REURBA: Theme study 6

Economic development

The commercial development and spatial improvement of business and/or industrial sites which are part of urbanised areas that need to be restructured

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1. Introduction

The following study examines, within the scope of the REURBA ("REstructuring and transformation of URBanised Areas" in the EU-Program Interreg IIC) project, the **subject area "Economic Development in Urban Restructuring Areas**". The starting point is the question, what role economic development plays in restructuring urban regions and developing sustainable cities – according to the main goals of the REURBA project.

According to the matrix approach, the emphasis is on **commercial development and spatial improvement of business and/or industrial sites** which are part of urbanised areas that need to be restructured. Further aspects ensue from the framework conditions for the examination of case studies, which were jointly formulated at REURBA meetings, as well as from the questionnaires that serve as the basis for the elaboration of all ten studies.

The subject "Economic Development in Urban Restructuring Areas" is assigned to the REURBA pilot group "Industrial Sites", to which belong the Ministry of the Environment of Saarland and the city of Utrecht (the Netherlands). In both corresponding case studies, the development of commercial areas stands in the foreground, but under varying preconditions and starting points.

These framework conditions lead to the following organization for the subject study:

- Content delineation of the subjects based on the analysis of interactions with the remaining case studies of the REURBA project; and the meaning of restructuring in comparison with reconstruction (Chapter 2)
- A content analysis based on questionnaires and further research:
  - a) current economic policy and its future development (Chapter 3)
  - b) instruments that are introduced to encourage economic and area development (Chapter 4)
- Working out of the decisive elements for economic development as well as recommendations for optimizing restructuring in regard to economic development (Chapter 5)
- Influence on the case studies of the subject "economic development" (Chapter 6)
- Summary and conclusion (Chapter 7)

2. "Economic development" as an element in the restructuring process – position of this theme

2.1 Interactions between the REURBA subject studies

Within the framework of the REURBA project, aside from the subject presented here, nine other subject areas that are meaningful to the restructuring of urban regions are considered. Because of its complexity, the subject "economic development" cannot be studied without considering other interacting subject areas. This chapter shall depict, therefore, which areas influence each other and which determine each other, and in what way. Additionally, possible overlaps between the individual case studies should be pointed out or avoided. For example, aspects from the subject area "financing" are also relevant to economic development, but are then explicitly dealt with in Subject study 3 and are only mentioned in that context.

Planning methodology (REURBA Subject 1)

In the restructuring process, the methods applied to planning and carrying out the process play a role, as well as the methodology of the overriding (local, regional or national) planning, in which the restructuring measures are embedded. Decisive is, which method proves most suitable for integrating the restructuring process within in the surrounding planning process.

Connecting points to the subject area "economic development" are to be expected, since in the development and

use of a planning method, economic framework conditions in the planning area are to be considered, amongst others. Moreover, the choice of one method requires a prior occupation with the topic of participation. Here again one finds points of contact to economic aspects, since in a comprehensive restructuring, the participants, or affected people, come from the fields of business, commerce and industrial area development (e.g. property owners, area developers, entrepreneurs).

Realisation (REURBA Subject 2)

The chosen strategy for realising the restructuring must be optimally adapted to the planning and to the existing political, legal, organisational, financial, and not least, economical framework conditions, in order to successfully achieve restructuring measures. Instruments from the area of economic development, for example, within the framework of economic assistance, can be deciding or even prerequisite elements for the realisation of measures. Often, economic development is the trigger for realising the restructuring. Simultaneously, the improvement of economic development is a goal that is aimed for by many restructuring projects. With an appropriate definition, the success of the realisation of restructuring measures can be measured with the indicator “economic development”.

Financing (REURBA Subject 3)

The subject “financing” is of fundamental importance for the development of commercial and industrial sites in structurally weak areas, in that a restructuring of an area can only be approached after the question of financing is answered. The elements of a restructuring process typically demand high financial expenditures. Therefore, a national policy to support the setup of new business may be sensible, in order to give startup enterprises the chance to establish; restoration measures that must be carried out on derelict industrial sites to allow a subsequent use may be carried out; infrastructure facilities must be adjusted to the new commercial/industrial utilization, mostly with a major financial effort; the implementation of advertising and marketing measures is necessary. These measures are examples of economic aspects of a restructuring and can only be realised with the help of a strong financing concept.

Organisation/Process Management (REURBA Subject 4)

The form of organisation has central meaning for the restructuring process, since it influences, for example, the time frame, the willingness of individual players to cooperate, as well as the allocation of resources. For a targeted coordination of effort, a centralized organization is sensible, which acts as a promoter, catalyst, coordinator and adviser. A restructuring cannot operate exclusively as a top-down process. Especially in the area of the economy and development of commercial- or industrial-use areas, the involvement of everyone engaged in the restructuring process and a regular and intensive exchange of opinions between public authorities as well as persons, groups, organizations from the business and society areas, are indispensable for goal-oriented development.

Development of the City Landscape (REURBA Subject 5)

Among the functions of city landscapes are recreation and leisure activities, agriculture, as well as ecological functions. Under historic or cultural considerations, industrial or commercially utilized areas can form a unified organic entity with the city landscape in which they constitute two complementing poles. Therein lies the danger that the functions of the city landscape may be increasingly economised and negatively influenced by an intensive economic upswing. Regarding area development, this would mean increasingly laying claim to “rural“ as well as ecologically valuable areas for commercial and industrial use. On the other hand, a functioning economic framework is an essential foundation for the care and development of leisure or ecological uses, wherein both of these uses, as a rule, also compete. Interactions between these subject areas also exist on the basis of the model of sustained development, which reconciles ecological and social-use aspects with economic demands.

Quality of Life and Housing (REURBA Subject 7)

The quality of surroundings and the respective quality of life in a residential area can conflict with the development of commercial and industrial areas, especially when the areas lie in close proximity. The incompatibilities should be kept to a minimum; the infrastructure of the location should be harmonized with the affected residential areas so that disturbance from business-related traffic can be minimized.

These measures serve to improve the quality of housing areas that lie in areas affected by commercial or industrial areas, but at the same time, from an economic point of view, present a limitation to establishing businesses. Accordingly, sensitive planning is required in order to avoid loss of, or indeed to improve, image- and housing quality in adjacent areas with varying uses. A sensible integration of the necessary measures in a comprehensive restructuring concept is essential, within which, next to ecological and social aspects, the needs of the economy are kept in mind, particularly in regard to commercial and industrial development areas.

Infrastructure (REURBA Subject 8)

Weaknesses in the area of infrastructure are detrimental to the balance between work and living requirements. This has a direct effect on the attractiveness of an area for new establishment of business and has the consequence that entrepreneurs prefer other sites with better infrastructural prerequisites. Consequentially, few businesses migrate to the area, and relatedly, existing businesses migrate from the area and a negative balance of migration arises. The quality of infrastructure thereby directly affects the development of commercial and industrial areas: the negative balance of new businesses leads to a high volume of available spaces and the danger arises that unmarketable vacant areas develop, making infrastructural investment in these areas no longer financially supportable. This results in a loss of attractiveness of the area, which leads to further worsening of the balance of migration, with the previously cited results.

For business, all infrastructural areas are of importance, if at varying levels. A distinction between material infrastructure (traffic, energy supply facilities, administrative institutions), institutional infrastructure (rules, organisation and procedures of a national economy), and personnel infrastructure (number and abilities of persons engaged in the economic process) is sensible within a framework of analysis.

Two aspects are especially meaningful: for many lines of business today a good traffic infrastructure (i.e. links to regional road networks) is indispensable. On the basis of new technologies, a new emphasis has developed, placing infrastructural elements such as glass fibre cables and modern networking in the foreground. In the area of personnel infrastructure, it is apparent that despite high unemployment figures there are bottlenecks in the pool of available employees. The background for this is an increased use of high-quality technologies and related training requirements which cannot be fulfilled by the work force living in the region, because of the way this region has thus far been economically geared. Sufficiently qualified personnel are therefore not available.

Social Integration (REURBA Subject 9)

An economic upswing, especially the development of commercial and industrial sites, leads to a shift of the size shares of the various economic sectors. Especially in formerly monostructural areas, the goal of structural change is considered to be a shift to a tertiary sector and a differentiation of the economic structure. In doing this, a danger exists that the affected labour pool, with their existing qualifications, cannot cope with demands that result from the structural changes. Of importance, therefore, is not only the economic, ecological and architectural structural renewal, but also the far more difficult social and cultural renewal. Restructuring must in a comprehensive sense also be understood as the planning of social development, in which all disciplines serve as instruments for accomplishing the social changes. Without mastering these social problems the renewal cannot succeed, since the people living in the region are the decisive capital for the future. A positive economic development can thus support the solving of social problems, while at the same time be one of the causes.

The zoning of commercial or industrial areas on a local level can lead to a loss of quality in neighbouring areas (see Subject 7). Possible results can stretch from migration out of these neighbouring areas and segregation processes, all the way to the creation of social hot points.

Environmental protection (REURBA Subject 10)

On first glance, the development of commercial and industrial sites seems to stand in conflict with the subject of environmental protection. Similar to the interactions in Subject 5 (Development of the city landscape), the subject of environmental protection should be viewed from various angles. On one hand, an economic upswing and the increased zoning of commercial and industrial sites means a detriment to the environment caused by the use of sites, as well as diminishing of importance of the ecological factors in relation to economic factors. On the other hand, it is this very site development which enables, especially in the case of derelict industrial sites in regions based on old industry, the qualitative improvement of the environment and cultivation of resources, for example, through cleanup of contamination, recultivation, etc. Correspondingly, this development is compatible with ecological needs under the aspect of sustainability, since these directed long-term developments improve the condition of many sites and can cope with dangers that have arisen from earlier industrialization. But only a sensitive development of these sites, in which sparing and preservative use of the land and soil has been adequately considered in the planning, can lead to sustainable development. Moreover, entrepreneurs increasingly are placing requirements on the quality of commercially used sites, including ecological aspects.

Subject 6 "Economic Development" shows interaction in varying amounts between all other topics within the framework of the REURBA Project. Additionally, it can already be observed in a superficial examination from the viewpoint of only one topic, that all topics show **common points of contact**. General subjects 1 through 4 ("Planning Methods", “Realisation”, “Financing”, “Process Management”) show interaction on many levels with economic development. In the specific subject areas, “development of the city landscape”, “quality in the residential areas”, and “social integration”, the social dimension is crystalized as the link in connection with the development of commercial and industrial sites. A region cannot succeed in restructuring without solving the social problems. In the above mentioned subject areas along with Subject 10 "environmental protection" as “soft” site factors, and Subject 8 "infrastructure" as a classic “hard” site factor, lies the attractiveness of the region for establishment of new business, or the development of site potential. Between the subjects "Economy" and "Infrastructure" there are many interactions because of the importance of infrastructure – especially traffic – as an immediate prerequisite or result for positive economic development.

Graphic 2-1: Interaction between the subject studies

Interaction between the subject studies

General subjects

Specific subject

Subject 1: Planning methodology

Subject 2: Realisation strategy

Subject 3: Financing

Subject 4: Process management

Subject 5: City landscape

Subject 6: Economic development

Subject 7: Quality of life and housing

Subject 8: Infrastructure

Subject 9: Social integration

Subject 10: Environment

Subject study 6: The economic development of urban restructuring areas

2.2 Restructuring versus Reconstruction

Apart from restructuring, one basically also has the possibility of reconstruction in order to cope with recession, or to improve the economic development.

In general, there is the possibility of industrial renaissance in specific economic sectors. The application of new technologies and production methods coupled with a greater consideration of the market situation may lead to a preservation of commercial and industrial sites and their use in their existing form. However, such a reconstruction cannot solve the employment problem, because the increase of competitiveness, for example, due to new production methods, goes hand-in-hand with rationalizing effects, as well as loss of jobs.

The increasing **obsolescence of some economic sectors** as well as international low-wage competition, requires structural changes in the direction toward value-added enterprise functions, and above all toward production-oriented services in order to be able to be competitive on a regional, as well as international, basis.

That means that restructuring is necessary – at least in the typical old-industry sectors – for the **preservation or creation of jobs** in commercial and industrial sectors, as well as for the **dismantling of social and spatial disparities**. Of great importance in doing so, is an integrated approach, i.e., the spatial restructuring has to be supplemented by additional supporting measures, such as the utilization of existing training resources. A pure reconstruction, however, is in these cases not suited as a measure to reach the described goals.

In Saarland, for example, the economic framework conditions have fundamentally changed (decline of the coal and steel industry, shift to service-sector economy), so that in regard to the economic development, a reconstruction is not sufficient in order to reach the necessary structural changes. A restructuring is essential (see Excursus). On the other hand, Zuid-Holland has found that a restructuring is not necessary in large parts of the affected areas, since the functionality of the existing uses basically corresponds to present requirements, and therefore with the aid of a reconstruction an improvement can be accomplished.

Related to the aspect of area or site development, reconstruction would also mean reviving the areas while utilizing the old structures (**revitalizing**). This can work positively when done in areas that were formerly functional and that maintain the same functions and framework conditions, for example, the revitalization of an inner city. But frequently a structural change is necessary, also in regard to area and site development, in order to improve the conditions for positive economic development. This need for structural change is caused not least by global requirements which cannot be influenced by the affected regions.

For example, Utrecht points out that geographic and economic framework conditions (shift of area from city outskirts to inner city, demand for land value increase) have changed to such an extent that a restructuring is necessary. In many cases the previous utilization is no longer necessary, (Kop van Zuid: Harbour district) or in this form not up-to-date (Leidschendam), so that a new utilization of the affected sites should be initiated, which cannot be reached by only reconstruction.

Excursus*: The necessity of a restructuring in the German-French border region of the Saar can be seen when taking a closer look at the economic history. For 200 years coal mining and industrialization based on iron and steel production have dominated here. The starting conditions for economic development of the region after World War II were unfavourable: The French portion of Marshall Plan Aid for Saarland was small, and from*

the governmentally directed French intervention, the region also did not receive preferential treatment. In 1955 the Saarstatut was rejected by popular vote, but only in 1957 did the political reintegration into Germany take place. The economic reintegration in fact took place only in 1959 after a transition period. Additional to this "belated" reintegration there were difficulties caused by the changed national association, since the production capacities were partly geared toward the French demand and therefore a reorientation of the interwoven supply and delivery situation from the French to the German market was necessary. Since 1957 one must discuss a crisis in coal mining, a very important economic sector for the region. After an interim upswing at the end of the 1960s, a crisis in the steel industry that began in the mid-1970s weakened the region enormously. As a consequence of this development, the area today is characterized by a post-mining landscape with characteristics of an old industry region, and thus many derelict sites exist that must be put in use again.

3. Comparison of current policies and their future development

3.1 The Netherlands

The Dutch economy is one of the most dynamic national economies in Europe. The unemployment rate in March 2001 was 2.5%; the **favourable economic conditions** are also characterized by a youth unemployment rate of less than 6% for under-25-year-olds. An employment growth of 15% in the past 5 years also contributes to this. While the Dutch economy has developed at above-average rates since the beginning of the 90s, it is feared that the high-flying economy will lose some of its dynamism due to the lack of labour force that has been existing for a while.

The gross domestic product in 1999 was 19.318 US$ / EW, with forecasted increases of about 3.5%. The tertiary sector contributes about two-thirds to the gross domestic product, its focus is in financial services and transportation companies. In the industrial sector, the emphasis is in the areas of food processing, textiles and paper goods. The economic objective is the further improvement of competitiveness on a national as well as international level.

These characteristics can be found in the case studies: While Utrecht, for example, concentrated at the beginning of the century on the steel and rail industries, the emphasis today is on financial services, ICT as well as nonprofit services. In Gouda, also, an increase in jobs can be seen, and the infrastructural prerequisites are suited for further growth. However, we find problems here because of the existing restrictive land-use policies, which exacerbates the scarceness of land due to the dense population, the natural border of the North Sea and the effort to maintain the "Green Heart" of the area. The influence of national politics on regional and local politics is relatively great. For Gouda the political objectives coming from the national level are to strengthen the landscape, especially the "Green Heart", even at the expense of the economy. (see Gouda questionnaire).

Many businesses cannot live with the **restrictive area-use policy** and the limited possibilities to establish or expand. Gouda strives, therefore, to attract highly qualified and especially small footprint enterprises. Gouda indicates that due to the restrictive land-use policy, demographic shifts are to be expected. The percentage of older people will increase and younger ones will move away, since due to the lack of land-availability, there are also few possibilities for the creation of residential areas or the establishment of businesses. Highly qualified labour especially will move away from Gouda. Due to this worsening of the framework conditions, negative implications for economic development are feared all the way to a decline of the economic growth.

Utrecht points out in its questionnaire that companies, because of the too-dense population and the lacking quality of surroundings, want to change the site, which because of the lack of land can seldom be realised. The imminent restructuring here has the goal of making the affected commercial areas more attractive. Just as in Gouda, economic development is the motive, but only in the respect that one already counters problems that may arise in the future.

All in all the economy aspect plays a less important role in the frame of restructuring projects when compared to Great Britain and Germany. Of greater importance are items like creation of residential areas, housing quality and quality of life, aspects of the environment, creation of an identity and a positive image, and social aspects

(see South-Holland, Lelystad, Leidschendam questionnaires).

Gouda stresses that there is a close connection between these subject areas and economic aspects, so that a negative development or a standstill in one area will also negatively influence economic development.

3.2 Great Britain

The general economic development in Great Britain is characterized by the recession at the beginning of the 90s, which especially led to high unemployment. Since the middle of the 90s an end of the economic downslide has been observed. In 1997 the unemployment rate was only 8.2%. Still, unemployment of youth is a special problem. In the year 2000, an upswing phase started that went along with a further slight decline in the unemployment rate. The growth industries follow the global trend; an above-average growth can be seen in the sectors of information and communication technologies, financial services, in the pharmaceutical sector as well as in biotechnology.

The northeast of England, with Newcastle as its centre, shows the same development: since the 1970s a great loss of jobs can be noted due to the economic decline of heavy industry (mining, ship building, machine building). Between 1961 and 1991, 17% of the population have moved from Newcastle, in some districts the decline in population due to migration loss is 43%. Especially in the inner-city, increasingly socioeconomic problems arise: poverty, vacancies, migration, high youth unemployment (in some districts over 30% of 18- to 24-year-olds).

Economic goals are the creation of jobs in the areas of service and retail, especially for unskilled workers. Close ties exist to the social arena (construction of a city district centre, reviving public green spaces, anti-drug programs) or to infrastructural aspects (improvement of public transport) in order to support the economic development under improved framework conditions. Newcastle thus pursues in the future the realisation of an integrated holistic concept in which the economy stands aside from other aspects, such as social, ecological, and educational: the unemployment rate should be lowered to 3%, new residential housing built, and loss of population stopped.

Regarding **site or area development,** there is on one hand little room for development due to the green belt outside city borders, and on the other hand exist many vacancies and derelict industrial sites. Former approaches to area development started from the reutilization of old derelict industrial sites which required dealing with the former use, for example, in the form of contamination cleanup. Due to increased demands of new business on the environment (attractiveness, undeveloped green spaces, no contamination problems) the development idea of a business park within the green belt succeeded in the project “Going for Growth”. Here existing businesses shall be supported and businesses and workplaces from the areas leisure, sports, culture, and recreation, shall be integrated. The project Great Park in Gateshead also pursues extensive area development: 80 ha. commercially used area, 13.000 jobs, approximately 450 ha. residential area should be realised here.

3.3 France

The French economy remains on a **growth path**, which by now is not only supported by private households but by French businesses as well. Unemployment is decreased, but at 8.7% (2001) it is still at a higher level than in the Netherlands. Similar to Great Britain, the share of youth unemployment is very high, with 18% amongst under-25-year-olds. Not least due to improved sales perspectives, the economic situation presents itself favourably nationwide.

The centre of France is formed by the Ile de France with the capital of Paris. The unemployment rate in the greater region, which has approximately 11 million inhabitants, decreased for the first time in 2000 to less than 10%. Still, the economic framework conditions vary in the different parts of the region: the Subject study project La Villette is situated in the 19th arrondisement, which is characterised by high unemployment (>16%), low income, low tax revenue, and a low education level. By planning university facilities on the previously industrially used area, an increase in population is hoped for and the possibilities for education shall be supported as a

precondition for improved economic development.

In the project **Euralille** in Lille, the economic development was one of the main reasons for the planning and realisation of restructuring. Similar to the Dutch case studies, the economy here is not a problem, but a chance that has to be taken. It was the objective in this part of the Ile-de-France, which represents an important traffic intersection (highway and TGV), to shift emphasis from the industry sector dominated by textiles to the service sector. The current share of 56% of employees in the tertiary sector compared to 8.5% in industry, shall be further expanded since the site is suited to high-quality service companies.

Regarding **site or area development** in France, the close connection between spatial policy and economic policy generally is decisive, as well as the strong role of the government – despite trends toward decentralizing. Especially in the Ille-de-France region, the government is of high importance in spatial planning, and thus for the development of commercial sites and areas, since it approves the schéma directeur of the region (see Chapter 4.3). Since the middle of the 80s, spatial planning and also the competitiveness of French cities is somewhat determined by the abolition of inter-European borders, as well as by infrastructure such as the Channel and TGV connections.

3.4 Germany

The German economy is still in **transition** from industrial age to information age. Due to globalization and the resulting demands, numerous jobs in the industrial sector disappeared. The unemployment rate was 7.7% in March 2001, with the youth unemployment rate at 9%. Especially affected is the low-qualification work force. To countersteer negative economic aspects such as the burdening of the public budget and social security systems and the decrease of growth potential, the two main objectives of German economic policy are the creation of additional jobs in the information sector and reduction of existing unemployment.

This situation can be traced in the German questionnaires. Due to economic changes a structural change was necessary: Workplaces became obsolete in the lignite and chemicals industry sectors in Sachsen-Anhalt, as well as hard coal and steel in the Saarland. The result was an immense increase in unemployment. After a peak at 13.6% in 1997 in Saarland, the unemployment rate in the Saarland declined slightly (2001: 10.3%). Here also the main economic objective is to create new jobs, mainly addressing businesses from the IT and service sectors. Amongst the pillars of economy in the Saarland today are sectors such as automotive industry, retail industry, and services in the health sector. Only about 20% of the employees in the industrial sector work in the steel, coal and iron industry, formerly the biggest employer. In the project AW Burbach (see questionnaire), monostructure is expressly unwanted, but rather a wide diversification of economic activities is strived for.

The percentage of people employed in the tertiary sector in 1999 was slightly above the federal average, at ca. 65%. However, the secondary sector still experienced permanent loss of importance in recent decades, which could only be partially compensated for by growth in the service sector.

The emphasis of **area and site development** in the Saarland is on the development of new commercial and industrial sites on former coal, steel and iron sites, in order to be able to accomplish a structural change in these districts. Primary goals are the removal of disadvantages in the areas of urban development, open space situation, and economic power. Due to the structural change taking place over several years, extensive site potential exists. Problems in site development arise for one from legal requirements for former sites of the steel, coal and iron industry, which can only be brought to a follow-up use after a legal mining procedure has been conducted. For another, restrictions on the reutilization of sites which are caused by the former use become relevant, such as contamination problems, existing lines, leftover foundations, or mining activities which restrict or make new development difficult.

A new zoning of areas similar to Newcastle’s is very difficult due to dense settlement, especially in southern Saarland. The remaining open areas fulfil recreational and ecological functions. Connected open areas are very scarce due to the continuous scattered settlement that started with the beginning of industrialization. In the northern part of the Saarland a very high degree of undeveloped area exists, but the infrastructural preconditions

are not sufficiently present for an increased establishment of commerce and industry. The politically desired model for sustainable development also leads to the fact that primarily industrial derelict sites are reutilized before undeveloped open areas are developed and their ecological functions impacted.

4. Instruments (for improving the economic development and the development of business and/or industrial sites)

4.1 The Netherlands

Instruments that can serve the development of commercial sites or areas are, from a spatial planning point of view, the Streekplan on the regional level, and the Structuurplan and the Bestemmingsplan on the municipal level.

A **Streekplan** describes the desired development of a province in principles and corresponding realisation phases. It contains, amongst other things, prognoses about the future area need for commercial uses, and gives instructions about the spatial distributions for this growth. Even though it is not obligatory to establish a Streekplan, nearly all provinces have taken advantage of this possibility. If it is established, then its content is binding for the municipalities, which also participate in establishing it.

In a **Structuurplan**, the municipal council shows the future development for the entire area of the municipality, or for a part of it. Here also, the desired development of the area concerned is shown as guiding principles and phases. The creation of the Structuurplan is not obligatory and has no legal consequence.

The **Bestemmingsplan**, as a directly binding land development plan, determines the kind of utilization and gives, if needed, regulations about the use determination of the plan areas and of the building facilities in these plan areas. The municipal council is obliged to establish a land development plan for the municipal area outside the city limits. Within the city limits its creation is optional. Indirectly, the Bestemmingsplan thus also determines the expansion area for settling.

Gouda states in the questionnaire that it is relatively difficult to reach coordinated and balanced spatial planning with existing planning instruments. This is due for one thing to the fact that spatial planning is primarily structured as a **top-down process** from the national over the regional level to the local level. Another reason is the numerous different levels with differentiated competency areas, whose coordination is not sufficiently instrumentalised.

Economic assistance such as in Germany plays a smaller role in the Netherlands, since the economic situation there has to be rated very favourably. Of course, European means are available under the appropriate preconditions (See Subject 3: Financing). Generally, considerations regarding the realisation of the plan are not only included at a very early stage (preliminary draft stage), but already are negotiated. Financing plans and time plans are coordinated in a parallel way with the representatives of public interests, and are agreed on mostly as binding.

4.2 Great Britain

The English planning system also knows two levels of planning: structural plans and local plans, and both are established by the districts. In contrast to the continental European legal system, however, both types of plans have the character of only general guidelines for development policy and building permits. Their contents are binding neither for the administrations themselves nor for individual landowners.

The **structural plan** essentially contains textual specifications for the spatial structure of the area, and only gives site suggestions for some of the more important projects, such as industrial or commercial areas, shopping and recreation centres, parks or green areas.

The **local plan** serves as planning guideline for local approval authorities, not as a strict base for planning. Its content is expanded in various ways and often contains elements of a general development plan. Mostly, an organization into zones is accomplished, which concretizes the utilization (for example, services).

The municipal level has little influence on the design of the plan. The overriding district level can force through plan contents against the planning intentions of the municipalities.

While in the three other countries a two-level principle exists, with a superior plan that is internally binding for administration and a usually municipal-level plan that is legally binding, the English plans represent only one of several criteria in a permissibility decision. The plan's legal bindings are distinctly lower than in the continental states, therefore the role of these plans for the site and area development with plans is less relevant. The advantage of the lower plan bindability is a greater flexibility if a designated commercial site proves to be unsuited or too small due to changed framework conditions. The corresponding change of the plan, which can be accomplished only through a relatively cumbersome procedure in the other countries, can be realised in England with an administrative decision.

The situation for forcing through a building permit is similar: While in Germany, the Netherlands and France, an investor who wants to realise a commercial project has a right to do so if there are no legal regulations that contradict it, for example a land development plan, such a legal right does not exist in England.

4.3 France

Planning instruments in France for the definition of commercial sites and areas are also set up in two levels. As a rule, a guiding program (schéma directeur), which is binding within the administration, is established by municipal associations. This is concretized by the land development plan (plan d'occupation des sols – POS), which is also binding for the lot owner. In the POS the municipal area is divided into different zones which regulate the type of utilization, the area that can be built on, and the building density.

The **schéma directeur** of the Ile-de-France (SDRIF) shows the relative abstract character of this level. The SDRIF calls as a main goal for the increased establishment of the service sector in the designated pôles urbains. The instrument of the pôles urbains is given great importance for strengthening the tertiary sector, especially after the downslide of the industrial areas in the surroundings of Paris, as well as for the mixing of the functions of living and working as opposed to the "sleep cities" of the 1960s. In the SDRIF, the instrument of the pôles d'économie industrielle is used especially for the development of industrial utilization. The municipalities can plan for residential or commercial areas only in the espaces urbanisables designated in the SDRIF.

A further instrument that can be utilized in the **development of commercially used sites and areas** is the development plan ZAC (Zone d'Aménagement Concerté), a detailed plan for the development of a designated area, for example, for its commercial use. In the ZAC, the complete realisation of a specific project is prepared from planning through financing, local public infrastructure and development. The ZAC can be established by the responsible municipality, by a public-private partnership, or by a private person. Additional instruments such as the DPU (Droit de Préemption Urbain, Law Priority Rights) or the AFU (Association Foncière Urbaine, joint reallocation of land) are geared toward the land-use policy (see Subject studies 3 & 4).

Apart from the already mentioned site-related planning instruments (pôles), additional instruments for the support of economic development exist: Site d'excellence prioritaire (prior site of excellence), Site de vocation européene (site with a scope of development on European scale), site d'interet métropolitain (site of interest on the level of the metropolis itself).

Thus the Euralille as an example of a prior site of excellence receives an outstanding importance also in an economic respect.

The planning system in France is centralised with a tendency toward decentralising, which can be seen especially in the introduction of regions as a spatial unit. The municipalities are basically responsible for their own

planning, but projects of national interest can be introduced at any time into the municipal planning from a national level.

Economic assistance on a regional level is steered and granted from the federal institution DATAR (Délégation à L'aménagement du territoire et à l'action régionale). A multitude of different financing instruments serve to realise the decisions of the interministerial spatial development committee. To it belong, for example, the PAT (Prime d'aménagément du territoire), that serves to support job-creating investments, or the fund for decentralising aid, which supports the establishment of companies outside of Paris. Additionally, conversion aid for old industrialised zones and cities is granted, which aims at revitalization of old industrial areas by the assistance of new establishments, with loans or waving of the trade tax.

In the course of decentralizing efforts, different possibilities for economic support were also established on a local level. These include, for example, support of companies with the purchase of buildings or lots, price reductions, development of industry areas, making guarantees available for companies, and waving or reduction of trade tax.

Since spatial development policy and economic policy are closely connected in France, the planning elements and the elements of economic support principally go in the same direction.

4.4 Germany

The planning system in Germany also consists of a supralocal and a local level, on which a site and area designation for commercial and industrial uses are determined in plans and with the according instruments. On the supralocal level, the **state development or regional plans** are developed, which can establish preferential areas for commerce and industry as an abstract area designation, as well as designate functions for single municipalities (for example, as locations for commercial development). In establishing these plans, which refer to the area of a federal state or to a part of a federal state, the municipalities participate and their already existing plans are taken into consideration. For their part, the municipalities are obliged to take the designations of the regional level into account when planning on the local level. For some years, increasingly informal concepts have been created on the regional level, which are problem- and implementation-oriented and more flexible, and thus suited for the development of areas and sites for commercial use. A problem arises from the lack of legally binding status and the therefore problematic realisation.

The municipalities establish preparatory land development plans for the entire municipal area within the framework of the **general plan for development of local real estate**. They are only internally binding and are concretized for parts of the municipal areas in development plans. In the land development plans, commercially used areas are shown which are established as exact lots in the development plans (Bebauungsplan). The main instrument for the realisation of the planning is the development plan (Bebauungsplan) with its three main application areas: the creation of the legal base for the realisation of a specific project, the provision of a frame for known or expected demand of building land, and the precautionary establishment to steer possible tendencies toward change in the composition of land reserves. All three application areas can be the basis for area designation and building measures in a restructuring process.

Similar to the French ZAC in a project-oriented development plan, the plans, development, building and financing of a project, such as for example, the establishment of a commercial business, are in the hands of an investor. The position of the German municipalities is relatively strong. The constitutionally guaranteed planning authority gives them the chance to establish their planning independently within the framework of legal regulations.

In the Saarland, additionally, for some years the application of a **commercial area potential model** has been pursued, which pursues a scientific planning methodology approach in order to find suitable areas for commercial use and to integrate them into the update of the state development plan. With the aid of this instrument, a farsighted planning and realisation of commercially used areas on a statewide level can be achieved. Competition between the individual municipalities can be diminished.

Apart from the planning possibilities to secure and develop commercial areas and sites, the development of the economy is also supported by **regional and municipal structural policy**. It is the objective to dismantle regional disparities. In the framework of the GRW (joint task “improvement of the regional structure”), which is the same for all of the federal republic, supported areas, emphasized locations, kind and amount of support, and its preconditions are determined. The granting of support, which can include investment aids such as loans and preferential interest rates, or infrastructural improvements, is done by the states. Additionally, the states have the possibility to grant their own support, which favours commercial investments for small- and medium-size businesses, especially in the financially strong states (for example, in Baden-Württemberg, but not in the Saarland).

The municipalities can grant only indirect aid on a local level for the development of the economy and commercial area development. Elements are, for example, measures in the areas of infrastructure and urban development, but also activities such as tax reductions or favourable sale of lots, which has positive effects for the establishment of businesses as a measure to improve surroundings. This aspect has close ties to Subject 3 “Financing”.

5. Economic development within the planning process / within the implementation – Analysis of strong and weak elements

5.1 Strong and weak elements

The current spatial and economic structure in Europe is in transition from industrial age to **information age**. Progress in data-processing and data-transmission technology result in changes for site advantages. New challenges present themselves especially in the area of information and communication technologies. Global communication make productivity gains possible, and **globalizing trends** offer opportunities for additional jobs. But the technological progress also makes jobs in “old” industry sectors obsolete. Monostructured areas are especially easily being pushed to the side. Thus the changes in the economic structure has positive as well as negative effects for the development of the economy.

Despite globalizing tendencies, the regional view will have a growing importance in the future. **Regions** can be understood as spatial entities as well as participants in economic actions. This must be accompanied, however, with new approaches in regional and economic policy, which do justice to the new meaning of the regions.

Because of the progress in technology, new **employee qualifications** are necessary. The deplorable paradox can occur, that a lack of employees and unemployment occur at the same time since the existing work force, which comes from the production sector, do not correspond to the requirements of new businesses – mostly from the tertiary sector. This development is reinforced by **demographic framework conditions**: due to increased life expectancy and a decreasing birth rate, many industrial countries are characterized by a relatively small young generation. The over-aging of the population as a trigger for a further lack of work force increases labour market problems, since thus less and less young workers are available.

With increasing capital intensity of the economy for many old **small- and medium-size businesses**, such a high competitive level is being created that these can no longer keep up financially. To that is added the worldwide interweaving of the economy which is present in all areas as well as the international division of labour in the course of globalizing tendencies. Because of this worldwide competitive situation and the possibility to produce in low-wage countries which, amongst others, are the triggers for significant pushes for modernizing and rationalizing, more and more companies are threatened in their existence. The disadvantages of great distances and lower quality of goods from these production locations become less and less important since these have by now moved from Asia into geographic proximity in eastern Europe, where the work force is not significantly less qualified.

The results of this development are, amongst others, increasing unemployment, high environmental pollution (because of the levelling of environmental standards and the reduction of controls due to existing cost pressure) as well as new city-country opposition, due to the competition of the municipalities for the settlement of high-

image companies and high-wage population groups. The **close connection** of economic aspects with social and ecological interests becomes apparent here.

On this basis, the high importance of **high-technology companies** for economic restructuring can be understood. Companies with functions such as research and development, business consulting, marketing, data processing, information and communication technologies, biotechnology or new materials are the new target groups for the realisation of economic structural change. The establishment of these companies is presented as a positive element in the restructuring process. Special characteristics of commercially used areas and their surroundings result in this from the site demands of these companies. Amongst the most important factors in this are the availability of qualified personnel, contact advantages to other facilities, the inter-regional traffic connection, the processing speed of projects by the city administration, as well as “soft” site factors such as housing and leisure value and the image of the region.

It can be noticed worldwide that a **diversified** and therefore balanced **economic structure** is significantly less risky than a specialized structure, which can be seen in many examples. An excursus with the example of the former steel, coal and iron site Emscher Region (Ruhr area, Germany) shows how other regions too were hit by exogenous trends, and how these problems can be coped with.

Excursus*: In 1837 in the Ruhr area, systematic coal mining began accompanied by the development of the iron and steel industry as a second economic pillar. Within a few decades one of the most densely populated and to a high degree industrially influenced regions of Germany and Europe developed. Since the middle of the 20th century until today, numerous businesses from mining and the iron and steel industry had to be closed in the monostructured area. The revitalising of the freed up areas in the 90s was the central task for the international building exhibition Emscher Park. There a diversity of different sectors was successfully wagered on, including commercial, technology, service and science parks, innovation centres, ecocenters, tourism/leisure/culture, etc. This diversity will guarantee in any case that an economic collapse of a whole region won’t happen again.*

Areas, availability of areas and the **utilization of areas** are decisive spatial structural elements for the economic development in a restructuring process. The area as one of several site factors has maintained its high importance despite progress in information and communication technology. Thus, for example, the realisation of the structural change is generally tied to areas (area for commercial use, for infrastructure, ...).

Businesses report the need for reserve areas for expansion or modifications in changed marketing situations, for sustainable and attractive areas for commercial settlement (see Utrecht questionnaire), as well as for flexible area characteristics. Such area resources are generally scarce. The reasons for that can be found in the missing legal framework conditions (lacking building codes) or in restrictions which influence the areas (Green Heart, green belt, ecologically valuable areas). But high financial requirements for the revitalization of former industrial areas due to contamination or existing building facilities (foundation leftovers, lines), or for the creation of an attractive surrounding, can also represent obstacles that prevent existing area potential from being utilized.

Basically, the **new creation** of commercially usable areas can be differentiated from the **reutilization** of areas in the form of restructuring or reconstruction. Reutilization draws on the existing spatial structure with its positive and negative factors. A new designation of commercial areas or open areas usually proves difficult due to the densely populated area in the NWMA. Utilization of open area also involves the new creation of infrastructure. A reutilization means restoration or supplementation of older infrastructural facilities. Which way is most favourable according to sustainability aspects as well as financial and organisational aspects cannot be flatly answered.

The **planning of site and area development** in the different countries is influenced by basic framework conditions. Relevant in this context is whether the planning system is organized in a centralized or decentralized way. That means, on which government level the final or daily responsibility lies for the design of the policy and its realisation. This is of importance since, depending on the design, there are effects on the temporal course of planning processes, and commercial and industrial areas can be developed in a suitable time-frame. The stronger the position of the municipalities, the more influence they can exert on the establishment of companies. At the

same time, the danger exists here that each municipality has only their own interests at heart until the municipality borders, and a long-term and holistic perspective is missing. If, however, decisions regarding site and area development are mostly taken on a superior level, then acceptance problems are preprogrammed.

To that the question is tied whether the planning system sets strict limits or leaves room for judgment. Compared with the other countries, the English planning system, for example, leaves a high degree of latitude, since its development plans are not legally binding and utilization rights can only be acquired on the basis of a planning permit in the framework of a development control system. The area and site development with planning means thus plays considerably less of a role than in Germany, for example, where the development plan constitutes the legal precondition for the establishment of a business.

In all examined countries, a **two-level system of urban development planning** can be seen: at the upper level a development plan is established for an economic area, at least for the area of a municipality, and on the second level a land utilization plan is established which contains statements about the way and the degree of the building use. The securing of commercial areas and sites can thus in all considered countries be formulated on a more abstract level mostly as a guiding or development principle, and on the concrete level as area securing.

Within the restructuring process there are opportunities and risks, which can have positive or negative effects on the economic development of the area that is being restructured. The following factors were of importance for the participating partners in the area of economic development, as well as development of commercial areas and sites (see questionnaires):

- Gouda criticizes the lack of a **spatial concept** for the development of the regions (also for the development of commercially usable sites) that takes into consideration and integrates all relevant requirements and interests. As a basis, plans and concepts exist which are not coordinated. Strategic questions are not coordinated amongst different responsible parties. The prevailing top-down approach slows the planning process and makes it more costly and less flexible. (compare Subjects 1 & 4: Planning methodology, Organisation)
- Generally, a negative element for economic development arises in **organisational regard** from the splintering of competencies, lacking cooperation – primarily the willingness to cooperate – or distinguished competition between the single participants. Establishing processes are slowed by this, the attractiveness of the area is lowered.
- Positive for the development of the Gouda area is that as a basis many ideas and plans for different subject areas were developed. Thus a **good basis** for area securing by planning exists, and the required data material is already there. As soon as a sensible methodological approach for this application exists, the integrating planning as well as the realisation can be realised in the short or medium term.
- Gouda generally considers as negative the lack of a **integrating policy**, which creates a consensus between the economy, residential building, environment and infrastructure. The lacking coordination of these areas results in disadvantages for economic development, for example, because labour force and workplaces are not always sensibly distributed.
- Aside from the favourable possibilities for **financing,** Utrecht stresses the willingness of the territorial authorities to **cooperate** with the local businesses as a special positive element (public-private-partnership).
- South Gateshead (Great Britain) names land purchasing by the city, which is laborious, as a hindrance to economic development.

- A further negative element, which constitutes a considerable risk for the economic development of a restructuring area, lies in the subject area **ground contamination.** From it result considerable **financial burdens** for the owner or the area developer, since the polluters often can no longer be determined, or are not capable of conducting a removal of the damage. In the Saarland, the midterm financial requirement to cope with the contamination problems is currently estimated to be approximately ¤ 500 million. There also exists a problem of the remaining risk, meaning the question of how to deal with contamination that is only discovered at a later time. Restoration procedures such as soil washing or incineration of the soil additionally meet acceptance problems from the population. All this constitutes a blockage for the development process for as long as the problems are not resolved, which requires a high financial effort. Because of these problems the pressure for the new designation of areas increases, which in the framework of a sustainable development seems to be less sensible.
- The unclear legal planning situation requires the inducement of **planning rights** by the preparation of areas through planning. This can lead to a delay in the reutilization, which if too long contradicts the requirements of many investors. They then look for other site possibilities that can be realised in the short-term.
- Existing **infrastructural weaknesses** have to be judged as a negative element for the economic development of a restructuring area. Insufficient infrastructure has an immediate unfavourable effect on the attractiveness of the area for new establishments, which rely on an appropriate inter-regional traffic network or the connection to modern data transfer networks.
- Also problematic is a **bad image** of the area, which thereby lowers the attractiveness for new establishments and thus impairs the sale of areas.
- Generally, the **requirements** of new companies on an area or on a site are different from those of the previous users, and therefore they require the creation of adequate framework conditions (suitable area layout, load capacity, surroundings, infrastructure, etc.). How much this factor has to be judged as a negative element depends on the current equipment of the areas in relation to the specific requirements of the businesses, as well as on the financial possibilities to overcome these differences.
- In the application of high-quality technologies in the production and service sectors, special high **qualifications** of the work force are required. The lack of a work force with a suitable qualification level is a negative element for economic development (compare Newcastle questionnaire).
- The **financing question** in the revitalising of old coal, steel and iron sites (see Saarland questionnaire) constitutes, if insufficiently equipped, one of the core problems and possible central development obstacle in the economic development of restructuring areas, especially in the realisation of restructuring measures (compare Subject study 3).

5.2 Optimization of the restructuring process referring to economic development

Approaches to optimize the factors analysed in chapter 4 can aim at the framework conditions, the planning, or the realisation of a restructuring.

The following aspects are amongst the essential framework conditions:

Experience has shown that derelict sites require **short- to medium-term activities**. If no decisions about the necessity and design of a restructuring are taken, then a worsening of the existing infrastructure threatens. A negative image is built, and the labour market loses capacities. This background requires quick – but still thought-out – action for development of derelict sites into commercially usable areas and sites.

If there is a lack of qualified work force in a restructuring area, then this site disadvantage should be countered by the establishment and support of **training and retraining facilities** within the restructuring process.

Among the framework conditions which have an important influence on economic development is the image of an area. **Image building** has to be strived for in order to give the region a new “face” or a new definition of the existing image. The IBA Emscher Park, for example, has used model projects in many fields to make the Ruhr area known under new aspects to experts as well as to the general public in all of Europe. The model projects

refer in this to numerous areas: ecology (ecological building with transferability to other sites, ecological restructuring of the Emscher system), social milieu (living and integrated urban development), economy (new uses for industrial buildings, working in the park, innovate milieu in the business realm) as well as tourism and culture (events, large events in all cultural areas).

A negative image often stands in connection with ground contamination and partially unclear contamination questions. For these aspects, a sustainable solution has to be found which can build on a legal basis (Germany: federal ground protection law) as well as on contractual regulations.

In the area of planning, unclear **legal planning** situations should be recognized early and be coped with by appropriate procedures that are typical for the country. On one hand, **farsighted planning** has to be done in order to create suitable conditions for the desired target groups of businesses. On the other hand, an **acceleration** of the subsequent realisation has to be accomplished by early integration of all concerned parties and participants in the planning procedure. Only by timely consideration can subsequent conflicts be recognized and avoided, or at least defused at an early stage.

Legally standardized planning methods are often designed very long-term and are insufficiently flexible to adapt to economic requirements of companies. In order for the aforementioned speedy processing or development of areas to be ensured, there should also exist a new – not-yet-legally standardized – array of instruments that can be utilized. As an example, the instrument of the **area utilization concept** can be used, which has as a goal the precautionary site reserve for commerce, as well as the designation of priorities for commercial development. Elements of this area utilization concept can be, depending on the requirement: concepts for regional commercial area management, regional site/area/marketing concepts, initiating and moderation of cooperation between municipalities in the designation, development and marketing of commercial sites. The lack of legal obligation can, depending on the position of a municipality within a state, be compensated for with contractual agreements or an intensive participation of the municipalities, and taking over of the conceptual planning into a realisation-oriented and legally binding planning.

In the planning area, numerous connections to the subject areas **planning methodology** obviously occur. Under economic aspects as well as the premise to develop a commercial area or site, a rough frame for a planning methodology could include the following phases. The objective in that is the development of areas and sites within a structured process:

– The creation of **development scenarios**

The scenario technique serves to optimize strategic planning and to show demand-oriented and decision-relevant factors in their complexity. From that come clues to the required planning-conceptual, instrumental and political-organisational measures for future economic and other development. Data and circumstances are analysed in order to realise possible development trends and integrate them adequately into the process. Key driving forces are extracted and supported because of their importance as an opportunity for economic development. Risks are also recognized, whereby these are minimized or excluded as far as possible. Relevant subject areas such as ground use, restrictions, infrastructure, area demand, and sales market, must first be dealt with. Due to the relatively abstract approach, this step can be started early on; exact and concrete databases are not yet required in this phase. Especially for the development of alternative scenarios and their discussion, it is favourable to already now include the relevant participants.

– The creation of **models**

In this partial step the development of concrete models for the future development based on the scenarios is the task. Here, while taking into account the opportunities and risks highlighted in the scenarios, the goal ideals are deduced, how areas and sites should be developed (site profile). In that it is important that these are, within the framework of this concretizing, flexible enough to adapt to changing future framework conditions. In order to take all interests into account and to stake out a realisation field for the following practical action suggestions, a weighing of the development lines depending on their relevance for the entire development has to be done

within an integrative approach.

In that, the site demands of new companies must be harmonized with the site realities of the cities or their centres. For example, the Fürstenhausen coking plant site in the Saarland subject study, can only be built on again in 2015 (time component), due to various preconditions. It is the most important aspect of the models to discover or determine such specific site characteristic. The different site profiles necessitate different concepts and approaches on the next step.

– The development of **projects**

On the basis of the results from scenarios, models and the corresponding discussions, concrete concepts can be established for a more detailed specification, which contains projects (implementation, model and/or show projects).

These could, for example, be concepts for the improvement of site factors in which concrete measures are developed and implemented for “hard” site factors (data network, traffic connection, creation of contact advantages by agglomeration of new establishments) as well as “soft” factors (internal and external image). These instruments significantly support endogenous and exogenous investment increases and can be realised, for example, in the framework of economic support on a local level.

In the framework of the realisation, the handling of **approval practices** for establishing businesses is relevant. Since the preservation or creation of new workplaces has become more important, the administration has become more “business friendly” in recent years. There is still room for improvement, however, in the decisive ability of the administration to coordinate and synchronize the different partners who are participating in the project, and thus to avoid unnecessary delays.

For the realisation, the ability of the municipality to pursue a long-term **area reserve policy** and to prepare the purchase of land is already decisive in the planning phase. If the search for lots is only begun when an interested party inquires, then time is usually too short to find a sensible solution.

Positive approaches to economic assistance on a local level can be noted in recent years and should be further expanded: thus the support is not only aimed at establishing businesses but also at keeping existing businesses, especially with **improvements to the surroundings**. Economic support can, like the planning methodological approach, be conducted within a comprehensive development strategy, which is based on the definition of goals and the discovery of future potential. A precondition for that is that cooperation with businesses as well as with the surrounding territorial authorities is increased, in order to actually utilize this potential.

The promotion of businesses tends more and more toward a comprehensive **service offer,** in which a site offer is combined with services (for example, a technology centre or commercial park). For this form of economic support, cooperation is also essential. These can be developed between municipalities or regions, together with the government, with universities and research institutions, but also together with private businesses.

The municipalities can, under the appropriate framework conditions, additionally develop strategies for economic support via **low property prices**, in order to attract investors and start-ups. In regions with less favourable financial equipment, the active search for supralocal cooperation and new financing models makes sense. If the economic situation is favourable (for example, in the Netherlands) the reverse case can make more sense: with greater demand, skimming from high property prices can serve the financing of restructuring measures. Here, classical economic support plays a subordinate role, however.

Generally the economic support on a municipal and regional level should stress its **role as initiator and moderator** of development processes instead of merely a reactionary bureaucracy role. It can be promising to take the economic support from the responsibility of governmental institutions and to change it to a corporation with city and private participation. There, one can react faster and in a more business friendly way to the requirements of companies, while avoiding long official channels and cumbersome bureaucracy.

The possibilities that are offered for improvement of economic development or the development of commercial areas or sites are highly varied and overlap in many cases. A **coordination** amongst the various participants on different levels is necessary in order to successfully utilize the potential. In Germany, coordination of the levels is primarily directed by the hierarchies of spatial planning, which leads to appropriate planning instruments with special effects. France prefers the use of contract-related instruments which must be customized for individual cases.

Both possibilities have advantages and disadvantages, but it is decisive to at least have a coordinating set of instruments.

In the consideration of optimizing possibilities, it can be observed that economic aspects cannot be viewed independently from other subject areas, but on the contrary are woven into a network of manifold **interactions,** as already seen in the contentual delineation of the subject "Economic development" (compare Chapter 1). For the optimized economic development, suitable instruments have to be chosen so that a successful application can be ensured (see Planning methodology). The choice of a methodological instrument also has to be accepted by the municipalities and the public if a realisation is to take place. The integration of relevant concerned and interested parties is therefore essential for the successful application of instruments for promotion of economic development and for site and area development (see Subject 9: Social aspects).

Since purely sectorial interventions are insufficient for successful economic restructuring, an **integrated holistic concept** is required, if possible within the framework of an integrated policy. The economic structure should be adapted to the spatial and social structure.

The described approaches all hint at the outstanding importance of a **coordinated organization and cooperation**. It is recommended to counter organisational problems with suitable process management and forms of cooperation. Municipalities especially must free themselves from competitive outlooks and learn to accept the identity of the region and to act together. Thus, the foundation is laid to harmonize steering forms in coordination with all participants in the process, and to achieve synergies of the steering possibilities. This can range from the form of a mutual information policy all the way to the joint area development of the municipality. Of importance is that in doing so – also in focusing of the economic development – not only a purely economic steering is implemented, but that social and ecological steering instruments are also integrated. Still, normally economic aspects play an emphasized role and must be a special subject in a cost-intensive process, for example, in the form of financing possibilities.

Especially in site and area development, a cooperation and harmonization of the participants should be introduced, organised and supported. In finding a mixture from bottom-up and top-down approaches, an optimization of the **planning process** can take place which has positive effects on economic development.

In order to do justice to the new importance of the spatial unity of the regions, new approaches in regional and economic policy must be applied that build on bottom-up strategies and the regional networking of institutions and participants.

Due to the outstanding importance of coordination in the framework of restructuring, and also for economic development, initiatives that bring partners together in a restructuring process and initiate **cooperation** are especially demanded. In the area of cooperation, three levels can be distinguished:

1. Cooperation between strictly public participants (for example, collaboration of different municipal offices, the local labour office or trade supervision), with the goal to realise a planned business establishment quickly and smoothly.

2. Cooperation between public and private participants (**public-private-partnership**), such as cities, businesses, local labour offices, universities and others, with the objective to obtain synergy effects for faster and easier solving of problems, which otherwise could not be solved or could only be solved with great difficulty.

3. Agreements for the collaboration of private parties, which are mostly businesses.

The municipal parties should be supplemented by a number of municipally independent or umbrella institutions that start initiatives and projects, since these can pursue a policy of regionalizing away from the competitive municipal approach, and toward an understanding of the **region as a whole**. In the framework of the IBA Emscher Park, the planning society Emscher Park GmbH was established for the tasks of finding ideas, developing plans, and presenting the projects. The actual realisation of the projects then was carried out by the sponsors (that is, mainly by the cities, or by the building and development societies charged by the cities, respectively). In the foreground stands here also the idea of supra-municipal cooperation and the understanding of the region as a whole. The participation of the municipalities is ensured by their right to make suggestions and the sponsorship of diverse projects, and by working groups that have contact and advisor functions for the planning societies.

6. "Economic development" – Affecting the outcomes of the different case studies

The analysis of the questionnaires regarding the importance of the topics for single projects mirrors the interactions described in chapter 1. The subjects 1 through 4 normally belong to the topics judged as very important, which corresponds to the numerous interactions between Subject 6 and the task areas from subjects 1 though 4. The evaluation of the other subject areas depends on the task of the analysed restructuring project. The connection between economic development (Subject 6) and infrastructure (Subject 8) is very obvious, though. In most cases these two subject areas are evaluated equally, for example as "decisive" from Newcastle (Urban Fringes), or both as "less important" in Leidschendam. Here a different set of problems and other solution approaches are in the foreground. Altogether it can be noted that in almost all questionnaires, Subject 6 is judged as "important", often even as "very important" (see graphic 6-1). This emphasis goes hand-in-hand with the already explained fact that economic development, especially regarding commercial and industrial areas, cannot be considered in isolation, but only in the context of the entire restructuring process. Details for dealing with the topic are contained in the individual case studies in chapter 5.

----GRAPHIC----

Importance of the subject "Economic development"

Subject 6, or Business, was named as one of the most important subjects

Rating of the importance of Subject 6:

1 - hardly relevant

2 - less important

3 - important

4 - very important

5 - decisive

Graphic 6-1: Evaluation of questionnaires – importance of Subject 6

7. Summary and conclusion

The starting point for the treatment of the subject “economic development” is the question, what role economic development plays in the restructuring of urban regions and the development of sustainable cities, which corresponds to the main objectives of the project REURBA. An emphasis is placed on the development of commercially used areas and sites in restructuring areas.

The classification and delineation of the subject “economic development” shows the manifold interactions between the REURBA subject studies. They show too that the consideration of economic aspects, due to its complexity, cannot take place without the consideration of other subject fields. Especially manifold contact points are seen between the general subject areas 1 through 4 (“Planning methodology”, “Realisation”, “Financing”, “Process management”), as well as subject 8 (“Infrastructure”).

Often, economic development is a trigger for the planning and realisation of restructuring. At the same time, the improvement of economic development is also an objective that is being pursued with many restructuring projects. With the indicator “economic development”, the success of the realisation of the measure can be measured.

Apart from restructuring, the method of reconstruction is also basically available for the improvement of economic development. Related to the area or site development aspect, reconstruction would also mean reviving earlier sites while utilizing old structures. The objectives of preservation or creation of jobs and dismantling of social and spatial disparities, however, which due to obsolescence of some industry sectors are in the foreground in Germany, Great Britain and France, can be supported most sensibly by a restructuring.

The current economic policy and the instruments for promotion of economic development as well as for area and site development, are differentiated in the participating countries the Netherlands, Great Britain, France and Germany. Country-specific differences are often embedded in a political framework and must be considered in the application of the approaches for optimizing. Generally, the current spatial and economic structure in Europe is in the transition from industrial to information age. The positive as well as negative effects of globalization should be used, or must be coped with, respectively. The regions receive a more important function as a new economic and spatial unit.

The use of areas is a decisive spatial structural element for economic development in a restructuring process. In this, a differentiation can be made between the new creation of commercially usable areas or the reutilization of areas in the form of restructuring or reconstruction. Area securing or area development in all analysed countries can, from a planning point of view, be done with a two-step system of urban development planning. The following factors from the wider economic subject complex were of special importance for the participating partners: spatially coordinated concepts for spatial development, organisation aspects (cooperation, competencies, ...), infrastructure weaknesses, isolated economic policy, lacking financing possibilities, laborious land purchase, ground contamination, missing planning laws, image, lacking qualification of work force, and current demands of the enterprises.

The possibilities that offer themselves for improvement of economic development or for development of commercial areas and sites are manifold and in many cases overlap, so that an integrative consideration of the economy aspect is unavoidable. Examples for optimizing approaches are: acceleration of development by short- and medium-term activities, diversification of the economic structure, creation of planning law, improved qualification of the work force, image building and improvement of surroundings, adapted planning methodology to support a sensible site and area development, long-term area reserve policy, and improvement of activities for economic assistance. One of the most important preconditions for successful restructuring in regard to the economy is coordinated organisation and cooperation, or the initiation of cooperation between relevant parties in the restructuring process.

Due to the manifold starting points for an improvement of the restructuring process in regard to the economy, an extensive need for discussion exists. As an example, several subject complexes are gathered here which can serve as a base for discussion on a national and international level:

- Which of the factors cited for optimizing of restructuring in regard to the economy (see chapter 5.2) are most suited for the participating countries to most effectively further economic development? To what extent can Europe-wide trends (compare chapter 3: Effects of globalization, transition to information society) be utilized for the promotion of economic development?
- In which way can the promotion of economic development be integrated in the other subject fields that are relevant to restructuring? In the foreground are the areas financing and infrastructure, but also the other general themes, since most interactions can be expected here.
- What contents should concepts for spatial development contain, in order to secure and promote economic development or a development of commercially usable areas and sites? How can these concepts be developed in a contentual and organisational regard (balance between top-down and bottom-up strategies)? Which parties/institutions are suited to play a leading role? With which other institutions is coordination necessary in order to reach an optimal support of economic development, especially with regard to new commercial sites?
- Flexibility vs. planning security – short-term activity versus long-term area reserve policy? How can these goals, which tend in opposite directions, be brought into a sensible balance? For example, how can elements of the flexible English approach to area securing by planning be integrated into the fixed German planning system in order to obtain greater flexibility?

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