the programme only gives a broad idea of the project (cf. Weller 2004: 57-59).

To activate migrants has been identified both to be important and especially difficult by the mid term evaluation of "The Socially Integrative City". Migrants seldomly participate in information and participation activities. Though migrant development workers are engaged and funds are available to implement migrant projects, migrants widely stay outside the programme. This applies to the large majority of German "The Socially Integrative City" areas. IfS identifies a bundle of reasons ranging from a lack of language skills to a lack of understanding towards typically German formal procedures, lack of general political rights (applying to migrants who did not assume German citizenship) and strong exclusive orientation towards cultural and mosque associations. Apart from that, women face severe cultural restrictions to participate in activities (especially in the evening hours) (cf. IfS 2004: 128-129). Therefore expectations for successful migrant participation must not be set too high. Consequently, migrant participation in language courses can be seen as success factor for integration, even more if they are provided on unsalaried basis by migrants themselves. Rather than counting participants in events, a success factor can also be measuring the number and the effort of institutions and organisations feeling responsible for citizens' activation as their involvement is necessary to activate citizens on the long run (cf. SCHÄFER and GRÜGER cited from Stein 2005: 181-182).

The ministerial workgroup engaged with elaborating the programme's guidelines (ARGEBAU) explicitly states that for better activation of citizens and associations a quick release fund (Verfügungsfonds) should be installed. Such a fund enables local programme representatives to react



immediately to small project proposals (cf. ARGEBAU 2000; IfS 2004: 27-28, 121). The Duisburg Marxloh quarter board has this fund at its disposal, about 75,000 Euro in 2005 (a very high sum compared to other areas, where 10,000-20,000 Euro p.a. are available). Institutions and persons can receive funding for events such as cultural, sporting, social, and ethnical integration activities, image work or economic development ideas. Funding can start from a few hundred Euro for posters, stage rent or similar small projects. An upper funding limit has not been defined. Main advantage of the immediate action funds is that applicants do not have to wait long for approval and formal barriers are low (cf. Eichholz 19.08.05).

The programme provides a public programme office (Stadtteilbüros) acting as agency for safeguarding openness in terms of good governance. Two persons work in the Weseler Straße programme office which is the main operational steering point of the programme. Main reason for providing an office outside the strategic programme administration is to minimize distance to citizens as the office is well located close to shops public infrastructure and non scaring by mere size of the institution. Programme offices are engaged with public participation, statutory as well as voluntary. The office informs about current transport and construction projects, programmes and plans, but also asks specified target groups, e.g. seniors, women, teenagers or children for their opinions regarding future development of the city quarter.

As one of the focal points of the programme is promoting ethnic economy, the programme office has one Turkish employee (cf. Weller 2004: 60ff). One of the main tasks of the programme office is to keep contact with citizens and institution, to organise and advise networks, develop and process project ideas, and to monitor project execution. Furthermore, office staff highlights the importance of listening to what passers-by say as it gives frequent hints regarding social problems, dirty corners or activities worth getting to know better by the programme (cf. Idik 1997: 28). From 1995 to 1999, in the context of URBAN funding, the programme had provided an office especially designed for promotion of the local economy (Büro für Wirtschaftsentwicklung) (cf. Eichholz 19.08.05).

In a discussion chaired by URSULA STEIN, communication expert in the field of planning, the panel emphasized the crucial role of programme offices for the success of participation and networking. Programme management means "cooperating with everybody" in order to find changing partners for changing projects - not merely for construction projects, but also for smaller social and participatory activities. (cf. Stein 2005: 180).

## **Outcomes**

"The Socially Integrative City" is a programme aiming to achieve mid-term and long-term impacts on the quality of life and the population's social situation. Among others, focal points are governance, participation and activation. As the programme has been running for 12 years in North Rhine Westphalia (evaluated only once after 7 years) and for 6 years at the federal level and aims at reaching long term effects, an impact assessment

scheme does not exist. Evaluation relies on personal appraisals given by stakeholders who work with the programme (cf. IfS 2004: 139).

The survey for the 2004 mid-term evaluation of "The Socially Integrative City" shows that it is necessary to wait for a longer period before measuring impacts in the target fields of the programme. So far, it shows a negative outcome with respect to the social gap: 70% of all external actors (governmental organisations and local politicians) feel that social differences between urban districts in Germany have strongly increased during the last 10 years. Another 23% feel a slight increase, resulting in 93% of all asked persons who do *not* feel that the situation between urban districts is improving. This appraisal of decline is very unlikely to be a result of the programme (cf. IfS 2004: 142).

Thus, evaluation has to follow a descriptive approach on the basis of personal appraisals. The mid-term evaluation for Germany reports many good approaches for new modes of governance for urban district development policy. New alliances have been formed within the public administration and between administration and NGOs/citizens. The image of urban areas participating in the programme has been improved. We will summarize this in the following section, starting from a general view of the overall German programme and coming to the Duisburg-Marxloh situation in every paragraph.

*Cooperation between departments of the administration* in German programme areas mainly happens with reference to a single project and in the initial "phase of curiosity" when actors carve out their territories. Where inter-departmental working groups exist, they mainly serve for mutual information rather than common project development. Successful inter-departmental cooperation was largely dependant on the involvement of single persons in the case studies of the mid-term evaluation (the study strikingly differentiates between "maximum" and "optimum" cooperation). There is a widespread lack of knowledge transfer between programme areas and weak urban districts outside of "The Socially Integrative City". However core teams with stakeholders from the planning department, the social welfare department and the local programme management/programme office have turned out to be successful. Providing a programme office acting as bridge between public and administration, between departments and core group and between NGOs of the area has proved to be essential (cf. IfS 2004: 189-190). Duisburg-Marxloh reflects these experiences regarding constitution of supervisory board and programme office. As the programme is rather independent from the City of Duisburg administration, it is possible that internal governance structures are prevented from evolving between administration and stakeholders in the programme area- this may turn out not to be optimal when EGDU has to retreat from (net)working as soon as the programme ends (cf. Eichholz 19.08.05).

*Integrating non governmental organisations* widens up the basis of legitimacy for the programme implementation. For what regards their integration, the outcome of the programme is very positive on German average. Asking non governmental organisations for co-determination in

distributing the funds has helped to activate them for stronger identification in district issues. As depicted before, there are however differences, to what degree non governmental organisations are involved in decisions. Housing companies, schools and adult education centres are integrated best, while economic, social and youth welfare associations (including churches) and migrant associations in general could be included to a larger extend (cf. IfS 2004: 190-191). The codetermination idea also applies to Duisburg-Marxloh even if non governmental organisations' involvement in final decisions is rather low (cf. Eichholz 19.08.05). Non governmental actors are involved in project development decisions, but within the decision making programme body (quarter board) they are underrepresented. What has been a clear advantage in the initial phase of the programme (when political support was essential) can now develop into a participation deficit (cf. ILS 2000: 154-155).

Nevertheless non governmental organisations take on responsibility for implementing social projects in Marxloh. According to programme manager EICHHOLZ, the larger the main stakeholder for a project such as a social welfare association or a mosque association, the more long term impacts can be expected. Consequently the attention that non governmental organisations have gained since the start of the programme, makes them benefit most from the programme in governance terms (also see section "governance failure and success").

*Citizens' inclusion into the programme* differs significantly depending on the respective urban area. As mentioned before, not every district can be measured by the same scale as participation and activation potentials depend on the social and ethnic background of inhabitants. Trying to activate citizens in order to stimulate their interest in district issues is a common goal of most programme areas in Germany. This goal aside, programme managements including the Duisburg-Marxloh programme management ask their citizens to participate on levels ranging from mere information to statutory participation, workshops and co-determination bodies. The more influence exists for citizens, especially if they can decide on how to distribute funds, the stronger the quantitative basis of people interested in participation has developed. The Duisburg-Marxloh experience in this field is that citizens are rarely involved in actual distribution decisions of funds, but are asked to contribute their opinions within standing and project related working groups.

What is unfortunately common to all programme areas is a small degree of participation of migrants in district issues, resulting in socially selective participation. Nevertheless the mid-term evaluation states a positive outcome with respect to the activation difficulties.

The mid-term evaluation identifies the earlier mentioned "quick release funds" (Verfügungsfonds) as minimum requirement for citizens' participation (cf. IfS 2004: 191). This instrument is well used in Duisburg-Marxloh and has a financial size clearly above the average, leading towards potential stronger activation of citizens and non governmental organisations for the programme.

It is hard to say which group benefits least from the project implementation. As mentioned earlier, one important aim of the programme is to ask citizens for participation. Consequently, groups unable of articulating themselves benefit from the project implementation to the smallest extent, e.g. migrants held back by language barriers, citizens with low qualification. Their specific disadvantage is that they are unable to participate in public discussions. Some may be even unwilling to participate due to such motives as "internal immigration". Though "The Socially Integrative City" uses methods of activation for *all* parts of the population, some groups will probably always stay out of the participation process.

*Project outcomes can also be seen from the perspective of the number and type of projects implemented by the programme.* Programme manager EICHHOLZ sees that the larger a single construction or social project is, the more it is necessary that an institution external to the municipal administration such as EGDU coordinates it, which has different decision making structures. Revitalising the Marxloh main urban traffic and shopping road (Kaiser-Wilhelm-Straße) can be taken as an example. The project was developed by EGDU and non governmental organisations in the fields of local economy, culture and cultural economy which now work well together.

EICHHOLZ judges the Marxloh project outcomes as mainly intersectoral and long term oriented. Regarding the question whether an inter-sectoral spatial vision could be elaborated or not, it can be said that except from the 1997 integrated action concept, none of the decisions and projects aim at developing a spatial vision. However inter-sectoral cooperation exists between planning, economic development and social welfare. It seems to be rather the idea standing behind the Marxloh activities than a concrete document that shows the strive for an intersectoral spatial vision.

Regarding results in the field of spatial planning, the Duisburg-Marxloh project can be judged successful from the sheer mass of implemented urban renewal projects, e.g. converting (public) buildings and parks, revitalising main roads, restructuring playgrounds and funding façade renewal (cf. EGDU 2003: 46-53).

Basing on positive experiences made in the past, the Duisburg-Marxloh project is supposed to continue its work without major changes within its organisational structure, its main thematic direction and its partners involved for cooperation (cf. EICHHOLZ 19.08.05).

### **3. Governance Failures and Success**

In Duisburg-Marxloh, participation and openness are the main principles at stake in terms of new modes of governance. "The Socially Integrative City" implements an innovative approach of good governance, aiming to include everybody and aiming to build a societal consensus (in the programme area). Vertical relations are not to be highlighted as they do not differ from widespread administrative action. In the following section of governance failures and success we show how central stakeholders

assess the local programme and how we assess it. The section closes with a small SWOT-analysis.

Programme manager Hartmut EICHHOLZ judges the Marxloh project a governance success. A lot of cooperation is happening between non governmental stakeholders and EGDU, resulting in a large number of commonly developed projects. Though non governmental organisations are insufficiently involved in formal decision making, EICHHOLZ acknowledges that EGDU can hardly ignore the strong opinions expressed by the programme area's NGOs. The project especially benefits from active and interested local politicians and from citizens who are ready to invest time and work into the project. Within the city quarter and the whole city, the Marxloh project has a good reputation and a positive image, though dealing with a neglected urban area (cf. Eichholz 19.08.05)

Non governmental organisations can be considered as winners of the Marxloh project (apart from the area itself receiving the funding). Their influence has risen significantly; they can contribute to all major decisions. The Marxloh project has also given a boost to their internal networks - NGOs communicate with each other much more than before. Additionally, Marxloh inhabitants' benefit from a good atmosphere, as EICHHOLZ describes it. Due to the participation impulses there are more activities for citizens and more communication channels by which public opinion is transmitted (cf. Eichholz 19.08.05).

Integrating non governmental organisations into the process of cooperation can be judged a success in German as a whole. According to the programme's mid term evaluation a large share of organisations knows the programme and feel well integrated into it. Whether they merely benefit from the programme (by receiving funds) or actually take part in political decisions has not been examined by the study; in Duisburg it seems that NGOs have only small influence on funding decisions. However they can steer beforehand the discussion process to a large extend, thus preparing a potentially positive decision by the respective project bodies.

What can be seen both positive and negative is the attention NGOs pay to socially weak parts of the population. As shown in the national context, programme areas of the "Socially Integrative City" can take part in a lot more initiatives than citizens of other city quarters. Consequently, they benefit from the programme.

Nevertheless it is clear, that the programme cannot solve the nationwide problem of unemployment of lacking personal qualification, and social exclusion of selected societal groups. As a local programme management and its corresponding NGOs cannot make social policy, they can only help reducing symptoms. The local programme may aim at integrating persons who can speak for themselves only under difficulties due to cultural background, indifference, intelligence or language barriers, but its effects are restricted to few persons and few occasions. Summed up, these kind of underprivileged people cannot be judged losers of the programme (as they receive a lot of attention and funding), but they are also no winners (as the programme can only reach case oriented and no area wide breakthrough) (cf. Eichholz 19.08.2005).

The degree and the value of integrating citizens into local programme decisions generates varying conclusions by the assessing sources. While in a study on the political culture in Marxloh different stakeholders judge the degree of public participation low, legal bodies exceed their participation obligations by far (see section "horizontal relations"). In the course of many years of experience with the programme, it has developed a good climate for participation, in which stakeholders from the codetermination bodies, the programme offices and non governmental organisations offer a large range of possibilities for citizens to take part in discussions and join project working groups. As part of the latter, citizens are able to influence single step decisions within projects they support. Citizens' possibilities to take part in funding decisions however are strongly restricted and do merely exist.

Notwithstanding the fact that a lot of public participation and NGO activation work has been done in Duisburg-Marxloh, political stakeholders remain the final decision making actors. They influence decisions of the two steering bodies (supervisory board, quarter board) with their majority of votes. Thus, public opinion is much better known to decision makers in Duisburg-Marxloh than in other districts and municipalities respectively, but citizens cannot actively intervene to the decision itself.

The mid-term evaluation of „The Socially Integrative City“ shows that however quality of cooperation is to be assessed, many people think that attention for neglected urban areas has significantly risen: 85% of all asked "external actors" acknowledge that political attention for neglected urban areas has at least partly increased (cf. IfS 2004: 144).

The sections covering horizontal relations on federal and state level have shown that in most ministries stakeholders continue to think sectorally. This must not result in ignoring those six German states (out of 16) maintaining functioning interministerial working groups but it is a clear sign of sector orientation. We cannot automatically call this a governance failure as it has to be judged first whether interministerial cooperation is an aim worth reaching. We feel however that the general approach of "The Socially Integrative City", a programme that wants to counteract negative effects resulting from overly sectorally oriented policy would ask for governance on all levels. Cooperation in local level could furthermore be easier if programmes and guidelines were given out by several ministries as municipal departments look for directives in their own sectoral ministries and thematic fields in the first place.

With respect to the programme's goals, peculiar coalition phenomena can be observed. In order to gather a wide coalition of supporters helping to bring an urban area into the programme, quality goals are formulated diffusely. On one hand this is risky as they are subject to differing interpretations of stakeholders with different backgrounds. Most municipal political actors for example aim at improving an urban area's situation on the short or medium run, irrespective of the thematic field. Administration and other stakeholders expect an urban area to improve in the field of their

profession.<sup>12</sup> On the other hand formulating diffuse goals creates a stronger consensus of actors than a precisely elaborated system of indicators for success (cf. Stein 2005: 178-179).

EICHHOLZ acknowledges that outsourcing the programme's coordination is risky: Leaving more responsibility to the municipal departments, i.e. working inter-departmentally inside the administration, would enhance the project's sustainability: As planning activities for Marxloh are outsourced to EGDU, personal networks and formal structures between administration and quarter stakeholders are prevented from growing. Once the project ends and EGDU retreats from the programme area, only the non governmental cooperation structures remain. However, the Duisburg-Marxloh project is supposed to further work with the current constellation of actors, structures and subjects (cf. Eichholz 19.08.05).

Summarising, we want to look at strengths, weaknesses, opportunities and threats we have observed in the case study. They reflect our assessment of governance failure or success in Duisburg-Marxloh.

### **Strengths**

- Political stakeholders' involvement into funding decisions is above the German average as they form the majority of local programme body members. This safeguards the programme's political acceptance and support.
- By installing an office in the heart of the city quarter with staff qualified for participation, integration, information and negotiation, the programme has an interdisciplinary coordination unit at the operational level. In terms of governance and openness, networking, activation and coordination in all sectoral fields of the projects are the main assets of the office staff - tasks difficult to accomplish by employees in sectoral departments.<sup>13</sup>
- There is a good culture of negotiation and iterative project development between decision makers in the project bodies (supervisory board and quarter board) and non governmental stakeholders. This contributes to equalising the weakness of "lack of NGO involvement" (see below).
- Regular contacts between the Duisburg Marxloh programme management and the "City Network Socially Integrative City NRW" lead to improved quality of project solution. As "The Socially Integrative City" is a non mainstream, innovative programme, solutions

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<sup>12</sup> Public opinion also suggests that there are short term and medium term positive effects regarding the social and economic situation in the quarter, influenced by diffuse target systems. As the programme aims at reaching long term effects, while short term activities merely serve for positive image and public relations work, sustainable short term effects in the above mentioned fields are very unlikely (cf. Stein 2005: 178-179).

<sup>13</sup> Office staff is usually on the payroll in one of the municipal departments, but works outside the main seat of the planning or social welfare department and fulfils the tasks of intersectoral work.

do not exist for all problems. The city network acts as a platform for discussion and problem solving.

- EGDU's independence from the City of Duisburg enables the local programme to work relatively quickly and with small working groups.

### **Weaknesses**

- Non governmental stakeholders are involved into funding decisions to a small extend only.
- All urban areas funded by the programme have to face the dilemma of addressing middle-class population while acting in working-class districts. This makes it difficult to reach a large percentage of the population with participation activities.
- What has been mentioned as strength, can also be a weakness: As EGDU acts independently from the municipal administration, there is only poor cohesion between municipal administration and EGDU. The administration only fulfils its legal planning tasks but develops no solutions and expertise for neglected urban areas.

### **Opportunities**

- The programme gives vast opportunities for horizontal governance and participation: By installing the programme management, it generates resources for activation, participation and coordination unavailable in other areas of the city.
- As the area for implementing the programme only comprises a small area in the cities involved, there is a manageable number of stakeholders, inside and outside the public sector. This can help shape a corporate identity among actors, hopefully resulting in self supporting structures after the end of the programme.
- If the recourses are well spent, mid term and long term effects can improve the district's situation and support then voluntary working self supporting governance structures.

### **Threats**

- At the moment, non governmental stakeholders' influence in decision making depends on the negotiation culture. Changing political interest into this culture can further reduce their influence and might lead towards frustration (negative for horizontal governance),
- Rising indifference and resignation of citizens towards participation efforts can threaten public legitimation of projects and exacerbates reaching the programme's aims of activation and participation.
- The programme's support for a specific area is restricted to 6-10 years. After this period, all major projects need to be accomplished. What counts from the governance perspective is that after that time, cooperation structures need to be self supporting. If not so, the end of the programme means a severe threat to those structures.



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## Hanover Region

### 1. Context

The German case studies for new modes of governance of territorial and spatial policies cover two very different fields, one focussing on inter-municipal cooperation with impacts on vertical governance and the other with a strong focus on public participation and horizontal governance. The current case study follows the first focus by describing the ideas and results of a regional merger in the German region of Hanover. It shows why and how two formerly independent administrative units merged and which quality of governance characterised the merger discussion. Furthermore it shows the current influence of all stakeholders, political from different levels as well as economic and non commercial actors and population, into regional decisions (see section “key aspects of governance”). In the section “outcome” and “governance failure and success” we describe and assess, to what extent experts consider the merger innovative or tame.

Information we give in this case study is largely collected from speeches on merger conferences and contributions to administration and science related journals, which discuss the forthcoming merger. Participatory aspects of the merger and organisational structure of today was provided by stakeholder interviews. As the impacts of the merger do not necessarily follow immediately after a reform, the impact assessment remains rather weak, taken from literature as well as from stakeholder interviews who look at the merger from a distance of two to four years.

The Hanover region is situated in the centre of the Northern German State of Lower Saxony, has 1.1 million inhabitants and covers a size of 2,300 square kilometres. The NUTS3-regions covered by the case study are “kreisfreie Stadt Hannover” (DE921) and Landkreis Hannover (DE 924) which under new legislation represent one single district authority. Its neighbouring NUTS 3 regions are Nienburg/Weser (DE927), Soltau-Fallingb. (DE938), Celle (DE931), Gifhorn (DE914), Peine (DE91A), Hildesheim (DE925), Hameln-Pyrmont (DE923) and Schaumburg (DE928). Half of the region's inhabitants live in the City of Hanover. The next smaller municipality is Garbsen with 60,000 inhabitants, while the smallest municipality of Pattensen has 13,000 inhabitants. Hanover is the state capital of the state of Lower Saxony. It hosts the world's largest industrial and computer fairs (Hannover Messe, CeBit) and was the place of the 2000 World EXPO. Hanover has an international airport, one university and several colleges. In early 2005, the standing conference of ministers for spatial planning agreed that the region of Hanover-Braunschweig-Göttingen would be a new European Metropolitan Region. With 1.1 Mio. inhabitants, the Hanover Region is the largest county in Germany, the next smaller only having 660,000 (Recklinghausen) and 570,000 (Rhein-Sieg) respectively. Within Lower Saxony the differences are even larger, where the average number of inhabitants per county is 167,000.

As many other German agglomerations, the Hanover Region is affected by internal special migration of persons with middle or high income from the centre city to its surrounding rural municipalities, while still working in the city (suburbanisation and disurbanisation). This causes a lot of traffic (and necessity for traffic and transport investments) and results in an above average share of low income population and persons depending on transfer income in the region's core. As tax revenues and financial

Map 4 - Location of the Hanover Region in Germany



Source: IRPUD Database

equalization payments are distributed by inhabitant (not by workplace or an equation including both), this results in a tax revenue distribution privileging the hinterland municipalities. Recognising this situation was the starting point for the city of Hanover as well as the surrounding 21 municipalities to discuss a possible merger in the mid 1990s.

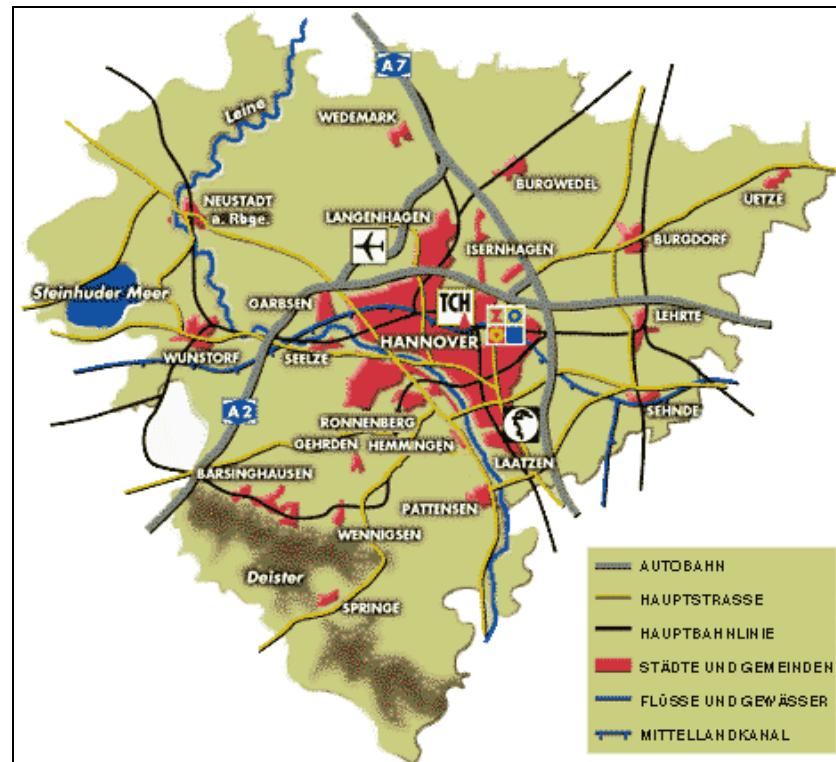
Aims of the merger were (cf. PLS 2003: 5):

- transparent division of public tasks between local, regional and state level,
- enhancing the regional competitiveness in Europe,
- intra regional balancing of advantages and burdens,
- increase of the regional administration' efficiency.

The Hanover Region as an institution was founded in 2001 as an authority under public law with characteristics of a local authorities association (Gemeindeverband), but the legal status of a county (Landkreis). The region is shaped by the "Gesetz über die Region Hannover" (Hanover Region Act, GRH) of 5<sup>th</sup> June 2001. The newly shaped administrative entity follows the model of the regional county (Regionalkreis).<sup>14</sup> It replaces the

<sup>14</sup> The regional county is as exceptional form of county, implemented in only two cases in Germany, Stadtverband Saarbrücken and Hanover Region. It answers to a common spatial relation between centre cities and their hinterlands in Germany. Central cities and surrounding hinterland municipalities co-exist independently, especially if the centre city is independent from the surrounding county (Kreisfreie Stadt), resulting in a failure to

Map 5 - The Hanover Region



Source: [http://www.region-hannover.de/grafik/karte\\_gross.gif](http://www.region-hannover.de/grafik/karte_gross.gif), 24.01.2005

former municipal planning association (Kommunalverband Großraum Hannover) and the former County of Hanover, integrates the county's 21 cities and municipalities and the City of Hanover (cf. GRH Art. 1-2). The City of Hanover retains its legal position of "independence from a county" (Kreisfreiheit), though it becomes member of the region (cf. GRH Art. 4). All municipalities remain independent bodies within the region. The region is designed following the German county constitution (cf. GRH Art. 3).

The district government (Bezirksregierung) acted as supervisory body for the region and the City of Hanover until its closure in 2004, while the Hanover Region acts as municipal supervisory body for its members (instead of County and district government respectively, cf. GRH Art. 6).

The Hanover Region takes over the administrative and planning responsibility from the municipal planning association (Kommunalverband) and the county, whereas some of the county's former responsibilities go to the member cities and municipalities. Apart from that, the Hanover Region gains new tasks from the district government (Bezirksregierung) and sectoral state authorities. ROSENZWEIG, a former head of administration (Stadtdirektor) of the City of Hanover calls it a good example for the necessary structural reform of German municipalities in general (cf. Rosenzweig 2003: 155).

The region's responsibilities go far beyond those of other municipal planning associations in Germany. Usually, such association *add* to the county instead of replacing it. Only Saarbrücken, Frankfurt(Main) and

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balance burdens and benefits caused by the intensive economic and social relations between city and hinterland.

Stuttgart have directly elected assemblies whereas usually regional assemblies consists of municipal delegates (cf. Henneke 2003: 46). The tasks of the Hanover region are (cf. Hanover Region Act, Art. 8-9, Priebes 2002: 13-14):

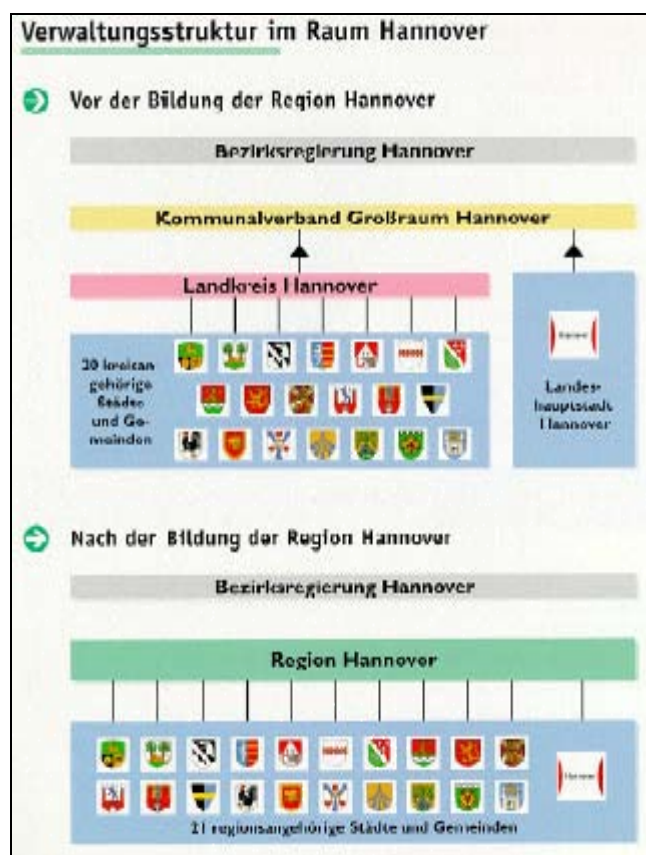
- Traffic and transport planning (former municipal planning association task)
- Regional planning (setting up regional plans, approval of municipal land use plans, coordinating regional planning procedure (Raumordnungsverfahren)) (adopted from the district government)
- Social housing planning and funding (most tasks)
- Landscape planning and tasks of higher nature conservation authority (approval of municipal landscape plans, adopted from the district government)
- Regional economic and labour promotion
- Local recreation planning (former voluntary task of the municipal planning association, today with possibility to manage formerly municipal facilities on municipal request)
- School and vocational school planning and administration
- Governing body for special schools (for disabled except from those for learning-disabled), vocational schools
- School camp facilities (Schullandheime, adopted from the municipalities)
- Hospital planning and administration (adopted from the municipalities)
- Youth welfare service planning and administration (as far as municipalities agree, see below)
- Social welfare planning (adopted from the municipalities)
- Waste disposal

Regional cities and municipalities are responsible for (cf. GRH Art. 11-12, Priebes 2002: 13-14):

- regular schools and adult educating institutions
- Road traffic (road traffic authority)
- Youth welfare (municipalities with more that 30,000 inhabitants)
- Building supervision (lower building supervision authority, on request, municipalities with more that 20,000 inhabitants)
- Nature conservation (lower nature conservation authority, on request)
- Tasks in the field of the lower water supervision authority (on request)
- Implementation of social welfare planning
- Social Housing (single tasks)

It becomes obvious that the *region* is responsible for all major policies in the field of sustainable development such as regional planning, transport planning, landscape planning and nature conservation. In addition it is notable that policies creating rivalries between municipalities, i.e. regional planning and economic promotion, remain in its hands (also see section "vertical relations" and "governance failure and success").

Figure 32 - Organisational structure of territorial units before and after the merger



Source: PLS 2003: 6

The Hanover Region holds shares in a number of private companies in the field of tourism promotion, economy and employment promotion, public transport, the canal harbour, the technology centre, the zoo, housing and real estate, Hanover fair, waste management and climate protection. It could however *not* been realised (as asked for by some municipalities) to hand over City of Hanover shares in the airport and the fair to the region (cf. Prieb 2002: 15).

The regional budget is financed by allocation from all members as

well as the Lower Saxon financial equalisation policy (also see section "vertical relations").

Hanover's regional reform developed over many decades, helping stakeholders to trust each other and to find fields of activity to be carried out best on the cooperative, regional level. Starting from the 1960s, city and all five surrounding counties combined their own urban/county development planning, resulting in concerted actions to acquire territory for potential economic development and for nature conservation. In 1970, the public transport association "GVH" (Großraumverkehr Hannover) was established as the second association of this kind in Germany, supporting an improved accessibility of places (and giving a boost to its intra-regional territorial cohesion). In 1974, the municipal structural reform formed one county of Hanover instead of five counties surrounding the city of Hanover until then. This probably simplified negotiations for regional cooperation. The actual reform of the City and County of Hanover was completed in just five years from 1996 to 2001 (cf. Prieb 2003: 83-84).

A "blue paper" issued by the heads of administration from city, county and the municipal planning association started the merger discussion in 1996. All further steps were prepared on voluntary and open basis with help of a steering committee that consisted of seven representatives from district government, county, municipal planning association, city and municipalities (cf. Rosenzweig 2003: 155; Prieb 2002: 148). Surprisingly no major

dissent resulted from the blue paper which was specified with help of a "yellow paper" in late 1997. Both papers described the main division of responsibilities that were finally implemented without major alteration. The State of Lower Saxony did not intervene into the discussions, thus enabling a bottom-up discussion. After *all* regional municipalities and ruling political faction had decided positively on the merger issue, the state government officially backed the initiative and presented the first draft for a Hanover Region Act ("discussion draft") in 1999. The "final draft version" entered the Lower Saxon parliament in September 2000 and was adopted in June 2001 (cf. Priebes 2003: 93-94).

In the meantime the Hanover Region can look back on four years of running a new administrative body. It is still in the phase of coordinating the new constellation of tasks and partners, feeling that its organisational structure runs well but its policy implementation and public relations work still have development potentials (cf. Priebes 31.08.05).

The subsequent sections will address the regions situation within vertical structures (see section "vertical relations") and horizontal relations between the region and its political, administrative and non governmental stakeholders (see section "horizontal relations"). The case study concludes with observations on the governance outcomes and their interpretations of failure or success (see sections "outcomes" and "governance failure and success").

## **2. Key Aspects of Governance**

The merger was completed consensus oriented. It was not before *all* regional municipalities and political parties had decided positively on the merger issue ("yellow paper", see section "context"), that the state government officially backed the initiative and presented the first draft for a Hanover Region Act ("discussion draft") for discussion in 1999 (cf. Priebes 2003: 93-94). In the end, all regional political stakeholders<sup>15</sup> supported the merger initiative except from the German County Council (Deutscher Landkreistag) (cf. Priebes 2002: 150). Behind the façade, controversial discussion happened on allocation of sectoral responsibilities to departments and levels of policy implementation. From the outcome perspective, the merger has been an example of good governance within the political sphere.

Which relations exist inside the region's steering bodies is to be discussed in the following two subsection, each one describing the merger discussion and the following first phase of work of the new region.

### **Vertical Relations**

The Hanover region assumes responsibilities similar to other local authorities associations (Gemeindeverband) and has the formal status of a

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<sup>15</sup> This includes City Council of Hanover, County Council of Hanover, District government, all city and county chapters of the political parties except for county chapter of the conservative CDU.

county (see section "context").<sup>16</sup> As for all German counties it was subordinated to the district government of Hanover until its closure in 2004 and still is subordinated to the State of Lower Saxony. Today it replaces the former district government of Hanover and renders account directly to the State. The merger altered relations of the county/regions with the municipalities and with the district government (see section "context" and in detail Priebes 2002). As this influences the tasks of both, the municipalities were strongly involved in preparing the draft version of the Hanover Region Act presented by the State government in 1999. Until presenting the draft version of the act, the state government did not intervene at all into the merger discussion, leaving the field for low-context discussion (concentrating on the issue, no interference by power or personal structures).

All merger stakeholders (municipalities, county, municipal association) agreed that responsibilities might not be delegated "upwards", i.e. from municipal to regional or county to district level (this principle has been abandoned in few cases).

A steering committee with representatives from county, municipalities and city moderated the elaboration phase, strictly relying on the consensus principle. It may be due to this principle that the merger finally succeeded, but it may also be that the principle contributed to diluting the initial idea of transparently and clearly assigning groups of regional administrative tasks to municipal and regional level. A lot could have been reached by implementing a municipal territorial reform, resulting in new municipalities of probably two classes of size. It was clear from the beginning however that the existing municipalities would not have agreed to this idea. The result is that each regional municipality has varying administrative tasks depending on the service capacity of its administration (tasks can be delegated to the region or adopted from the region subject to the municipality's size, see section "context"). Thus, administration's organisational structures and rules of responsibility for the different tasks were rather inflated than the desirable opposite (cf. Rosenzweig 2003: 156-157).

Today, member cities and municipalities have no influence on decision-making processes in the region from a formal point of view as all decisions take place in the directly elected regional assembly (see section "horizontal relations"). In the run-up to the merger there was fear that smaller municipalities might not be represented by a delegate in the regional assembly as electoral constituencies often comprise several smaller villages. Proposing the chamber of majors was also thought to counteract this but was finally rejected.<sup>17</sup> Since then, no further initiatives for municipal

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<sup>16</sup> The idea of the City of Hanover joining the County of Hanover was discussed and dismissed. A completely new body with competencies different from those of a city and of a county was supposed to be shaped as a signal for innovation and in order to increase its internal acceptance (cf. Henneke 2003: 43).

<sup>17</sup> The initiative was rejected as there was fear that full-time majors could overrule honorary appointed assembly members. Furthermore the Lower Saxon County Association (Niedersächsischer Landkreistag) feared other counties could use it as test case to as for the same form of codetermination.

codetermination followed. As a matter of fact, today there are delegates from all municipalities, but rather for reasons of farsighted coordination than due to a formal requirement (cf. Prieb 31.08.2005).

Cooperation between majors and region works on an informal basis. Administrations of member cities and municipalities hold meetings every three months, all majors discuss both the regional budget and current political challenges annually (cf. Prieb 31.08.2005). A regional advisory board exists e.g. for regional waste disposal, thus safeguarding municipal influence in selected sectoral fields (cf. Prieb 2003: 86-87).

Informal non statutory working groups integrating the regional administration and the member cities and municipalities cooperate in thematic fields such as planning and economic promotion (cf. Prieb 2003: 86).

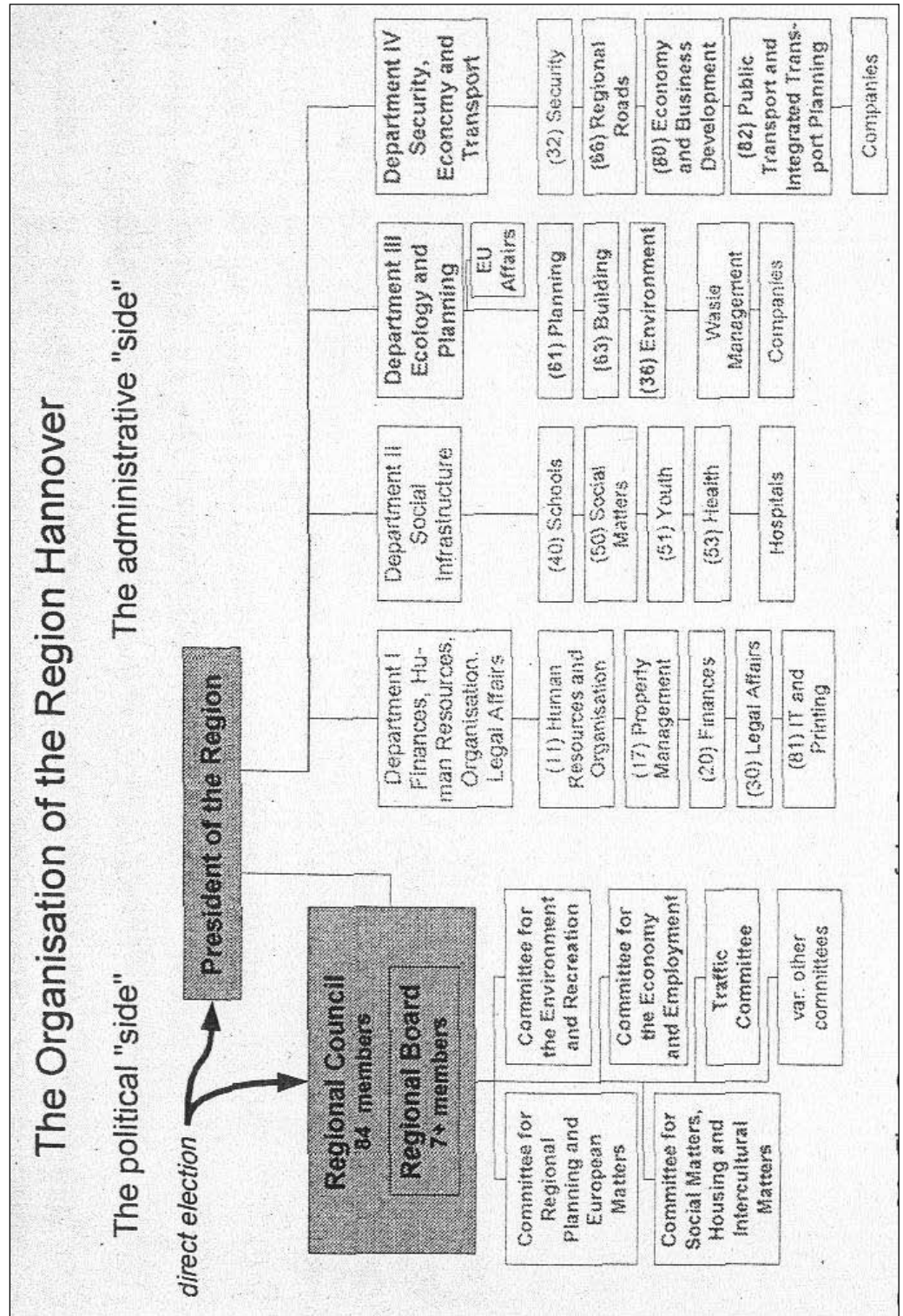
The Hanover region is partly financed by a region wide municipal allocation as well as an allocation from the state of Lower Saxony. In addition, it receives funds from the state of Lower Saxony for tasks assumed from the afterwards closed district government (Bezirksregierung) (cf. GRH Art. 14) and from the City of Hanover. Thus it is able to intervene where imbalances put a higher burden on rural or urban municipalities respectively, e.g. in the field of social welfare planning and youth welfare service planning. The initial aim to raise own taxes for the region proved not to be feasible (cf. Prieb 2003: 91). The current budget of 1.2 billion Euro consists of state allocations by 60% and of an internal allocation by 40% (cf. Arndt 2005: 20).

Integrating personnel from four administrations, i.e. City and County of Hanover, district government and municipal planning association proved to be a challenge. As efficiency was supposed to be improved, the actors charged a consulting company (PLS Rambøll Management) with developing an organisational structure, propose number and tasks for departments, executives and teams and to work on a human resources development concept (which has been largely implemented) (cf. PLS 2003: 8).

All administrative tasks are organised under the roof of four regional departments, headed by the regional president. Regional Planning is located in Department III, together with building and environment (cf. figure 2). Other spatially relevant departments are assigned to Department IV: transport, economy and economic promotion. Hanover Region holds responsibility for approving municipal land use plans and to conduct regional planning procedures (Raumordnungsverfahren). As Lower Nature Conservation Authority (Untere Naturschutzbehörde) it approves municipal landscape plans (cf. figure 2, GRH Art. 9). Further competencies in the field of environmental planning are the region's role as lower authority for forests, water, waste, soil protection and immission control. Thus it meets important prerequisites for monitoring sustainable land use management (primarily attached to the City and County of Hanover respectively).



Figure 33 - Organisational structure of the region's administration



Source: Kumkar 2004: 98.

The Regional Agenda 21, in effect in the County of Hanover since 1999, moved to the Hanover Region administration and is also integrated into Department III, subdivision for environmental planning. According to KUMKAR it has little impact on the region's actual policy (Kumkar 2004: 103).

Joint land use planning as it is discussed in the Ruhr area, never was an issued during the merger negotiations. Consequently it is not projected in the Hanover Region (cf. Henneke 2003: 48).

Subsequently we will discuss horizontal relations within the Hanover Region, both formally and informally.

## **Horizontal Relations**

The regions organs are the regional assembly (Regionsversammlung), the regional board (Regionsausschuss) and the regional president (cf. GRH Art. 16). Both the members of the regional assembly and the regional president are directly elected every five years. The regional assembly can establish regional sectoral committees to prepare its decisions (cf. GRH Art. 58).

The region's decision making organ is the regional assembly. 84 out of its 85 members are directly elected as regional assembly members and one as regional president (cf. GRH Art. 35, also see figure 2). Delegates can be elected for municipal councils and the regional assembly simultaneously (only majors may not become members of the regional assembly) (cf. Prieb 31.08.2005). The assembly tends to act politically and stick to party discipline more than before (cf. Rosenzweig 2003: 158).

The regional board consists of the president and six members dispatched from the regional assembly (cf. GRH Art. 62, also see figure 33).

The regional president is both political representative and head of the regional administration (cf. GRH Art. 71-72).

In the field of planning, a round table was established, bringing together the heads of departments for regional planning and transport of the Hanover Region as well as the municipal heads of planning of the region's members (cf. Kumkar 2004: 103).

NGOs and citizens are granted a smaller influence on decisions than in other regional planning associations in Germany. However, the Hanover Region Act explicitly enables NGOs and citizens for co-determination (cf. Prieb 2003: 86-87):

- The regional assembly can appoint non governmental organisation as experts for advising selected projects (cf. GRH Art. 51) and the regional assembly's thematic boards for continuous advice (cf. GRH Art. 58). Non profit nature conservation associations take part in environmental board meetings and the German Chamber of Industry and Commerce is partner in the economic board (cf. Prieb 31.08.2005).
- Supervisory boards and advisory boards of Hanover Region's subsidiary companies integrate stakeholders from politics, economy and trade unions.
- Citizens are granted the right to ask questions to the assembly if the agrees (cf. GRH Art. 51).

While discussing the organisational structure of the "would be" region a series of workshops took place in the region in order to integrate non governmental organisations' views. Regional Forum Hanover (Regionalforum Hannover), a participation group working in the region since 1992 initiated and organised the workshops and asked non

governmental organisations and political parties to appoint representatives for one of the workshops (administration experts assisted the meetings in order to give advice). Participants involved in the workshops widely agreed on the reform concept of 1997 but asked for stronger public participation (cf. KGH 1998: 3-7). PRIEBS, First Regional Councillor (Erster Regionsrat) to the Hanover Region judges that though non governmental organisations were not strongly involved into the merger discussions apart from the forum, their positions were clearly known to political stakeholders by informal channels (cf. Priebes 31.08.2005).

Apart from the expert role of non governmental organisations in the above named boards, there are no direct means of codetermination for non governmental organisations in the region. Consequently, there are only few internal networks in order to represent regional interest (cf. Priebes 31.08.2005).<sup>18</sup>

PRIEBS considers the region a rather formal than a network institution. Thus informal contacts between governmental and non governmental organisations only play a secondary role. This is mostly due to the fact that former network character governance of 1960s to 1990s has developed into a relatively strong structure similar to government. Hanover Region is a "government" style institution with governance aspects (cf. Priebes 31.08.2005).

Its main political document for regional planning is the Regional Planning Programme (Regionales Raumordnungsprogramm, RROP), adopted by the regional assembly. The current programme was adopted in 1996 and is to be replaced by a new one in 2005. It consists of principles, aims and policy goals for spatial development, maps for spatial development and the according explanatory notes. Its contents is binding for subordinated municipal land use plans. PRIEBS identifies three guiding themes for spatial development in the region since the first regional planning programme has been adopted by the region's predecessors (cf. Priebes 2005):

- Settlement development in locations accessible by light rail,
- Maintenance of open space and recreational areas near to housing areas,
- Protection of nature and landscape against urban sprawl.

The current draft programme stands in this tradition. It also stresses the need for intermunicipal cooperation within the region and the region's cooperation with the neighbouring agglomerations (cf. Region Hannover 2004). According to PRIEBS (2005), issues discussed most during the elaboration phase of the new programme were spaces provided for retail (esp. in not integrated locations), for settlement development (esp. in not integrated suburban areas), for wind energy, for transport use, land use restrictions near the airport and due to surface mining and flood protection. In terms of good governance, the region has been discussing a pre-draft version of the programme with municipalities *before* completing the statutory draft version and explicitly asking the public for statements

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<sup>18</sup> However there are initiatives that e.g. political parties have merged their city and county chapter in order to work as regional chapter (cf Priebes 31.08.2005)

on the draft version in the first half of 2004 (cf. Prieb 2004: 19, Prieb 2005).<sup>19</sup>

In the following subsection we will discuss public relations and participation activities of the Hanover Region during the merger discussion and in its current work.

### **Participation and Openness**

Processes and rights for public participation in the Hanover Region are based on legal rights derived from the Hanover Region Act. Additionally, public relations play a growing role. All things considered, openness is more important than participation. Participation is an issue of minor importance (apart from rights granted by state and federal legislation). This section shows the communication corridors in detail and explains that form of openness and participation may nevertheless be sufficient for a region like Hanover.

Participation is granted in the Hanover Region Act with the "resident request" (Einwohnerantrag). If 8,000 signatures are collected for a thematic request in the responsibility of the regional assembly, the assembly must discuss and decide on the proposed issue (cf. GRH Art. 23). Apart from that, forms of participation granted by municipal codes (Gemeindeordnung) in Germany and Lower Saxony exist. Finally, the Federal Building Code grants public participation when setting up municipal programmes and plans and for construction projects where an environmental impact assessment is necessary. As these forms of participation apply to all German municipalities and having been described in the German national overview, we do not highlight them in detail.

Both GEHRKE (Regional Agenda 21 representative to the Hanover Region) and PRIEB consider the regional merger as a rather abstract operation with small potential to get stakeholders from outside polity, administration and science interested in the discussion. In the beginning, a survey was supposed to bring citizens' positions into the process, but the idea was dismissed: It had to be acknowledged that the regional merger is an administrative reform on a level relatively remote to citizens' perception who primarily identify with their immediate environment (municipality). Consequently, the public was only loosely integrated in discussing the merger process (cf. Rosenzweig 2003: 154, PLS 2003: 11). Public discussion for citizens focussed on media information, flanked by a smaller workshop initiative. The latter remained rather irrelevant for the process as a whole, while the merger discussion itself was well known to large parts of the population (cf. Gehrke 31.08.2005).

GEHRKE considers the region's interest for participation exceeding the legal rights as being rather low (cf. Gehrke 31.08.2005). PRIEB asks not to ignore that the merger is a historic task causing a lot of (unpredictable) work of restructuring departments, tasks, working procedures. Until today,

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<sup>19</sup> It was one of the aims of the region's planning department to integrate the public into the renewal process of the Regional Planning Programme. KUMKAR however judges the participation activities qualitative results not very successful (cf. Kumkar 2004: 103).

participation has not played an important role as more substantial activities had to be coordinated first. They safeguard optimal performance of the administration – this must not be seen as the region disdaining participation (cf. Priebis 31.08.2005).

In order to help economic promotion, an “enterprise office” (Unternehmerbüro) was established in the region in 2004, coordinating settlement requests from companies in the whole region and thus avoiding concurrence between the 21 member cities and municipalities of the region (cf. Arndt 2005: 22).

Public relations work is growing in the Hanover Region in terms of the openness principle. Since 2005, the daily newspaper edits a Hanover Region information brochure issued by the region every three months. However there are no citizen activation strategies as it is the case e.g. for the “The Socially Integrative City” programme (see German case study of Duisburg-Marxloh) (cf. Priebis 31.08.2005).

In order to enhance participation and give a granted communication corridor, the region has appointed a Regional Agenda 21, being the region's only standing participation body. The Agenda 21 representative invites for agenda meetings once a month. The meetings are open to everybody, most participants however are institutions and agenda representatives from regional municipalities. The agenda representative takes part in department meetings every three months but is not integrated in political committee meetings (e.g. environment, planning) (cf. Gehrke 31.08.2005).

The Regional Agenda 21 also provides statements for spatial development projects and the currently discussed regional Regional Planning Programme (RRPP). However there is no formalised way of integrating the Regional Agenda 21 into planning decisions. Nevertheless GEHRKE points out that the Regional Agenda 21 is the central standing coordination point for citizens' opinion in the Hanover Region. GEHRKE sees that the Regional Agenda 21 exists in a niche. Though involved in some spatial planning issues, it mainly covers environmental issues and fair trade questions (cf. Gehrke 31.08.2005).

## **Outcomes**

According to PRIEBIS (2003), head of the regional planning department, the regional reform contributed to improving regional public relations work, to harmonizing political responsibility for the region, enabling a more evenhanded handling of regional financial burdens and advantages (esp. in the fields of social welfare and employment promotion), to encouraging a more citizen-friendly administration and a larger transparency on political and financial responsibilities (cf. Priebis 2003: 87). Even from a distance of three years, the regions' president ARNDT and PRIEBIS, head of the regional planning department, see the merger as a success and still regard the organisational model as being the best possible solution (cf. Arndt 2005: 23).

The public rarely participates in the discussion on success and failure of the Hanover region, which ROSENZWEIG, former head of administration of the

City of Hanover sees as a sign of acceptance rather than indifference. However it must be acknowledged that the regional merger is an administrative reform on a level relatively remote to citizens' perception who primarily identify with their immediate environment (municipality) (cf. Rosenzweig 2003: 154, also see section "participation and openness").

According to PRIEBIS (2003), the Hanover Region carries high potentials to reach aims of sustainability in many respects. Apart from the constitutional structure of the directly elected assembly, he refers to the region's responsibility for nature conservation planning, regional planning and for authorising municipal land use plans (Flächennutzungspläne). The region holds all major instruments for land use and land consumption policy (cf. Priebis 2003: 88-89). Since 2005, the region holds all major competencies in the field of supervising environmental planning as the Lower Saxon district governments no longer exist (cf. Arndt 2005: 21, also see section "vertical relations").

When elaborating the Regional Planning Programme, the ESDP played only a minor role. This was partly due to the fact that the ESDP is not officially legitimated by the European Commission but mainly that major aims of the ESDP have been part of strategic German spatial planning documents for many years (cf. Priebis 31.08.2005).

Regarding future development of formal structures, they are supposed to remain unaltered within the Hanover Region. This applies though the City of Hanover still has some privileges compared to smaller member cities and municipalities. One of the future tasks of the Hanover region is stronger public relations and public acceptance work. As for policy aims of the Hanover Regions, the region wants to consolidate the regional infrastructure, sustain its economic development and to strengthen the inhabitants' trust into the newly shaped institutions, attached the region's public image (cf. Arndt 2005: 23). With respect to personnel development it is likely that after next year's regional assembly elections some of the four heads of department will be replaced according to a possible power handover from social democrats (SPD) to conservatives (CDU) as the first set of heads of department has not been politically balanced (cf. Priebis 31.08.05).

In the subsequent section we conclude the case study by balancing advantages and disadvantages from literature's and stakeholders' perspectives as well as our own assessment.

### **3. Governance Failures and Success**

The Hanover Region case study governance experience showed that structural changes are possible in a country where territorial integrity is one of the most strongly defended goods. Membership issues of associations or questions of which tasks to deal with are regularly discussed in regional authorities. But it is remarkable to note that in the case of Hanover, stakeholders the aim of completely abolishing an authority in order to better distribute benefits and burdens. Consequently, the Hanover Region acts as an example for government-near forms of governance, i.e.

reshuffling government competencies in order to improve regional development. Non governmental stakeholders did not play a strong role before and after the merger - however this is to be judged, at least the situation has not deteriorated. In the following section of governance failures and success we show how central stakeholders assess the merger and how we assess it. We finish with a small SWOT-analysis.

With respect to the four merger goals (see section "context") the newly shaped Hanover Region has reached many of them. A higher efficiency within the administration has been reached and the intra-regional balancing of advantages and burdens were already judged positive one year after the merger as well as three years afterwards (cf. PLS 2003: 9; Arndt 2005: 22). ARNDT (2005) especially stresses that the regional assembly uses its independence from single municipalities to regulate evenhandedly settlement wishes from retailers willing to build in non integrated areas ("in the open space") (for further aspects dealing with the mergers assessment, see section "outcomes").

According to ROSENZWEIG, shaping the Hanover Region has been a remarkable success of region building. This fact is more important than the disadvantages of confusing sectoral responsibilities and lacking municipal influence (cf. Rosenzweig 2003: 160). Especially the former seemed to be inevitable as on one hand the state of Lower Saxony feared that municipalities outside the region could claim the same competencies, and on the other municipalities with 13,000-24,000 inhabitants inside the region feel that new competencies would exceed their operational capability (cf. Prieb 2002: 147).

According to ROSENZWEIG's experience a region is capable of a substantial reform every 25-30 years, because this period is needed for opinions, options and decisions to develop. Thus he sees the Hanover Region project as temporarily finalized (cf. Rosenzweig 2003: 160).

It is seen as a crucial advantage of the regional reform in Hanover, that no responsibilities were to be delegated "upwards", i.e. from municipal to regional or county to district level. This brought smaller entities to support the initiative. Additionally, three stakeholders of the municipal level were strongly involved in developing the regional idea (heads of administration from city, county and the municipal planning association, see section "context", cf. Prieb 2002: 85-86).

The negotiators followed a pragmatic approach, assuming that any regional consent would be better than a decade long discussion on details and the "optimal output", thus ensuring a quick solution. PRIEB, Head of Planning Department, sees four crucial factors of success that helped implement the territorial reform (cf. Prieb 2003: 84-85):

- Though the Hanover Region gained responsibilities from the district government, breaking up the district government was never on the agenda (this provided the State of Lower Saxony's consent). Nevertheless the Lower Saxon district governments were closed at the end of 2004.

- Though the City of Hanover is the largest municipality within the region, breaking it up into urban districts never was on the agenda (this provided the City's consent).
- Municipal boundaries within the County of Hanover remained untouched. In addition, the municipalities gained new responsibilities (and financial compensation). This provided their consent.
- The model only touches the City of Hanover and the first surrounding ring - extending the initiative to the second ring of districts would have caused new difficulties.

Merging the administration of the City and the County of Hanover was moderated by a private consulting institute (see section "vertical relations") which is seen as another point of acceleration of the whole merger process.

The importance of participation among political stakeholders of the region is mainly influenced by the fact that the region has been designed according to the German county constitution (and the county constitution of Lower Saxony). As municipal co-determination does not play a role in the county constitution, this results in a lack co-determination of its member municipalities. Additionally it turned out not to be practicable to constitute an advisory board to the regional assembly that would have integrated the municipal majors. Finally majors are not eligible for candidacy in the regional assembly: This emphasises distance and independence between region and municipalities (cf. Rosenzweig 2003: 159, Prieb 2002: 147).

It is easier to identify those who benefit from the merger than those who lose from the merger. Most of all, the City of Hanover reached financial relief (this was one of the main aims of the merger) as profits and burdens are better distributed to all partners in the region. Due to enhanced efficiency, member cities and municipalities could avoid a additional load, thus also benefiting. Finally it has to be stated that even though the County of Hanover to ceased exist it is not to be considered a loser as *all* county council factions supported the merger (cf. Prieb 31.08.2005).

Administrative responsibilities have changed a lot. From this point of view citizens as well as municipal administrations have to adapt to new regulations, finding new contact persons, possibly in different places. PRIEB however thinks that at the end of the day citizens have benefited as many tasks have been decentralised, e.g. building supervision or school supervision. In the field of economic development, there is also the earlier mentioned region wide clearing office for businesses (cf. Prieb 31.08.2005).

The German County Council (Deutscher Landkreistag) is rather critical of the regional merger. First of all, the German County council regards the dimension of the newly shaped Hanover Region as to large compared to other German counties and the internal relations as too heterogeneous. HENNEKE, managing director of the German County Council (Deutscher Landkreistag) argues that creating a region with the size of Hanover must result in a decrease of democratic co-determination. In a discussion carried out in 1999 he doubted that the regional county would be the ideal form of organizing counties in agglomerations (cf. Henneke 2003: 46). This is



insofar peculiar as all involved municipalities and the County of Hanover decided to unconditionally support the regional reform. HENNEKE however argues that participating municipalities followed different aims, just united in the wish to remove the county or municipal planning association and to gain influence respectively (cf. Henneke 2003: 46).

A lot could have been reached by integrating the main economic engines, airport and fair, into the region's influence in order to possess components of international regional and economic competition, says the German County Council (cf. Henneke 2003: 47-48). Now that the reform is implemented Henneke fears that municipalities outside the region could ask for the same larger competencies as granted to the region's municipalities (cf. Henneke 2003: 49). He asks all stakeholders to discuss further reform in the region not before more experiences have been collected. What in fact has happened with short term effect is the closure of the Lower Saxon district governments due to successful experiences made with the Hanover Region, resulting in a number of new competencies for municipalities (cf. Arndt 2005: 21).

Regarding future development of the Hanover Region, the strategies and aims can be found in the section "outcomes".

From our point of view, the Hanover Region reform has been a success with respect to available conditions and the reform's aims. As mentioned before, it is remarkable that political and administrative stakeholders follow a consensus oriented structural discussion over such a long time and finally agree on a new territorial unit (consisting of two NUTS 3 regions). Before talking about disadvantages resulting from the merger it has to be recognised that by merging City, County and the municipal planning association, a historic chance has turned into reality. From this point of view, the merger has generated many winners and only few losers (see section "outcomes"). For the future it is desirable that public relations and horizontal relations with non governmental stakeholders develop within measures set by the interest of the target group.

Summarising, we want to look at strengths, weaknesses, opportunities and threats we have observed in the case study. They reflect our assessment of governance failure or success in the Hanover Region.

### **Strengths**

- Regional cooperation in the Hanover Region looks back on an extensive experience of more than 40 years (see section "context"). This helped avoid mistakes and misconceptions which would have been inevitable if a region tried to implement such a merger within 4 years (as Hanover did it).
- Observing the region wide consensus principle during the merger phase has formed a corporate identity across political parties and across competing municipalities' borders. Though sticking to the merger idea probably happened for different motives (see above; this can also be considered as weakness, see below), it has ended up in a large success. Referring to the regional consensus can be a strength when initiating future projects and solving future problems in the region. Today this is

exemplified by regular informal meetings of the region's majors. Good climate of cooperation is also exemplified by municipalities' early participation in the discussion draft version of the regional planning programme.

- As mentioned above, regional consensus could build on a mutual promise that administration tasks were bound not to be delegated upwards. This supported decentralisation and polycentrality in the Hanover Region, but also trust of stakeholders in those from the "other side".
- As the regional assembly is directly elected, it acts independently from single municipal interests and influence. This renders it possible to accomplish legal tasks with strong focus on the actual subject/problem.
- The regional planning department has resumed a wide range of competencies safeguarding strong influence on sustainable (land use) development (see section "vertical relations" ). This is due to the (voluntary) regional planning tradition of the former Regional Association and new (formal) competencies adopted from the former district governments. Allocating planning and ecology under the roof of one department emphasises the wish for sustainable development - this is also an *opportunity*.
- The region holds responsibilities in the field of economic promotion, where usually municipalities compete by bargaining for investments and spatial and environmental issues are threatened. Bundling economic promotion issues in the region helps position the Hanover Region in the international competition for accessible locations and avoids inter municipal concurrences.

## **Weaknesses**

- As the regional assembly is directly elected, this induces an influence deficit for the member cities and municipalities. Whether this is a weakness or not, depends on the assessing person's perspective. Horizontal governance in terms of representing single interests in the assembly is poor. Advantages lie in multiple other fields, especially regional independence from individual municipal interests with respect to economic promotion and sustainability issues (see "strengths").
- The will for consensus building has resulted in confusing responsibilities from the overall perspective. From the perspective of a municipal citizen this must not be a disadvantage as structures are clear once a citizen has internalised them for his respective municipality.
- The formalised structure of the region has developed step by step over more than 40 years. Today, it neglects possible contributions by non governmental stakeholders and the public. Especially reshuffling departments and procedures would have been a chance for better integration of the before named group. This would have been especially desirable as different stakeholders with non commercial background (e.g. regional forum) asked for more participation during the merger discussion.

- 
- Regional Agenda 21's position within in the region is weak as the coordination office is not included in regular participation relevant communication and has to search for projects worth commenting on its own. Bearing in mind that the Regional Agenda 21 is the only standing agency for participatory decision making in the region, its disintegration in decisions is a strong weakness.

### **Opportunities**

- The current phase of transition of the Hanover Region is considered not to be an opportunity of further reform by some stakeholders (e.g. County Council). However the chance must be taken to use the merger reform as occasion for developing more detailed instruments for public information and participation.

### **Threats**

- Mainly influenced by its large size, the regional assembly has become more political than the usual county councils and administrative bodies. Regional policies have to pay attention that they do not lose from this threat.
- Public relations work and media reports must ensure to make a difference between necessary negative decisions and "real" achievements of the region. Waste tolls had to be strongly augmented shortly after the merger due to the above named delay, which is no result of the merger but a reform that should have taken place much earlier.
- It is true that the Hanover Region and its creation represent an abstract administrative reform in the eyes of many people and that it has helped shaping a large administrative unit. Insofar, HENNEKE is right by observing that a region tends to lose in democratic codetermination terms to the same extend as it is growing by number of inhabitants. It must however not serve an excuse to neglect non governmental codetermination.

## **Part 4: Data and Indicators**

This chapter will provide an overview on the main data and indicators, which have been collected and used in the context of the ESPON 2.3.2 project. The chapter will also present some core findings of this work.

Throughout the project period, IRPUD has attempted to collect data on various governance (or governance related) aspects in a number of data bases. A complete list of data which has finally been included in the quantitative analysis is provided in the Annex to the Draft Final Report of ESPON 2.3.2. project.

These data have been used in several ways, as can be seen from this contribution to the Draft Final Report, in particular

- IRPUD has produced thematic maps relevant for the governance topic;
- IRPUD tried to use the data to generate synthetic indicators to define typologies.

As in previous reports the general reservation has to be made, that the data and indicators in the field of governance are at best approximations and that the governance field can not be assessed entirely on the basis of statistical data. Having said this, also an assessment using more advanced statistical methods (as has been envisaged in the tender document) turned out to be not possible. The main reason for this is again the lack of data in an appropriate differentiation regarding regional, aerial, time and quality aspects. These shortcomings will be addressed in the following sections, wherever appropriate.

Ultimately, the main approaches towards a quantitative analysis of governance aspects in urban and territorial policies were using qualitative information, which have been transformed into various scores. The scores were either derived from expert views e.g. in questionnaires and reports, or some data (cf. synthetic indicator) were simply categorised using mean values as threshold and the categories under or over average.

### **ESPON DB, Eurostat, Eurobarometer**

Various databases such as ESPON dB, Eurostat, and Eurobarometer data have been explored in the course of the project (see Annex to the Draft Final Report of ESPON 2.3.2. project). The results of this survey will be provided further down. On particular aspect which was looked at was the number of public employees (NPE, NACE category L-P (Q)) and favourable preconditions for governance.

In November 2005, IRPUD also accessed the European Social Survey data base to check data on 'voter turn out' and voting patterns. Although these data are available at NUTS3 level, they only cover 17 countries and provide

values for national elections only. The original intention was to use the survey to generate data on the political governance in the ESPON regions, taking voting patterns e.g. as expression of political interest of local people in local democracy. The focus was to support regional differentiation which is not possible with ESS data, mainly due to lack of coverage but also due to the different focus (reflecting rather national issues in election).

### **National Overviews**

A first and very preliminary attempt towards the description of different governance situations has been made with the help of the National Overviews [NO, 28 altogether]. Part of the synthetic analysis of the NO resulted in tables which were used to generate scores on different governance aspects.

Out of this assessment which used more than twenty criteria, a set of tables was generated, which was more appropriate (in the sense of validity und quality) 20 for various scoring methods. The criteria included:

- Acceptance of governance: Ranging from active and explicit acceptance and implementation; to indirect acceptance and / or neutral position; to low degree of acceptance and / or still at a stage of initial dialogue (three classes)
- Changes in formal government in the direction of governance: Ranging from existence of specific reforms which are already implemented; to existence of intended reforms or of reforms under way; to no initiatives so far (three classes).
- Experience with participation processes: Ranging from limited experience in participation processes to extensive experience in participation processes (two classes).
- Experience with partnerships: Ranging from limited experience in the functioning of partnerships to extensive experience in the functioning of partnerships (two classes).
- Extent of financial dependence of local government on central government: Ranging from dependent on central government; to fairly independent; to very independent (three classes).
- Devolution of powers to 1st tier local authorities: Differentiating between countries in which substantial powers have been allocated to local authorities; countries which expect to devolve substantial powers to local authorities in the near future or are in the process of doing so; countries with relatively powerless local authorities (three classes).
- Centralization / decentralization / devolution: Differentiating between countries in which substantial powers have been allocated to the regions; countries which expect to devolve substantial powers to the regions in the near future or are in the process of doing so or countries with no regional authorities, primarily because of size; countries with powerless regions, e.g. because of the size of the country or for

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<sup>20</sup> Observe that in previous reports only five indicators were used. They have been extended to ten.

historical reasons. In the raw data this indicator consisted of four classes. As the class “countries with no regional authorities, primarily because of size” is neither positive nor negative in governance terms, we combined it to the class with the average value “countries which expect to devolve substantial powers to the regions in the near future or are in the process of doing”

- Number of conditions leading to shifts towards governance, including: National culture and planning tradition; EU influence and pressure; Recent political changes; Globalization and competition pressures; Central state crisis and fiscal problems; Democratic deficit and crisis of democracy; Rising importance of local societies; Emergence of multicultural societies; Scarcity of resources; Adaptation to capitalist model; Economic crisis; Scope for spatial planning; Limited territorial competence of local authorities; Pressures for institutional and policy reforms; Need for co-operation and decentralization; Environmental considerations (three classes subject to number of conditions that apply to a respective country).
- Number of factors operating in favour of adoption of governance approaches, including: European Union policies and integration processes; Internal political imperatives (e.g. towards decentralization); Transition from a previous political regime; Internal economic pressures, e.g. to increase competitiveness; Strong national traditions (e.g. participation or local government traditions); Spatial and land use conflicts; Economic crisis (three classes subject to number of factors that apply to a respective country).
- Number of forms of cross-border co-operation, including: Euro-regions; Functional Urban Areas (FURs); Interreg Initiative areas (Note: possible overlaps with other categories); Initiatives for accession countries (e.g. Phare-CBC); Other European Initiatives and programmes; Other forms of co-operation between neighbouring countries or regional country groupings; Other programmes of international organizations; Exchange experience partnership with non European countries; City networks and co-operation between cities (three classes subject to number of forms of cooperation that exist in a respective country).

The National Overviews were used as the main source to identify governance trends between the 29 European states included in the ESPON space. On the basis of ten indicators regarding: Acceptance of governance, Changes in formal government in the direction of governance, Experience with participation processes, Experience with partnerships, Extent of financial dependence of local government on central government, Devolution of powers to 1st tier local authorities, Centralization / decentralization / devolution, Number of conditions leading to shifts towards governance, Number of factors operating in favour of adoption of governance approaches, Number of forms of cross-border co-operation; a first attempt towards a typology was developed. Map 6 gives the result of this attempt.

Map 6 - Governance in urban and territorial policies



### Degree of shift from government to governance 2006



The classification is based on the calculation of national scores, ranging from -7 to +7. Each country was given a score on 10 indicators: IRPUD Qualitative S1-S3b; S5; S7-S11.

© EuroGeographics Association for the administrative boundaries  
Regional Level: NUTS 0

Origin of data: IRPUD Qualitative [S1-S3b; S5; S7-S11]

- Official acceptance of governance principles
- Changes in formal government in the direction of governance
- Experience with participation processes
- Experience with partnerships
- Extent of financial dependence of local government on central government
- Devolution of powers to 1st tier local authorities
- Centralization / decentralization / devolution
- Number of conditions leading to shifts towards governance
- Number of factors operating in favour of adoption of governance approaches
- Number of forms of cross-border cooperation

Denmark: Average calculated on the basis of only one indicator.  
Cyprus: Data for government controlled areas only.

Source: National Overviews ESPON 2.3.2

The interpretation of these indicators should be that they identify countries which are more advanced in their application of governance principles. They are preparing the ground for wider governance application. This is expressed by the notion of 'shift towards governance'.

The data only present a general picture for entire national territories and do not go below that level. They are expert opinions for the respective countries and as such for sure debateable. However, on the assumption that basic principles for governance relate to national situations, this picture is also valid in the sense, that from here we might achieve different interpretations regarding f.i. the case studies.

Furthermore, the shift towards governance can comprise manifold items or occurrences in the respective countries. The baseline within and between countries is different as are the pursued changes or orientations, what to achieve with the changes towards governance.

Lastly, the single aspects of the governance indicators only cover general phenomena, they do not relate to precise cause and effect relations.

In terms of favourable pre-conditions for territorial governance actions, the map finally provides a framework for interpretation, pointing out those situations, where governance actions seem to be more likely or advanced.

## World Bank

IRPUD also collected data from the World Bank on governance effectiveness and regulatory quality or government effectiveness.

The World Bank data are the only ones, which have been collected consistently over many years of observation, across countries and following the same method – but they also have a number of restrictions:

- a specific interpretation<sup>21</sup> is attached to the scoring, e.g. effective government and regulatory quality are f.i. linked to a reduction of government acts;
- the data are based on quite a number of surveys, provided by as many different research, consultancy, or policy institutes (see example in figure 34 below).

Figure 34 - Governance Effectiveness – Data Sources

N	Source	Publication	Type	URL
1.	Business Environment Risk Intelligence	Business Risk Service	Poll	<a href="http://www.beri.com">http://www.beri.com</a>
2.	Columbia University	State Capacity Project	Poll	<a href="http://www.columbia.edu">http://www.columbia.edu</a>
3.	Global Insight's DRI McGraw-Hill	Country Risk Review	Poll	<a href="http://www.globalinsight.com">http://www.globalinsight.com</a>
4.	Brown University's Center for Public Policy	Global E-Governance	Poll	<a href="http://www.insidepolitics.org/egovt04int.pdf">http://www.insidepolitics.org/egovt04int.pdf</a>
5.	Economist Intelligence Unit	Country Risk Service	Poll	<a href="http://www.eiu.com">http://www.eiu.com</a>
6.	World Economic Forum	Global Competitiveness Report	Survey	<a href="http://www.weforum.org">http://www.weforum.org</a>
7.	Merchant International Group	Grey Area Dynamics	Poll	<a href="http://www.merchantinternational.com">http://www.merchantinternational.com</a>
8.	Political Risk Services	International Country Risk Guide	Poll	<a href="http://www.prsgroup.com">http://www.prsgroup.com</a>
9.	Institute for Management and Development	World Competitiveness Yearbook	Survey	<a href="http://www.imd.ch">http://www.imd.ch</a>
10.	World Markets Research Center	World Markets Online	Poll	<a href="http://www.worldmarketsonline.com">http://www.worldmarketsonline.com</a>

<sup>21</sup> The 'ideological' impact of these data has been discussed in the research team. In short, the team is aware about the bias towards market liberal approaches.



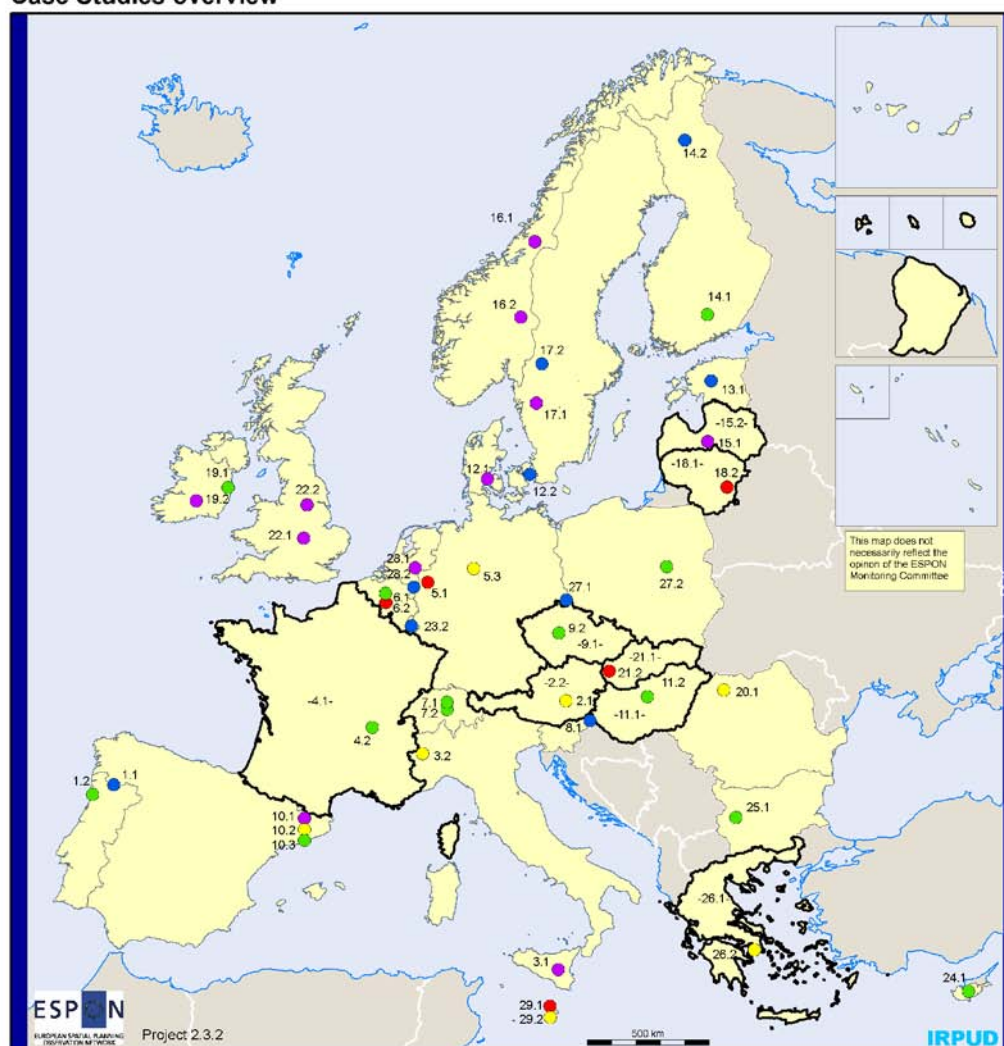
Be it as it may, comparing above data and the approach of ESPON 2.3.2 towards a 'soft' governance indicator seem to result in very similar pictures.

## Case Study Data

In all the Case Studies for the ESPON 2.3.2 project (CS, altogether 53, see Map 7) have been mapped. The majority of cases have a clear territorial dimension. Eight case studies relate to national territories.

Map 7 - Case Studies Overview

### Case Studies overview



### Level of Case Study

- National
- Transnational
- Functional urban areas / Metropolitan regions
- Urban-rural
- Regional polycentric urban networks
- Intra-city

The case studies provide extensive material on governance processes in urban and territorial policies in EU countries. Besides this qualitative

approach, a statistical approach was also applied taking first the form of statistical data sheets, secondly the analysis of all regions.

The statistical Data Sheets have not been filled in for all 53 cases. In addition, the specific results are not satisfactory. Again the degree of interpretation for what was required is immense when looking at answer patterns. Moreover there were many data gaps when looking at the different parts of the data sheets. Questions on "General information" and "Sustainability" were completed in most of the returned data sheets whereas the part on "Social questions" and "Budget figures" (concerning the latter especially the shares for the different territorial levels) were mostly missing. To attempt a harmonization of data delivered, to integrate these data in a reasonable fashion, or to use these for further analysis had to be cancelled with respect to available resources.

However, an alternative has been looked for using the NUTS3 and NUTS2 codes for the CS to generate from official data sources a set data.

An approach was conceived, that wanted to compare structural and dynamic aspects of the case study regions with all other regions and to conclude (inductively) from the case studies to all other regions. In terms of governance characteristics, of course the main input needs to come from a systematic analysis of the cases (systematic in the sense of achieving a set of clear indicators characterising the respective governance situation).

## **Numeric Approach**

Regarding data and indicators, the case studies were linked with one additional step: In an extensive Numeric Approach [NA] case study authors were asked to assess various aspects of their cases with the help of scores.

The intention was to review the main points of the case studies with the help of answer categories. After having written the main text for the case studies the respondents were asked to bring out the main structural and procedural aspects of the cases and to translate them into scores. The scores used three classes, expressing a high, medium or low presence of the aspect under discussion. With the help of such scores it was possible to identify tendencies in the overall assessment of a specific aspect.

The NA included a number of tables focussing on different issues. Some of the tables were open for free format answers, where respondents were asked to list the main specific territories, actors or mechanisms applying to the case studies.

The data collection in the Numeric Approach turned out to be rather difficult on the side of addressees. The different experts and authors responded in many diverse ways to the request to collect new data and/or to fill in the NA. Moreover the return rate of the numeric questionnaires was quite low at the time of the original deadline set out.<sup>22</sup>

Finally for this report, 53 numeric parts were collected and further analysed.

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<sup>22</sup> To receive at least a valuable amount of numeric tables the deadline was extended three times and the addressees were contacted several times. For the draft FR also the geographical classification of the CS was adjusted again.

## Pre-Conditions for Governance (TIA)

As has been outlined on other occasions, TIA is not just a matter of quantitative methods. On the contrary, TIA has to be seen as a mixed method approach, including qualitative and quantitative approaches. Various parts of the FR address aspects and methods, which can be used trying to identify 'impacts' of different modes of governance. The CS section for the Draft Final Report f.i. provides best practices and innovative examples.

Between all project partners it was agreed, that the project will follow a step wise integration of results generated by different working packages. Instead of running a TIA, which is due to the 'nature' of governance and the complexities built into it the project team decided to try identify from the various quantitative approaches favourable preconditions for governance.

In particular the following will be integrated in a recursive process: the results of the comprehensive analysis of the case studies (but also the NO); the mapping of typologies; the statement of indicators (though 'efficient' governance will be difficult to assess). The opening section of this chapter introduced the various data sources which have been used in this respect.

The last step was to try identifying a typology of regions, which are regarding the various domains and features of governance more or less advanced.

Table 10 - Domains and Features of Governance represented by Indicators

		Domain			
		State (S)	Economy (E)	Civil Society (CS)	Space (T)
Feature	Structure (S)	<b>ISS</b>	<b>IES</b>	<b>ICSS</b>	<b>ITS</b>
	Process (P)	<b>ISP</b>	<b>IEP</b>	<b>ICSP</b>	<b>ITP</b>

Source: IRPUD 2004

IRPUD followed the approach outlined in FIR and refined in SIR and displayed in above table 10 for the 'quantitative' part of TIA. The work on data & indicators was continued (documentation provided in the Annex of the Draft Final Report) - and results have been seen on the previous pages.

2.3.2 ESPON project was partially successful to substantiate the – abstract – work (again table10) with the existing data. All below outlined ideas have been at least partially applied to identify a kind of 'typology' on the basis of specific characteristics.

When looking at table 10 what sort of indicator/data have been included?

- ISS – the Indicator describing State Structures, for this typology data on Nace L-P per inhabitants were used as an indicator on state structures (taking the employment numbers as indicator of the presence of the state in the regions, NUTS 2 level) –

- ISP – the Indicator describing State Processes concentrated on the delta values for Nace L-P employees. –
- ITS – the Indicator on Territorial Structures, data on FUA were chosen for ITS.
- ITP – the Indicator on Territorial Process, was based on data on lagging regions, multi modal accessibility, and MEGAs.
- [NB: To use the indicators on spatial aspects – italics – for a further differentiation of the regional situations proved only partially possible.] –
- IES – the Indicator on Economic Structures was taken as the GDP in PPS per capita, to describe the situation in various regions. –
- IEP – the composition of the Indicator on Economic Process was constructed as the delta of GDP in PPS per capita. –
- ICSS – the Indicator on Civil Society Structures was constructed with data on legal systems, government, national democracy, parties, national parliaments, coming from Eurobarometer. –
- ICSP – the Indicator on Civil Society Process could be constructed using the Eurobarometer data mentioned under ICSS, as they come in time series and can be used to construct a delta.

Again, the original idea thought to integrate the indicators ISS & IES & ICSS & IST and to interpret as indicators on structural aspects, differentiating the regions.

Indicators ISP & IEP & ICSP & ITP can be interpreted as indicators on dynamic aspects (e.g. pointing into the direction of governance?), introducing a development perspective. (cf. table 11)

All in all, the data available, the coverage, and ultimately the theoretical foundations are still too weak, to do so. The latter is particularly important for a systematic test of features of governance and their impact – not only on economic performance indicators but also on social or environmental indicators. Having stated this, the current project has tested some of the data and can be used to define a route into an extended study of governance impacts at a regional level, probably feasible in a coming round of ESPON.

Table 11 - Synthetic Indicator Governance

	Data on	Indicator on		
	ISS & IES & ICSS & IST	→ <b>Structure</b>	→	<b>Typology</b>
	ISP & IEP & ICSP & ITP	→ <b>Dynamics</b>		
	(IRPUD 2005)			

[Above representation has not to be confused with an algorithm!]

Intention: By combining the structural with the dynamic indicators we might achieve at least a typology of regions.

NB: We are still far from identifying any kind of 'effects' or 'impacts'.

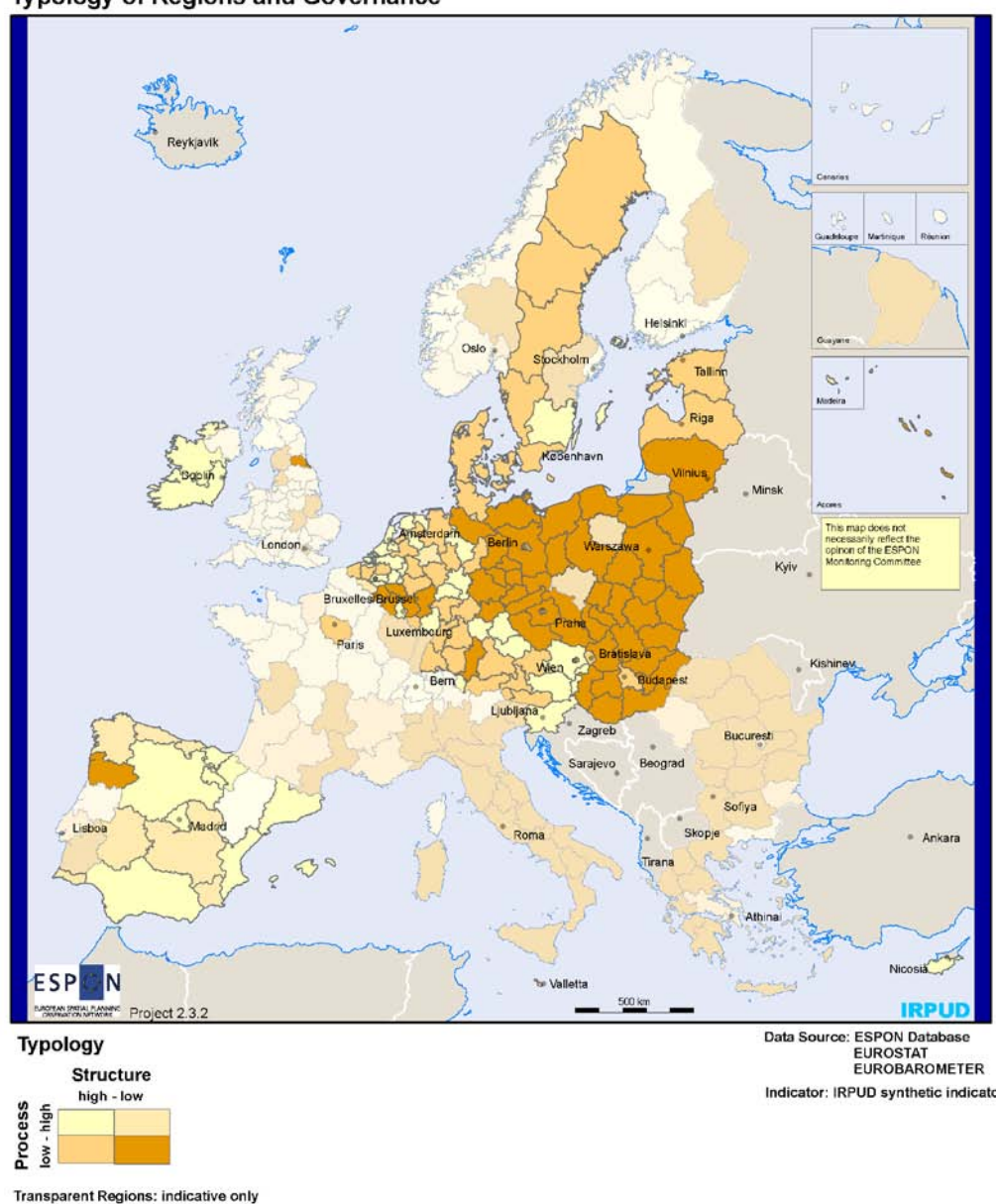
A specific problem of the ESPON 2.3.2 project still remains unresolved: Whereas the quantitative data (especially from ESPON DB and Eurostat) provide regionally differentiated information (though at various levels [N2,

N3] and also with varying area coverage, e.g. situation in new and coming member states) up until now the qualitative (categorical) data from national overviews or the World Bank only provide information for entire countries or states.

IRPUD tried various ways to break these down to lower regional levels, but this proved to be very difficult to do. One hope to do so, were the case studies. These were seen to serve as a sample for all other regions in Europe. For the future and with still to be defined further characteristics of governance at regional levels, it may well be possible to develop regional typologies, which can then be used for further analysis.

Map 8 - Typology of regions

### Typology of Regions and Governance



In terms of method, this typology is a first attempt to look at specific combinations of several factors considered to make a difference with respect to governance but also with respect to results (though the latter

part is under-developed still). The basic approach rests on a simple comparison of indicator values with the respective average value for all regions. In many cases not all indicators were available for all regions (only 144 regions have all indicators). Therefore the arithmetic means of the process-related values and the structure-related values were calculated separately. This allowed including and mapping all regions even if not all indicators were available. Accordingly the above map differentiates whether a complete or incomplete set of indicators was incorporated: A full set of indicators is mapped in full colour; transparent colours show that only a partial number of indicators were included. It is in particular in this sense, that the map is only indicative.

Furthermore it has to be mentioned that the data gaps are concentrated on single indicators leading especially to an overemphasis of territorial indicators (ITS, ITP).

The typology depicts against an average those regions, which are less advanced, and those, which are more advanced:

Regions with high scores in both, structural and procedural values - about 20 % fall into this category; these regions are above average regarding the structural and procedural domains and features of governance;

Regions with low structural and high procedural values - about 22% fall into this category; these regions show below average indicators in the structural domain of governance, e.g. in the field of state and economy;

Regions with high structural but low procedural values - about 19% fall into this category; these regions are less dynamic compared with all other regions e.g. in the field of state and economy;

Regions with low structural and low procedural values – the largest share of regions with about 39%; all domains and features of governance are under average.



## **Part 5: Identification of governance trends**

As outlined in the case study analysis attached as an appendix to the final report, the changes taking place within territorial governance are linked to an increasing shift towards multi-level modes of governance, in a system of continuous negotiation and adjustment among governments and non-governmental actors at several territorial tiers, from supra-national to sub-national (regional and local). This broad process of institutional adjustment and adaptation is shifting some previously centralized functions of the state to the supra-national level, whilst others are delegated or in some cases devolved to the sub-national tiers of government. Yet in other cases the adjustments taking place relate to actors, organisations and interactions beyond the government system, involving other than governmental actors and organisations, from the private sector to the voluntary sphere, as well as to social movements and their mobilisation effects.

The main conclusions summarised in this sub-chapter relate to trends and identified changes within vertical and horizontal relations, innovative practices, as well as to the main principles of good governance, i.e. public participation, openness, accountability, effectiveness, coherence. We can conclude that certain tensions and even contradictions exist between the prevalent nature of governance/government and the emerging new practices: whilst a lot of expectations and assumptions found in literature on territorial governance are connected to more network-based, flexible and less hierarchical modes of governance, the picture emerging from the case studies is one where the central government/federal states and its regionalised authorities, as well as the local authorities still play a major role and where hierarchical relations still determine much of the preconditions and parameters for decision-making, problem-solving, management and conflict resolution.

When concluding on the limited number of case studies (53), it is obvious that national, regional and local cultures, histories and practices are of essence. Governance is something built as a path-dependent and historical process and this should be born in mind also when the broader relevance and time perspective needed in relation to these examples as summarised in our case studies are considered. In many cases change is slow and incremental, though in others (e.g. the former Eastern bloc), radical changes have influence the processes.

In some cases, examples given are more discursive, strategic or declaratory in nature, i.e. they relate to the introduction of new planning instruments, strategies etc. that can only be judged in relation to their political and governance impact once they are put into practice or implemented over a longer period of time. Only then can it be judged whether in fact this particular planning instrument and the governance practices and methods that helped to bring it about are of consequence for the nature of



governance, as judge in terms of principles of 'good governance', democratic accountability, openness etc. In this sense the case studies provide more snapshots of situations, which can best be understood in the broader/longer framework described elsewhere in the Draft Final Report (national overviews, analysis and typologies relating to planning cultures/styles etc.).

Wherever appropriate, findings from the qualitative analysis of the case studies will be accompanied by results obtained from the numeric approach.

## **1 Trends in vertical relations: Multi-level relations, decentralisation, devolution, and regionalization**

Moves towards increased devolution, decentralisation and regionalisation are clearly visible in the case study analysis, though also partly determined by the selection process and criteria selected for the cases.

Vertical relations (between public authorities) are still the predominant determinant of territorial governance and in many cases the most central aspects of conflict, power relations and accountability still seem to relate predominately to traditional policy processes of seeking to accommodate different interests. Even in the more 'innovative' governance forms, central level often remains the main arbitrator and the national central government level is decisive in facilitating governance, providing the institutional and regulative frameworks required, as well as in financing. Central government level/federal states usually has the role of setting the broader strategic guidelines and institutional frameworks, as well as financing major infrastructure developments.

The case studies confirm the importance of the role of the state and the central government/federal states, which is always installing the **framework and regulative context** in which the other actors will then find their places. Also, it is often at national level (government and/or parliament) that **final agreement**, on policies or a spatial plan, has to be given. This agreement is needed for reasons of accountability, but also for reasons of traditional and persistent hierarchy, and because the national state is usually still in control of budget and allocations of resources. It is also necessary for the State to decide, **when other actors cannot** come to a decision. The mediating role of the central government is visible in the case studies, e.g. in connection to a role as a mediator even in cases where this is not its main responsibility.

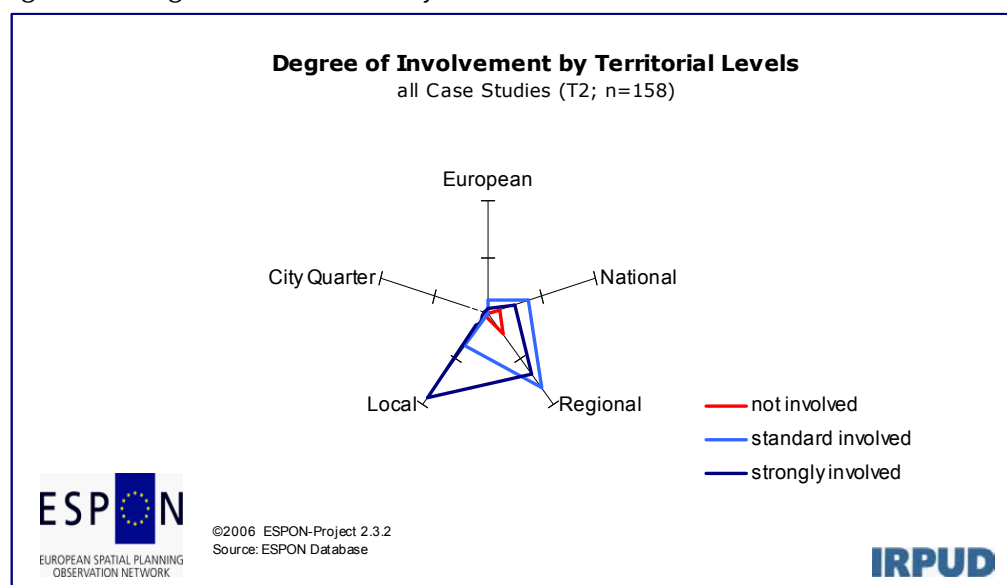
Nevertheless, there is an important evolution if we consider the different ways a central government and state authorities play their role. These roles are quite differentiated, depending on the possibilities offered by the institutional framework, the political context (the opportunity structures available), as well as depending on the utilisation of the tools and instruments such as spatial planning framework, delimitation of territorial entities, transfer of financial capacities, transfer of normative capacities etc. The central government's role seems to have changed relatively little,

whilst more changes have taken place in sub-national levels of public authorities, both at regional and local levels.

Interestingly, in most cases a 'new' form of sub-national/ regional governance has evolved. This level has gained competences derived from, particularly, the municipal levels, but also (to a smaller extent) from the sub-national levels. Hence larger than the municipal and (in most cases) smaller than the sub-national, this 'new' body of regional territorial governance provides a strategic tool to integrate and coordinate regional objectives. Here it could be argued that form follows function: the size and form of unit for territorial governance seems in many cases determined by functional needs, though it is also the source of political power struggles. This is also more often the case in governance more generally, as the forms of governance are responses to problems and needs of functional nature.

The strong involvement of regional and local levels in sub-national governance can also be observed in figure 35 based on the numeric approach.

Figure 35 - Degree of Involvement by Territorial Levels, all Case Studies (T2)



NB: figure 35 illustrates the vertical relations between the territories involved in the case studies. All 53 case studies were analysed and the total number of answers was 158 (items listed in the tables). The items were finally arranged by levels, resulting in a degree of involvement of the different territorial levels. This was scored by assessing whether the territory was not involved at all, standard involvement or strong involvement. Although there is no scale, this spider diagram shows on the one side the shares of territorial levels involved and at the same time the shares for the specific degree of involvement. E.g. most of the case studies included the local and regional level and the local level is predominantly strongly involved.

Autonomous regions provide a case apart in our analysis. In federal or devolved cases a strong region can collaborate with local authorities, when the regional level is an administrative unit with high autonomy, major competences, financing and negotiating powers. In some cases the local authority may hold considerable powers and it may be local-regional collaboration between equally strong partners, while in others the local level is clearly weaker than the regional.

In all cases the need for transparency and clarity of division of responsibilities is central to effective and democratic governance. In some cases attempts at decentralisation have been hampered by the fact that distribution of responsibilities and financing has remained ambiguous, leaving room for both political and legal contestation.

## 2 Trends in horizontal relations: 'Multi-channel', Territorial co-ordination

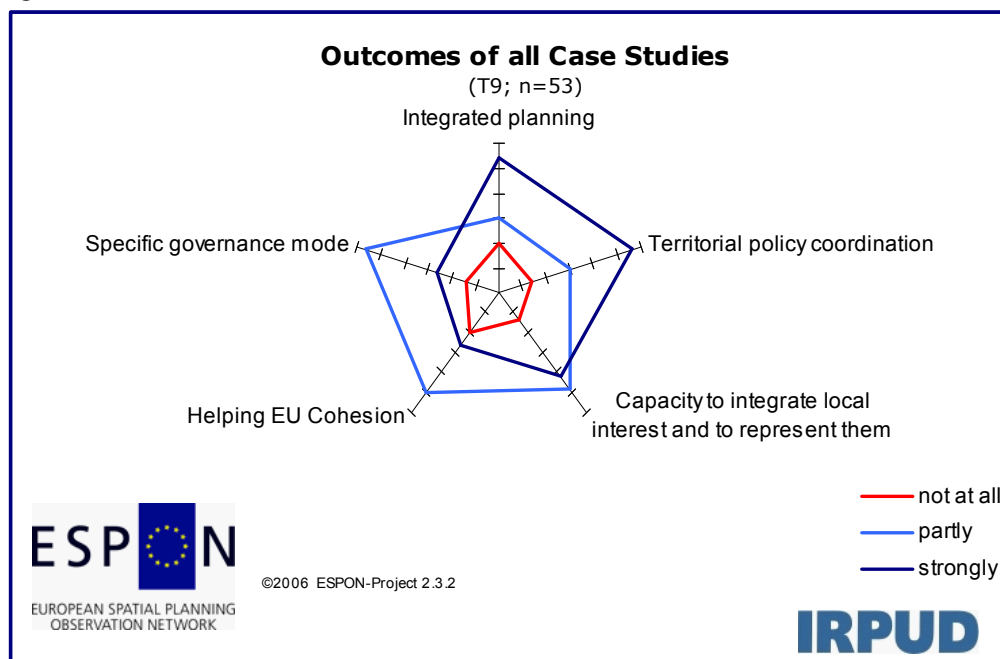
Four important categories of actors in territorial governance were distinguished in our analysis. First, and still foremost important, is the involvement of public actors (authorities or political representatives). The second type of actor are the non-governmental actors, which, despite their increasing importance, still have a more limited role, mainly in relation to advice or informal dialogue. This latter group of actors can, in turn be divided into experts, private actors (or the market) and civil society actors.

Horizontal relations of interest are particularly central as they relate to 'regional', polycentric and urban networks case studies. Collaboration between different local authorities are therefore commonly at the heart of these horizontal relations, but they also include forms of collaboration between other actors horizontally as well as vertically with levels that are geographically above or below that of the region.

Local level relations appear to be characterised by cooperation and dialogue and the municipalities involved seem to be coordinating their efforts. They have relatively powerful status within the regional governance framework. In these cases the central state rather loosely coordinates and enables regional territorial governance and the main characteristic of horizontal relations is cooperation and dialogue. Perhaps it could be labelled **coordination through cooperation**. This governance approach facilitates the development of consensual and integrated strategic plans for the regions which are supported by most stakeholders. The theme of territorial integration is central, as it was assumed that better policy coherence in a territorial context can be achieved only through a better co-ordination of different sector policies with a territorial impact. The synthesis analysis provided here provides multiple examples of such processes of improving integration and by so doing policy coherence, mainly on the regional and sub-national levels, but also in some cases on the national level. One way in which better co-ordination and policy coherence is achieved is through the development of 'national spatial development perspectives', 'comprehensive plans', 'plans for territorial development' etc., which are actively consolidated with other existing spatial plans and visions. This is attempted through territorial pacts, in some cases taking contractual forms, in others more voluntary. In many cases however this degree of integration remains limited.

Figure 36 from the analysis of the numeric approach illustrates the above-mentioned features clearly. Especially a strong output was achieved in the integration of planning activities and in coordination of policies.

Figure 36 - Outcomes of all Case Studies



NB: figure 36 shows the results of the assessment of outcomes within the analysed case studies. All 53 case studies were included and for each of the issues given as labels (axes) a score was applied. These scores distinguished between no outcomes at all, partly achieved outcomes and strong outcomes. Concerning the axes, the spider diagram shows the shares allocated to the different aspects, e.g. with respect to 'integrated planning approach' strong outcomes were predominant whereas 'EU cohesion' was just partly realised.

There are many possibilities to achieve more integrated territorial approaches through better horizontal governance. Dialogue and broad involvement of different actors seem to be an important way to such achievements. Territorial integration is also likely to take time and need resources. Some of the examples here relate to collaboration that has been going on for many years. Apart from lack of financial and human capital resources, other barriers can be the presence of strong conflictual elements such as competing interests for land use.

### 3 Trends in governance

As outlined on good governance in the previous reports of ESPON 232, it is assumed that the legitimacy, quality and effectiveness of policies depend on ensuring wide participation throughout the policy chain – from conception to implementation. Improved participation is likely to create more confidence in the end result and in the institutions which deliver policies. Here we have sought to identify whether this is the case and if so, can we give examples that may contribute to understand such processes. Also, we have sought to identify policy initiatives that are relevant in this context and asked whether all participation is of equal value, a goal in itself.

**Participation** is often not very actively promoted. Neither is it the case that more innovative (in the sense of new) forms of governance are necessarily

more inclusive or better at supporting and promoting participation. In fact, in some cases the opposite seems to be the case, as the governmental initiatives and those involving local authorities for instance are often bound by legal and formal regulations to take this issue into account. The new forms of governance, whilst being more inclusive in the sense of being partnership-based, do not necessarily have the same obligation for participatory mechanisms.

In participatory terms, scale may be of particular significance, at least in the cross-border cases. It is easier to promote participation and raise interest in initiatives which are more locally based, whilst the trans-national scale makes this naturally more difficult.

It is clear that the most common type of public participation regards organised actors and often on the public side such as agencies, and in most cases through processes of consultation. Other types of organisations or institutions that are fairly widespread in those case studies where participation is reported include universities, trade unions, professional associations of experts, business and commercial interests. There are also some examples of participation from NGOs and interest groups such as environmentalists. Very rarely are individual non-organised citizens involved. One could argue that, in terms of participation, it is a sliding scale where the by far best represented organisations are government at different levels, followed by other organised stakeholders and in very few cases individual non-organised citizens.

One way of increasing participation is through partnerships and various types of partnership arrangements are increasingly common in spatial planning across Europe. Yet it is still also the case that limited participation is identified as a problem.

Most of the mechanisms and practices promoting **openness** were related to information activities (information activities via Internet, news letters or the like). In some cases the issue was seen as more national, i.e. relating to the legislative demands for openness, transparency and access. It would seem that information is still more often seen as a one-way flow, an issue of 'informing the public', rather than communicating with it.

In relation to the principle of **accountability**, the various forms of national, regional and local governance reflect very different ambitions and aims, as well as traditions when it comes to accountability. In many cases the clarity of roles and division of responsibilities, which is at the very heart of the traditional model of government, with representative democracy and administrative accountability, is much more difficult to ensure in the new governance models emerging across Europe today. This is the case in Public-Private Partnership models, informal and multi-level associations and movements, where the whole idea has in many cases been to provide alternatives to the previous models of government, which have been perceived as overly hierarchical and inflexible models of government. On the other hand, the more 'new governance' is introduced, the more difficult it is to identify who is accountable in the final instance, amongst the various actors involved. This has repercussions also on policy coherence, which tends to be seen as lacking, with sector policies

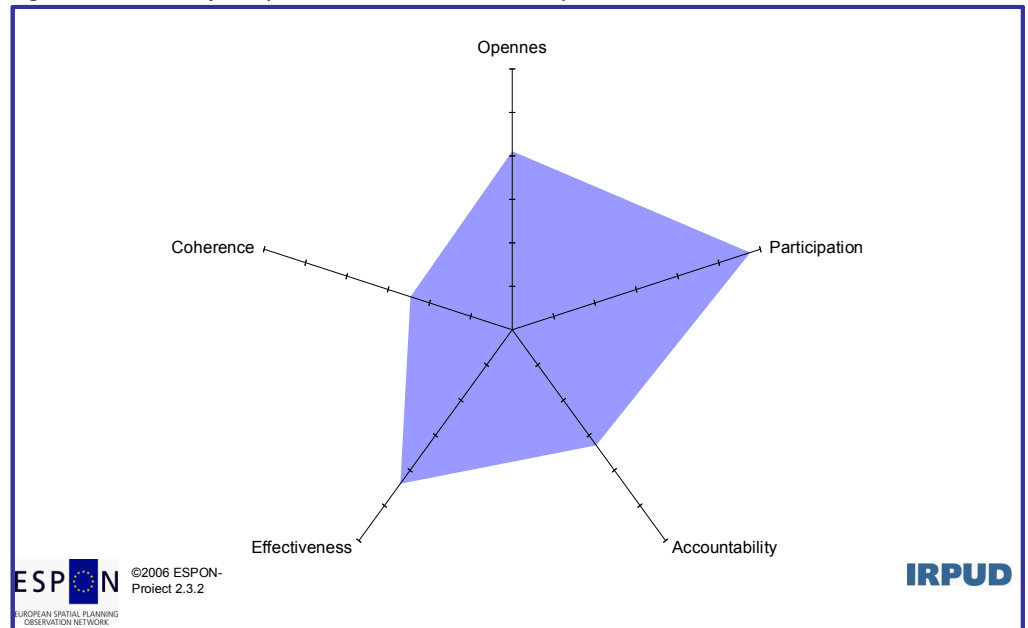
remaining either under-co-ordinated or even mutually conflicting. Particularly in cases with a tradition of centralised unitary government (new Member States in particular), accountability still rests ultimately with the national level.

As outlined in the White Paper on governance, **effectiveness** has to do with both effectiveness of policy delivery and the appropriateness of measures implemented, i.e. policies must be “effective and timely, delivering what is needed on the basis of clear objectives, an evaluation of future impact and, where available, of past experience” (White Paper on Governance, 10). Strategic visions and plans can be tools for improving effectiveness. Policy effectiveness is also improved by a long-term focus and potential obstacles to effectiveness thus include the absence of such a long-term perspective, as electoral periods are often insufficiently short time perspectives to implement major changes or at least to embed them and ensure commitment. This can relate to the uncertainty about funding. Many new governance models emerge first as projects or connected to projects, which entails the usual problems of project culture (difficulties in project management, short-term strategies, conflicting or competing policy objectives, inefficient over-laps etc.). It was also argued that though political support and commitment allows for accountability, it also entails shorter time-perspectives and here the challenges lies in that essentially long-term strategic issues such as spatial and territorial development do not fit very well into an election-cycle timeframe.

**Coherence** can be assessed both in relation to clarity of single policies and of coherence across policies, and to co-ordination and integration of interventions across sectors. In some cases we have been only looking at one sector, i.e. planning or territorial development, even though these tend to be multi-sectoral. In some cases (waste management and transport for instance) different sector interests have come to play in a more direct fashion. Coherence is also connected to the way in which broader policy-level themes and objectives (e.g. those incorporated in the ESDP, territorial cohesion, sustainability, Lisbon and Gothenburg themes etc.) are integrated into territorial initiatives. Sector barriers are a major bottleneck here and the horizontal integration efforts and more integrated approach to territorial policies are therefore of key relevance.

Figure 37 provides an image of the central elements of ‘good governance’, based on the numerical approach in the national overviews. Three of the elements stand out: participation, effectiveness and openness that were most often mentioned as priorities in the national overviews. The other aspects of ‘good governance’ follow close, though the aspect of ‘coherence’ seems to be less important. According to the national overviews, participation, accountability, and effectiveness seem to be the central elements of ‘good governance’ in urban and territorial policies.

Figure 37 - Priority Emphasis on Governance Objectives (NR)



## Innovation

The innovative mechanisms or tools in the case studies were most often related to participation and consultation processes. In some cases they refer also to plans, planning models, information and marketing tools or other working practices. Furthermore, the innovative practices described in the case studies were mainly taking place in processes prior to the implementation phase. In some cases the very object of the case study was seen as an innovation in its national context because it related to a new way of working, sometimes an official pilot.

Among the **trans-national and cross-border cases**, it was summarised that as long as the initiatives are public-sector led, they also tend to remain embedded in innovation within this sector. There are however also attempts at promoting innovation more broadly and developing innovative tools that can be of benefit for the wider regional community, including the business and R&D sectors. Cross-border initiatives in spatial planning are in themselves important, with great potential for working also in the future as channels of information, exchange of experience and learning. They can be used as 'laboratories' through which trans-national ideas can be channelled and tested.

There were no innovative approaches mentioned among the **national** case studies under that specific heading. However, some of the practices discussed e.g. with regards to participation, were innovative within their contexts.

Among the **'regional', polycentric, urban network cases** examples of innovative tools or mechanisms that all are related to the ways of cooperation are mentioned. Among the **FUA and metropolitan cases** a few examples of innovation are mentioned, usually related to the introduction of an integrated metropolitan planning level or model. Considering the **urban-rural cases**, there was limited information regarding innovative

practice, but some examples were given; a new type of plan, at supra-municipal level, and also innovative use of maps. Among the **intra-city cases** there were also few examples of innovation reported. One such case described a meeting system which had the dual function of information sharing and generating new ideas and impulses from the participants.

#### **4 European policy impacts**

It seems as if many of the successful cases of increased collaboration resulting in joint spatial development plans or visions are generated through a pragmatic need for closer functionally based co-operation and interaction in regions functionally covering increasingly large geographical areas. Collaboration across administrative borders and involving different types of actors is one way to address the problems with this geographical expansion of functionality. Such collaboration may not first and foremost stem from the ESDP documents themselves, rather it has in many cases grown out of a bottom-up need to cooperate, though it is then also in line with EU objectives such as those of the ESDP.

Another main influence has been Interreg, which is often seen as a main driver of integration on European spatial policy, as far as the dissemination of ideas and policy thinking into the national, regional and local territorial planning is concerned.

The Open method of Co-ordination was investigated in all the case studies, but proved to be a non-issue in the territorial policy and spatial planning fields. As such this seems also supported by the national overviews, where the topic seemed for the time being remain implemented mainly in labour and employment policy sectors or in relation to policies addressing social inclusion.





## Part 6 Annex

### List of Case Studies

County	Case Study
1. Portugal	1.1 The Atlantic Axis (Eixo Atlântico) 1.2 Metro do Porto
2. Austria	2.1 Leoben 2.2 Regional managements in Austria
3. Italy	3.1 Mezzogiorno Development Programme – Integrated Territorial Projects (PIT) – Calatino Sud Simeto 3.2 Project of Promotion of Sustainable Development Processes in the Pinerolese (PPSP)
4. France	4.1 The “Pays” policy 4.2 The analysis of the town planning instruments of the urban area of Lyon
5. Germany	5.1 The Socially Integrative City (Duisburg) 5.3 New planning bodies (Hannover)
6. Belgium	6.1 The development of Zaventem airport 6.2 The project “Tour et Taxis”
7. Switzerland	7.1. Greater Zurich Area 7.2 “Glow.dasGlattal”
8. Slovenia	8.1 The influence of European corridors and displacement of Schengen borders on regional growth
9. Czech Rep.	9.1. Brownfields 9.2 Sprawl in Prague Metropolitan Area
10. Spain	10.1 Pla Estratègic del Litoral Metropolità de Barcelona (PEL) 10.2 Pla Director del Sistema Urbanístic Costaner (PDUISC) 10.3 Pla Territorial Metropolità de Barcelona (PTMB)
11. Hungary	11.1 The Process of Developing the National Spatial Plan 11.2 The Process of Developing the Spatial Plan for the Agglomeration of Budapest
12. Denmark	12.1 The Triangle Area 12.2 The Oresund Region

County	Case Study
13. Estonia	13.1 Via Baltica
14. Finland	14.1 The Structural Land Use Plan of Lahti Region 14.2 Haparanda-Torneå
15. Latvia	15.1 Zemgale Technological Park 15.2 Kurzeme Transport System Initiative
16. Norway	16.1 Trøndelag counties: common regional development plan 16.2 Enhetsfylke Hedmark.
17. Sweden	17.1 Västra Götaland Region 17.2 ARKO-collaboration
18. Lithuania	18.1 Comprehensive plan of the territory of Lithuania, adopted in 2002 18.2 Vilnius city strategic plan 2002-2012
19. Ireland	19.1 Greater Dublin GD 19.2 Atlantic Gateways AG
20. Romania	20.1 Development and spatial planning in the Tourism Development Micro-region "Gutin Mountains" 20.2 Prahova County – Ploesti Area*
21. Slovakia	21.1 Slovak Spatial Development Perspective 2001 21.2 Pilot Study of the residential area Jánošíková, Malacky
22. U.K.	22.1 Strategic Waste Management in England –SWM 22.2 South Yorkshire Partnership (UK) Case Study
23. Luxembourg	23.2 The "Pôle européen de développement"
24. Cyprus	24. The "Greater Nicosia Development Plan"
25. Bulgaria	25. Master Plan for the Metropolitan Area of Sofia
26. Greece	26.1 Devolution of powers, regionalization and spatial planning 26. 2 Prefectural development companies: An instrument for...
27. Poland	27.1 Euroregion Nysa (Neisse) 27.2 Transport Policy in a metropolitan area. The case of Warsaw
28. Netherlands	28.1 Knooppunt Arnhem Nijmegen (KAN-region) 28.2 "Het Drielandenpark" (Park of three countries)
29. Malta	29.1 The Regeneration of Cottonera 29.2 Garigue: A wasted land or a fertile land?

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## List of tables

Table 1 -	Area and Population	15
Table 2 –	GDP per capita	16
Table 3 –	GDP per sector	17
Table 4 -	Employment	18
Table 5 –	Activity rates	19
Table 6	Cross border spatial planning structures and organisations in Germany	32
Table 7 -	Most current State regional planning documents	38
Table 8 -	Selected fields of action of the model projects “urban networks”	53
Table 9 -	Regional economic promotion	61
Table 10 -	Domains and Features of Governance represented by Indicators	125
Table 11 -	Synthetic Indicator Governance	125

## List of figures

Figure 1 –	Unemployment 2005	18
Figure 2 –	Population Density	20
Figure 3 –	GDP per capita	21
Figure 4 –	Agglomeration Areas	22
Figure 5 –	Modernising the state	24
Figure 6 –	Tax revenues	25
Figure 7 –	Transfer payments	25
Figure 8 –	Aufbau Ost	26
Figure 9 -	Cross-border co-operations	34
Figure 10 -	co-ordination in spatial planning	37
Figure 11 -	Spatially effective support funds 1991-1998	41
Figure 12 -	Traffic projects German unity, 2000	42
Figure 13 -	Central Place System Germany 2003	45
Figure 14 -	German Programme “The Socially Integrative City” and Community Initiative “URBAN”	47
Figure 15 -	Local Agenda Initiatives in Germany	49
Figure 16 -	Regions involved in the Working Group European Metropolitan Regions In Germany	51
Figure 17 -	Regions involved in the „Active Regions - shaping rural futures“ programme	52
Figure 18 -	Demonstration projects of spatial planning 2000	54
Figure 19 -	Transnational areas of cooperation of INTERREG IIIb	58
Figure 20 -	LEADER+ regions in Germany	59

Figure 21 - Structural funds in Germany, 2000-2006	63
Figure 22 - Regional co-operations in Germany	64
Figure 23 - Planning space of the IBA Emscher Park in the Ruhr Area	65
Figure 24 - The Stuttgart region	66
Figure 25 - The Hanover Region	67
Figure 26 - Logo of the programme „The Socially Integrative City“	71
Figure 27- Annual amount of funding for Marxloh and other neglected city quarters in Duisburg 1999-2003	77
Figure 28 - Involvement of different groups of external actors into quarter activities	82
Figure 29 - Fields of activity for integrated urban renewal	83
Figure 30 - Organisational structure within the local programme management	84
Figure 31 - Networks of external actors in Duisburg-Marxloh	86
Figure 32 - Organisational structure of territorial units before and after the merger	102
Figure 33 - Organisational structure of the region's administration	106
Figure 34 - Governance Effectiveness – Data Sources	121
Figure 35 - Degree of Involvement by Territorial Levels, all Case Studies (T2)	131
Figure 36 - Outcomes of all Case Studies	133
Figure 37 - Priority Emphasis on Governance Objectives (NR)	137

## List of maps

Map 1 - City quarters funded by the programme “The Socially Integrative City” in 2003	73
Map 2 - Location of Duisburg-Maxloh in German	75
Map 3- Duisburg Marxloh	78
Map 4 - Location of the Hanover Region in Germany	99
Map 5 - The Hanover Region	100
Map 6 - Governance in urban and territorial policies	120
Map 7 - Case Studies Overview	122
Map 8 - Typology of regions	126