

Towards a New Role for Spatial Planning

TERRITORIAL ECONOMY



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TERRITORIAL DEVELOPMENT
OECD Proceedings

Towards a New Role for Spatial Planning



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FOREWORD

The National Land Agency of Japan collaborated with TDS to organise two seminars on spatial planning. The rule-based, normative, decentralised methods which enabled cities and regions to grow during the post-war era of industrialisation and rural-urban migration now stand in the way of an easy adjustment of territories to the new economy, and make the pursuit of sustainable development objectives more costly and time consuming. How can these spatial planning systems change? Based on an exchange of countries' experiences and analyses of the challenges of the 21st century, policy-makers and experts, meeting in Paris in 1999 and 2000, noted a growing convergence of planning practice in both federal and centralised countries with respect to the role of the private sector, the priorities for government, and the importance of a broad, multisectoral approach. This selection of papers from the two seminars defines the cutting edge of a field that will be critical to successful economies in the future.

The support of Japan and the participation of many high-level decision-makers and experts are gratefully acknowledged.

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INTRODUCTION

The Governments of OECD Member countries apply spatial planning to a broad spectrum of policy objectives, including to improve regional economic performance, to create a more rational organisation of land uses, to balance demands for development with the need to protect the environment, to strengthen social cohesion and to take advantage of the opportunities presented by globalisation and technological innovations.

Notwithstanding the considerable diversity in the way that spatial development is planned and implemented across countries, there is an emerging consensus concerning a new strategic mode for spatial policy. Governments of OECD Member countries can further co-operate in exploring how co-ordination can be improved, and conflicts reduced, between spatial planning and sectoral policy making, between different tiers of government, and between government and the private sector. These efforts to improve co-ordination are critical to the success of public-private partnerships and to improving the conditions for investment more generally in infrastructure projects which often determine not only the form and shape of settlements and of the networks linking them, but also the social and environmental costs and benefits associated with life in both urban and rural areas. The functionalist, technocratic method of designing and managing projects for spatial development characteristic of the post-war decades when strenuous efforts were made to raise the overall level of infrastructure is giving way to an approach more responsive to the needs and aspirations of people for a higher quality of life, including the enhancement of natural and cultural assets which are so important to the identity of places. Policymakers are searching for better ways to improve the social acceptability of projects for urban and rural development (see *Integrating Transport in the City*, OECD, 2000).

Against this background, government representatives of nineteen Member countries, representatives of the United Nations and the European Commission, and the experts met at the OECD headquarters in Paris on 29 and 30 March 1999 to address relevant issues. The conference was planned as an opportunity for policy-makers of Member countries to explore the role of spatial planning based on an exchange of countries' experiences and in the light of the

challenges in the 21st Century. In 2000, a high-level seminar, the first held under the auspices of the Territorial Development Policy Committee since its inception in 1999, was devoted to “Spatial Development Policy and Territorial Governance in an Era of Globalisation and Localisation”. The National Land Agency of Japan collaborated with TDS to assure the success of both meetings.

This book begins with a synthesis report on both seminars by the OECD secretariat, followed by a selection of thematic papers and presentations of national planning systems.

Chapter 1

TOWARDS A NEW ROLE FOR SPATIAL PLANNING

By Atsushi Koresawa and Josef Konvitz

The scope of spatial planning

All policy sectors plan their investment and actions for the future. But their strategic plans often pay little attention to the wider geographical, territorial impacts of activities and policies, and only adopt a single, sectoral perspective. Spatial planning considers the interaction among policy sectors according to different territorial units, national, regional and local, across a wide range of policy sectors addressing different kinds of problems, economic, social and environmental. Spatial planning primarily concerns the co-ordination of policies. Territorial policy provides the framework within which the spatial structure of territories can be enhanced to improve overall performance.

The scope of spatial planning differs greatly from one country to another. Nevertheless, in nearly all countries spatial planning systems encompass the following three fundamental functions.¹

- spatial planning provides a long or medium-term strategy for territories in pursuit of common objectives, incorporating different perspectives of sectoral policies;
- spatial planning deals with land use and physical development as a distinct sector of government activity alongside transport, agriculture, environment, etc.; and
- spatial planning can also mean the planning of sectoral policies according to different spatial scales.

Administratively, spatial planning is practised at various tiers of government, namely, national, regional and local levels. National spatial planning guides spatial development on the national scale as well as spatial planning exercises at lower levels of government. Examples of this category

include the national development plans (Japan, Korea and Turkey), the Spatial Planning Concept (Austria), and the national planning report (Denmark). National spatial planning also serves as a policy tool to address the distribution of economic activity and social welfare between regions, which may be termed as national-regional planning. At the regional level, planning attempts to shape development. Finally, at the local or municipal level, spatial planning in many cases centres on land use planning to regulate land and property uses.

These two dimensions -- functional and administrative -- provide a framework to compare the scope of spatial planning systems across countries. Denmark, Finland and Norway seem to accept spatial planning as a tool to cover both the functions of spatial strategy and land use planning. At the same time, emphasis is placed on the role of spatial planning at the regional and local levels. In Denmark, the decision-making power and administrative competence are being placed at regional and especially local levels. Both the regional (county) and local (municipal) authorities establish, adopt and revise comprehensive structure planning and a set of land use regulations. In Finland, responsibilities also have been transferred from the central level to regional councils (joint municipal authorities), each of which is responsible for its own regional development and regional planning of land use. Norway reported that the planning system has been designed to co-ordinate public policy at the local and regional levels, and that regional planning includes both broad community planning and planning that leads to mandatory decisions about land use.

Japan and Korea appear to place relatively great emphasis on the role of central government in spatial planning. The planning systems are both hierarchical and comprehensive in that the national spatial plans cover a wide range of policy topics, and are given the top priority among all the spatial plans. The National Comprehensive Territorial Plan in Korea is a long-term comprehensive plan that sets the basic directions for the location of physical facilities and institutional mechanisms. It aims to provide principles to comprehensively use, develop and preserve the territory and its natural conditions and optimise industrial and residential location such that nation's welfare level can be increased. Furthermore, it is an indicative plan to show directions for the central and local governments as well as private sector with regard to the physical usage, development and conservation of the national territory.

The case of United Kingdom is somewhat different. Until relatively recently there has been little co-ordination among relevant sectors. Different central Departments have had responsibility for land-use planning, transport planning, economic development and business support, agriculture, tourism and other relevant policy areas. The new arrangements announced in draft Planning

Policy Guidance Note 11 intend to produce a more comprehensive and integrated spatial strategy designed to balance demands for development with the need to protect the environment and achieve social and economic objectives.

Denmark, Finland and Norway share the characteristic that spatial planning focuses on land use and land use-related matters and thus exists somehow alongside regional development policy. Also, an emphasis is placed on the role of spatial planning at the regional and local levels. In Denmark, since 1980, there have been two sets of new comprehensive plans covering the entire country, which are regional plans at county level and municipal plans at the municipal level. In Finland, as noted before, responsibilities also have been transferred from the central level to regional councils. Norway reported that the planning system has been designed to co-ordinate public policy at the local and regional levels, and that regional planning includes both broad community planning and planning that leads to mandatory decisions about land use.

Being mandated by the National Development Plan 2000-2006, the new National Spatial Strategy of Ireland will form an overall planning strategy that will:

- Identify broad spatial development patterns for areas and set down indicative policies in relation to the location of industrial development, residential development, rural development, tourism and heritage, together with infrastructural proposal to support the patterns of development which best underpin the aim of balanced regional development; and
- Set out a dynamic scenario for the future roles of towns and cities of different sizes, together with their links to rural areas, which recognises and builds on the inter-dependence between urban and rural areas. This will include the identification of and proposal for the promotion of a small number of new regional gateways to support a more even spread of development throughout the country.

The Netherlands's system appears to have much similarity to those of Japan, Korea and Ireland. Within spatial planning, the national governments plays three roles:

- to analyse and extrapolate global and European trends, and devise scenarios that help to be prepared for future developments;

- to formulate integrated long term policies across the fields of spatial planning, economic and social development, and the environment;
- to create favourable conditions for regional and local development, including a contribution to the formulation of European policies that get more and more important as a context for regional development.

Throughout the 1990s, various innovations in laws, administrative procedures and institutional arrangements for spatial or territorial development have been introduced in OECD countries. Governments have constituted ministerial and administrative structures to support sectoral co-ordination; they have also decentralised the competencies to the regional level in order for sectoral integration to be better achieved; and finally they have tried to reinforce and modernise spatial planning systems so that horizontal and vertical co-ordination can be better managed.

This trend to revise spatial planning systems partly reflects the impact of globalisation and sustainable development on matters previously considered of domestic importance alone. Unlike trade or agriculture policy, there is not strong pressure on each government from outside to adjust its spatial policy framework. But, firms, investors and people with increasingly global perspectives can evaluate the qualities of space and decide to move from one location to another. Lessons drawn from other countries' experiences are particularly helpful when reforming legislation, institutions and government practices. Accordingly, governments need to compare the existing policy frameworks with innovations elsewhere and adapt them in its own policy context.

Strategic objectives of spatial planning

The strategic objectives of spatial planning are diverse and wide-ranging. The fundamental idea behind spatial planning in the past was the construction of the welfare state through:

- Measures aimed at encouraging economic growth and promoting a better distribution of the benefits of growth;
- interaction that was essentially vertical and hierarchical, from the top downwards or from the bottom upwards; and
- planning mainly in the hands of public authorities.

Traditionally, spatial development strategy was articulated in master or development plans. The emphasis in such plans turned to the promotion of projects and to land use issues by imposing a rigid pattern that was incompatible with the dynamic nature of modern economic and social life. A coherent strategy was therefore one that implied a degree of stability in land use, which was unrealistic. “What goes where” still matters, but the criteria of success have changed to reflect the multi-sectoral and dynamic nature of strategies based on a vision of the kind of territory that people want for the future.

The objective has since shifted to securing sustainable development and encouraging local endogenous development. One powerful impetus to the development of new approaches is reorganisation of local government responsibilities. Due to the decentralisation of responsibilities and power to sub-national governments, the integration of regions and localities in the same functional region, and greater interdependence between different territorial levels, spatial planning systems have evolved into a more network-based and flexible structure with increasing intervention at all territorial levels and closer collaboration between levels, and between public and private sectors.

Globalisation is a second factor in the evolution of spatial planning. The growing integration of markets for goods and services and markets of production factors such as capital, labour, technology and information means that individuals and firms have a wider choice of locations than ever before. With a shift in focus from hard to soft infrastructure, the territorial impacts of sectoral policies and investments, the quality of project design and management, and public-private partnerships all become more important. Consider the following:

- Mobile capital searches out specific qualities of territories for investment. In particular, multinational corporations compare the qualities of places to locate business functions within a global frame of reference. Where firms consider there are long-term advantages, they are willing to commit company resources to building local opportunities and improving worker skills, educational programmes and living environment for families; and
- In a globalising economy, not only firms but also territories increasingly find themselves in competition with each other. Furthermore, opening territories to a global economy has restored the idea of territories in continual incremental adjustment to external market forces, instead of the idea of territories as fixed physical structures.

Local economies must constantly reinvent themselves through structural and microeconomic adjustments, and thus policies should enable each locality to respond quickly and effectively to problems in relation to the enhanced mobility of capital, management, professionals and skilled labour, and technology innovation. If a local response is inadequate or too slow to take full advantage of endogenous resources and competencies in the face of such new challenges, it will be by-passed, leaving declining sectors, communities and cities behind. The establishment of local systems that can develop and sustain flexible economic and social responses to challenges from global changes is a new key policy area.

The new agenda of spatial development is broad. Competitive positioning in a new global economic geography shapes strategic pre-occupations, particularly as regards major infrastructure investments and locations for new concentrations of business activities. It also highlights the importance of the cultural assets of a place to attract the skilled workers of the new knowledge industries and tourists. The need for environmental sustainability highlights both new conservation priorities and new ways of thinking about the flows of people, goods and waste products; the need for social cohesion leads to concerns for the quality and accessibility of particular resources, amenities and opportunities in the city and region. As a result:

- spatial development strategies must go beyond merely indicating where major material investments should go and what criteria should govern land-use regulations. In other words, they have to be more than merely an aggregation of considerations and policy principles collected together in a plan or document;
- this suggests that their key task now is to identify the critical relations among many agents which are likely to shape the future economic, social, political and environmental qualities of territory; and thus,
- spatial development strategies exert influence by framing ways of thinking about and valuing the qualities of a place and of translating plans into reality. This work in turn helps to mobilise the many actors inventing the futures of places by shaping their understanding and guiding their investments towards more sustainable outcomes.

The following four strategic objectives appear to be the most critical:

First, spatial planning aims at correcting existing spatial, or regional, disparities within countries. This objective is most explicitly stated by countries in which the concentration of economic activities, or vast underdeveloped areas, still remain politically important and the role of the national government significant in this respect (e.g., Japan, Korea and Turkey). These countries also place emphasis on the efforts to solve congestion and other social, economic and environmental problems in metropolitan areas, and to address certain development deficiencies. For instance, in Japan, the current Comprehensive National Development Plan has placed the first priority on the transition from the existing hierarchical territorial relationship with Tokyo as the centre and others being reliant on Tokyo and the Pacific belt to a new horizontal, network-based structure. In Korea, in the 1980s, the focus at the national level shifted from fostering the growth poles along the *Seoul-Pusan* axis to expanding the nation-wide development by building multi-nuclear centre cities.² In Turkey economic and social growth is concentrated in certain urban areas and in the western part of the county. The agriculture labour force still accounts for 45 per cent of the total, and the ratio is considerably higher, for example, in the eastern part of the county. Accordingly, spatial planning along with sectoral planning has been implemented to restrain the growth of large cities and to increase the level of welfare in the less developed regions. In this connection, “Establishing Regional Balances” appears as one of twenty projects of the current Five-Year Development Plan (1996-2000).

Second, spatial planning is increasingly concerned with achieving sustainable development. Some countries have already incorporated this target well into their spatial planning systems. The objectives of the Planning Act in Denmark are to ensure that planning synthesises the interests of society regarding future spatial structure and land use, and to contribute to the protection of the country’s nature and environment, so that sustainable development of society with respect of people’s living conditions is secured. In Norway, considerable priority is given to the development of environmentally benign development patterns and transport systems, conserving green areas. In addition in many countries, national frameworks for land-use planning are being discussed in relation to regions with large agricultural interests and cultural landscape, large areas of uninterrupted countryside, especially mountainous areas and areas along large river systems and regions in the coastal zone. In Korea, environmentally sound and sustainable development is expected to considerably affect the directions of spatial planing. National objectives in the United Kingdom include reducing the need to travel, particularly by the private car, tackling degraded urban environments, providing green open spaces, ensuring that development respects the character of the countryside and

protecting the built heritage, countryside, flora and fauna, and minimising use of natural resources.

Third, spatial planning is a tool to co-ordinate various sectoral policies in pursuit of common spatial development objectives. Several country presentations underlined the importance of this function. For instance, in Finland, to a growing extent, spatial planning requires that regional planning (under the Land Use and Building Act) and regional development (under the Regional Development Act) be based on common development goals and strategies. In Turkey, the current Development Plan emphasises the vital importance of the introduction of a new approach to regional planning that integrates better sectoral aims with spatial analysis. Korea stated that as spatial plans are quite inter-sectoral, the need for inter-ministerial co-ordination is growing. The Ministry of Construction and Transport needs co-ordination, for example, with the Ministry of Industry and Technology for industrial location plans, and with the Ministry of Environment for sector plans related to sustainable development as well as environmental facilities. United Kingdom also recognises the need for better co-ordination between planning and other policy initiatives of different government departments. Recent examples in this context include the Government's commitment to more integrated policy making at the national level as exemplified by the Transport White Paper and the Urban and Rural White Papers (forthcoming). The Transport White paper seeks to create a better and integrated transport system to tackle the problems of congestion and pollution through an integration of fiscal, land-use, transport, health and education policies. In Norway, regional planning at the county and municipal levels is seen as an important instrument for, *inter alia*, achieving efficient sectoral co-ordination in connection with land use, and bringing about synergy between different instruments and measures for accomplishing social, cultural and economic objectives.

Lastly, spatial planning is understood as a mechanism of co-ordination and interaction which enables sub-national governments to shape their own spatial development policies in conformity with national or even international policy goals, and facilitates the regional and local adaptation of national policies. In Denmark, the planning system is based on the principle of framework control, signifying that the plans at lower levels must not contradict planning decisions at higher levels. In Finland, the purpose of the Regional Development Act is to promote the independent development of the regions (and to preserve a balance in regional development). Regional land-use planning is to harmonise the interests of central and local government, define national land-use objectives and trends within the region, among others. In Norway, the central government is responsible for defining the framework of conditions within each sector. Then, it is the duty of the municipalities and the

county authorities to use this as a basis for planning in relation to the sector concerned. The co-ordination of the activities of the central government, the county authorities and the municipalities in major areas of public interest is important and municipal plans and county development plans are in part used to promote national interests.

Effectiveness of spatial planning

Issues concerned with the effectiveness of spatial planning can be divided into the following groups, notwithstanding the fact that there are strong interrelationships.

Coping with social, economic and technological trends

The challenge lies in developing policies that can help territories respond to the dynamic and unpredictable nature of social, economic and technological changes, including:

- changes in the nature of work (part-time work, self employment, a later age of retirement);
- changes in demography (more single-person households, population ageing; levels and composition of migration);
- technological innovation (the impact of new communications technologies on settlement patterns);
- changes in values (a transition to post-industrial values, with greater emphasis on the environment and a more positive attitude on participation in civil society).

These factors make it difficult to estimate the type or location of development, nature of public services and the resources available to governments to provide them.

Spatial planning, which must of necessity take a medium-term perspective, functions in a context of uncertainty. As a result, plans need to take account of a wider range of variables. Given this context of uncertainty, planning needs to create options for the future (consistent with the principle of reversibility in planning), so that people can better adapt territories as new needs, new problems and new opportunities arise. A forward-looking spatial

planning which is better adapted to changes taking place in the economy is needed. Plans need to be open to revision at shorter intervals. Some points can be left to the elaboration later when uncertainty is less.

The respective influence of planning on spatial development and market forces raises questions about the objectives of policy. Planning is often asked to intervene to produce outcomes that meet broad social and political goals. Examples include, *inter alia*, unbalanced regional growth, spatial management in remote rural regions and urban sprawl.

On the national scale, Finland reported that population, jobs and the labour force are still growing in South Finland. Strong urban centres and their surroundings are growing the fastest, and changes in the age structure are accelerating this trend. Korea reported that the process of rapid urbanisation and economic growth and weak political commitment towards balanced growth are part of the causes for unbalanced regional growth. Japan stated that one of the main problems related to its territories has been an excessive concentration of population and key socio-economic functions in the area called the *Pacific Belt Zone*. This concentration has been responsible for various spatial problems, such as congestion in large cities, the vulnerability of cities to natural disasters and depopulation in rural areas.

Norway reported that in certain types of regions the main challenges for regional planning are the maintenance of settlements and the further development of industry based on natural resources, while at the same time safeguarding major conservation concerns. Such regions include those with large agricultural interests and cultural landscape, large areas of uninterrupted countryside (especially mountainous areas, areas along large river systems, and regions in the coastal zone). Finland claimed that rural areas are getting inadequate resources for innovation and exploitation of new technologies since over half of rural policy measures concern agriculture and forestry, and R&D funding is going mainly on subsidiary occupations for farmers.

Urban sprawl has long been a central issue in urban-oriented spatial policy. United Kingdom reported that in general terms, planning is thought to have failed to contain urban sprawl, to increase urban densities or tackle the problems caused by increased car use -- congestion, noise and atmospheric pollution. Finland also reported that many urban centres are suffering from population loss and high unemployment. Social problems and regional disparities are increasingly problems for towns. Owing to a continued inflow of population, unemployment in many towns has not decreased, and their population growth has raised the cost of services. Czech Republic maintained that some negative phenomena, such as, suburbanisation, car traffic,

commercialisation of centres, supermarkets and hyper-markets, as well as the rise of brown-fields are likely to accompany the development of the market economy. It claimed that it is necessary to find an appropriate and adequate compromise to minimise these negative features and to increase the utility of territorial changes associated with the transition to a market economy and with economic integration, using the experiences of other OECD countries.

Incorporating wider spatial consequences in location decision-making is a prerequisite to achieve sustainable development goals. Out-of-centre retail premises and office locations have contributed to disinvestment and even abandonment in town centres. This problem has been experienced intensively in some countries where the policy trend is to attract new development of office and retail facilities in existing town centres, and control out-of-centre developments. Problems of office and retail location cannot be solved by one policy sector alone. Policy for office and retail location should be linked to transport policy so that distances travelled and the need to travel by private car can be reduced while securing accessibility to urban services. A better use of existing urban space contributes to strengthening social cohesion and to improving job opportunity for certain vulnerable categories of the population. Simultaneously, it reduces the pressures for greenfield development and conservation of rural amenities.

A balance between the need for economic growth and the protection of the surrounding countryside is at the heart of the political debate in several OECD countries. Urban fringe protection depends largely on the policies that depend on administrative discretion in their application. As a consequence of policy in favour of economic growth through encouraging inward investment, new developments place pressure on greenfield sites. On the other hand, not every green area bordering an urban centre is under threat from development, and not every area possesses a sufficiently high landscape value to warrant restrictive controls. It may also not be possible to use protected land for either formal or informal recreational purposes. Therefore, rather than adopting an inflexible form of blanket protection for urban fringe areas, a framework of green wedges that co-ordinate both the protection of the best of the countryside with the demands for future employment sites are the policies that could achieve balance. The point is that land use policies for urban areas will have an impact that extends far beyond the limits of cities insofar as rural development and agricultural land use -- and their impact on sustainable development outcomes -- will depend upon the effectiveness of measures for spatial development in cities and their environs.

Coping with sectoral policies

The lack of co-ordination between spatial planning and other policy sectors is quite frequent. This concerns two kinds of spatial issues: 1) decisions are often made according to sectoral principles without due regard to the relationship between different policies and wider spatial consequences; and 2) the incidence of externality may or may not coincide with administrative boundaries, such as municipalities and provinces. In those cases, therefore, it is necessary to capture issues, actors and relationships involved by casting a geographical net through strategic spatial planning. The lack of strategic concerns is much to blame. An analysis from a spatial perspective is needed to promote more effective and cohesive policy to address certain spatial issues. As the Austrian report put it, in practice, it is important to accept that conflicting objectives and interests can neither be ignored nor removed by any method aiming at objectively optimal solutions. In the best possible case, spatial planning activities can lead to new insights facilitating a synthesis between apparently diverging opinions to produce new compromises.

Finland reported that sectorisation is the main cause of the problems in that ministries, with their sharply defined borderlines, cannot commit themselves adequately to broad-based development strategies or engage in multi-sectoral development funding. A sectorised administration does not permit competition between alternative strategies. Furthermore, competition between regions and projects is inadequate because the ministries' funds are earmarked. United Kingdom provided experiences of a similar sort. As a typical case, economic planning is still distinct from land-use planning. The Regional Development Agencies (RDAs) have been created to improve the economic performance of the regions but in doing this they will need to take a broad approach through the regional sustainable development frameworks, which are not strategies but high-level vision statements which will identify regional priorities and targets across a broad range of policy areas relevant to sustainable development.

Norway cast a light from a different angle. It reported that the planning authorities do not have detailed knowledge of the requirements associated with individual professional sectors, and this is especially true at the municipal level. The municipal and county authorities are therefore reliant on the knowledge of the authorities within the different sectors when attending to the interests of those sectors in their plans. The need for co-ordinating different sectors in regional planning is most evident when dealing with the challenges and problems associated with social development, where problems in one sector are sometimes solved effectively by introducing measures from another.

Another major challenge is how to reach an accommodation between environmental concerns and economic considerations within spatial planning systems. Economic forces are significant, but the powerful influence of environmental concern is becoming more important. Increasing concern about sustainable and ecological balance may provide a new consensus around spatial organising idea. The geographical distribution of urban-rural development, urban containment and preservation of landscape, rural hinterlands and green space conflicts between agriculture and environment, the reuse of old industrial sites and derelict areas within cities are issues that require increased appreciation and interpretation of ecological requirements. Czech Republic said that the public sometimes perceives spatial planning as a development barrier because different groups have different opinions of the land use. Typical conflicts arise on nuclear power plants, traffic and the use of protected territory. The problem of compensations due to land use restrictions caused by environmental or other reasons has not been resolved so far.

Spatial planning policy can be articulated by building awareness of spatial interconnections across different issues and areas of policy concern. These interconnections can be established by strengthening organisational links and making use of unifying concepts and story-lines or an image in order to bring about closer interplay between various policy fields. Having a shared vision and very clear policy objectives are prerequisites for the success of any spatial planning exercise. Furthermore, clear targets and commitment help improve the performance of individual undertakings. Clear visions serve politically and socially to legitimise the priorities of the development proposed in the plan. Therefore, mobilisation of the future of the territory around a “vision” is consequential in the elaboration of integrated policies. Such visions also help plans not to become little more than a “scrapbook” or “wish list” which includes every project and policy intended by all the other policy sectors. In any case, there is also a question about the capacity of each level of government to design projects that are both robust and imaginative because this capacity for design is often compromised by an emphasis on financial or operational criteria.

The respective roles of different tiers of government

Decentralisation creates an appropriate context for spatial planning. Given the growing importance of local factors in locational and investment decision shaping the quality of spaces, sub-national governments should be able to respond by making better use of their specialised strengths. National governments’ practices have yet to adjust to this new policy environment. Finland reported that regional representatives in the national regional

programmes consider that the state's regional authorities have not enough taken the special features of the regions into account. Consequently a substantial part of state funding is targeted at national objectives, and too little of it is going towards regional objectives.

Apart from intensifying competition and rivalry among local governments, there are certain other issues related to decentralisation, which are drawing an attention of policymakers. In general, decentralisation creates an appropriate context for spatial planning at each territorial level. Local autonomy also needs to be further strengthened for local authorities and citizens to be responsible for development of their constituencies. Unfunded mandates and uncoordinated delegation are much to blame.

United Kingdom reported that a partnership approach to the development of spatial policy and related sectoral policies has received a fresh impetus under the current Government. At the national level the new spirit of co-operation with local government was formalised in the "Central-Local Partnership". Machinery has been established to oversee the implementation of the joint approach to central-local government relations. Improving the arrangements for the preparation of spatial planning strategies will come to little unless it can be delivered at the local level. The present Government attaches much importance to facilitating the production by local authorities of their statutory development plans.

However, given the nature and scale of certain territorial issues, local initiatives alone may not be sufficient. Turkey noted that it should be possible to give a larger role to local administrations except in less developed provinces where human resources are scarce. United Kingdom also stated that the option of complete devolution to the regions was not considered practical.

Japan provided a slightly different, but relevant perspective. There, a problem concerning decentralisation is that municipalities, which are fundamentally autonomous bodies, are fragmented into about 3 300 bodies with a weak financial basis. Reforms including mergers are now needed for an economically viable development for each municipality. In an attempt to promote regional development by means of inter-municipal co-operation, the government has introduced and implemented a project, the "Strategic Local Plan", to provide governmental financial support for inter-municipal co-operation plans pursuing a common theme of development. Covering an area wider than a municipality, even each of the 47 prefectures is smaller than a citizen's range of activities, which has expanded because of development of highways and nation-wide bullet train networks. Consequently, it is necessary

to draw up multi-prefectural regional development plans in co-operation with each other.³

Clearly, local initiatives alone in the face of increasing discretion and responsibility may not be sufficient. Finland noted that most of the municipalities feel their influence on regional development has grown and that the debate on matters concerning regional development has become livelier, municipalities however have been criticised for not participating adequately in drafting the strategy for the regional programmes.

Sweden reported difficulties for regions and municipalities to see the connections in a wider trans-national and European spatial planning context. In the absence of central guidelines, overall co-ordination may be hampered. The challenge for the central government therefore will lie in providing strict enough guidelines to exert control of the factors that it is found desirable to influence on the basis of long-term global assessments, at the same time as principles and guidelines must be flexible enough to enable effective regional and local adaptations to national policies.

This evolution has been partly facilitated through a development of the autonomy at each territorial level. Decentralisation creates an appropriate context for spatial planning at these levels. Given the growing importance of local factors in locational and investment decisions shaping the quality of spaces, sub-national governments should be able to respond by making better use of their specialised strengths and high level of public services.

Decentralisation should be carefully evaluated against the following observations:

1. Uncoordinated delegation may create difficulties among sub-national governments, creating a competitive planning environment in which localities vie for development, or use exclusionary practices to keep out undesirable development;
2. If decentralisation is not accompanied by measures to integrate different policy sectors, the burden of policy integration and co-ordination is simply passed on to sub-national governments and conflicts are transferred, unsolved to sub-national level. Integration at sub-national levels is particularly difficult when intergovernmental mandates come separately from different central departments. Intergovernmental mandates require sub-national governments to translate a policy conceived by national government into local actions and by means of specific

policy targets, procedural requirements for policy making and implementation and funding which are controlled in a sectoral manner at national level;

3. Planning was formerly implemented by public agencies. Now, various private agents (citizens, businesses, associations supporting various interests and developers) are progressively involved in the planning processes and debates in some countries. Contemporary planning process needs to develop a new type of relationship with the private sphere, in order to share more broadly the public difficulty in managing economic and social challenges;
4. In the absence of central guidelines for the production of strategies, overall co-ordination and planning may be hampered. Local initiative alone in the face of increasing discretion and responsibility may not be enough, given the scale of what must be done in many places. Furthermore, spatial planning at sub-national level must have a multiple focus with regard to various levels of space, from local to national, and even global. A national policy framework is therefore important, especially one which tries to achieve a more integrated, cross-sectoral approach, as when physical investment (*e.g.*, housing, infrastructure) must be combined with other strategies and sectors (*e.g.*, education, environment, employment) to generate sustainable development.

Evaluation of spatial planning systems

Designing performance criteria, which reflect the targets and consensus among actors, is a cornerstone of success. Korea noted that one of the tools to co-ordinate between governments is financing, and that priority setting between projects requires a highly precise system of evaluation with appropriate policy objectives.

In reality, relatively few countries have an evaluation culture in spatial planning. Planning systems traditionally were poor at measuring their impact on development patterns against targets and indicators. Sweden admitted that impact analyses are difficult because they tend to be medium and long-term endeavours; criteria to evaluate the effectiveness of spatial planning are mostly sectoral, at least when it comes to short-term evaluations. Evaluations are made within the sectors (*e.g.*, regional economic development, transports and communications). In the short term evaluations are mostly process oriented, while effectiveness only can be evaluated after some years. Performance

measurement is further complicated by the fact that the planning system is only one among many influences on regional development.

United Kingdom reported that the draft Planning Policy Guidance Note 11 introduced a requirement for a “sustainable development appraisal” of the environmental, economic and social impacts of development options to inform and accompany draft RPG (Regional Planning Guidance).

But, even if relevant actors can agree on a shared vision, additional difficulties of implementation remain. Monitoring according to physical milestones is insufficient. Success and failure can only be measured in relation to the intangible as well as the tangible elements of each type of intervention. Designing efficient evaluation tools is a missing link in the chain. While many *ad hoc* evaluations have taken place and experience in this direction has increased, practitioners point to the need for thoroughly developed evaluation tools that will both help them to manage their projects over time and protect them from arbitrary judgements.

Territorial governance: the framework necessary to implement new spatial development policy

The new conception of spatial development strategies puts a premium on the way strategies are produced and translated into action:

- Territories are typically fragmented among a range of levels and agencies. The frustrations of fragmentation lead to a recognition of mutual dependencies which make key stakeholders at least seek consensus-building arenas, while many of the changes in the public sector encourage a shift away from hierarchical organisational forms to "partnerships" and "multi-level governance"; and
- As powers have been dispersed among many actors, no single entity can any longer dominate decision-making. Traditional approaches often ignored the tacit knowledge about the complex dynamics of places which stakeholders possess. They also failed to develop ownership of the strategy among stakeholders and generated conflicts. In such a new environment, policies are unlikely to have much leverage on events or to achieve much legitimacy unless they are prepared through processes that move beyond the traditional linear and hierarchical approaches to policy-making.

The key to the new strategic territorial development planning approach is to have a persuasive and mobilising capability rather than command and control power by facilitating multi-level participation. Likewise, it sets up demands for new ways of integrating ideas beyond simple conceptions of urban morphology and traditional sectoral ways of dividing up projects. But this collaborative strategy development for territories poses a number of challenges.

In any collaborative process, there are complex conflicts to be addressed. Some of these cannot be smoothed away only by consensus building process alone and will remain to be solved by political or legal decisions. More specifically, alternative "integrative" concepts for structuring policy agendas are likely to challenge how government responsibilities are divided up, which may upset established power relations, both within the public sector and the private sector.

In conclusion, and after having considered the effectiveness of spatial planning from various angles, what can be done to improve the implementation of policies? Korea suggested that a long-term spatial plan could be accompanied by short- and medium-term action plans, or revised every five years as rolling plans. Likewise, as spatial plans encompass various sectors and regions, they should be connected with sectoral and local-level plans. In this way, the five-year action plan should give guidelines to sectoral plans (*e.g.*, infrastructure, industrial location, urban development, water resources, housing and to local plans). Korea further maintained that a key to success in implementing spatial plans is to connect them to financial plans. Thus five-year action plans for territorial development should be supported by medium-term financial plans.

The key challenge is therefore to build up new governance relations and policy cultures. Such new governance relations allow for more horizontal rather than hierarchical relations, with more collaboration rather than conflict between government and the society. Governance requires the capacity to draw widely upon the knowledge resources available and generate collective learning contexts in which new ways of thinking about spatial dynamics can be developed, shared and focused into strategic visions.

Future challenges and opportunities

Developing partnerships

A move from a vertical and hierarchical process of strategy formulation to one based much more on collaboration, partnership and negotiation is evident in many countries. Korea reported that recently many local authorities are making their own long-term plans without seriously considering the higher level plans. Accordingly, the role of the national level plan as co-ordination rules and standard is becoming more important. Finland reported that local decision making will continue to predominate. For instance, municipal plans will no longer require approval by higher authorities and local authorities will be given better resources and entitled to exert assistance from the central authorities.

Planning was formerly in the hand of public agencies. Now, various private agents (citizens, businesses, and associations supporting various interests and developers) are progressively involved in the planning processes (and debates in some countries). The need for involving the private sector in the infrastructure projects is increasing in order to utilise finance, creative ideas and management skills. In Korea and elsewhere, the share of private sector participation has been growing and policy instruments have been introduced to promote private companies, either domestic or foreign, to invest. Spatial planning should make the privates sectors and the public in general confident in the opportunities for their investment.

Tacking international and cross-border issues

Globalisation and regionalisation (beyond country boundaries) are also affecting the ways in which spatial planning is undertaken. Spatial planning no longer deals solely with the issues of domestic concerns. It requires increasingly global perspectives. Finland underlined that the main challenges are globalisation, a regional division of labour of a new kind and changes in the national and local labour markets. Even though the regional concentration of production and population is diminishing resources in the areas that are losing out, it is renovating the structure of production at a whole-county level as tightening international competition necessitates strong concentrations of know-how and clusters of production.

In many countries in Europe, the European Spatial Development Perspectives (ESDP), the Initiative on Trans-national Co-operation on Spatial

Planning -- INTERREG II C -- programmes, and other funding regimes (e.g., the EU Structural Funds) are providing a European context for the preparation of regional spatial strategies in each country. Furthermore, within the EU, there is some convergence of approaches in national and regional planning systems, reflecting the growing influence of EU and other intergovernmental initiatives. European environmental law and the structural funds have been particularly important in this connection. Finland noted that since joining the European Union, Finland has pursued both a national regional policy and an EU regional and structural policy; EU development programmes have overshadowed national regional policy.

In Korea during the 1990s, the government has been engaged in building a new international airport, seaports and high-speed railways, the goal of which is to grade up the country as a logistics hub in the Northeast Asia. The government also tries to attract more foreign capital in the strategic areas. Ideas of designing and expanding free trade zones are currently being discussed. Furthermore in Korea the possibility of the unification of two Koreas is posing another challenge. Ideas of regional development in each stage of unification are considered, which include developing border areas known for their environmental values, connecting transportation routes between south and north and even to China or Russia, and formulating a complementary industrial location structure between South and North.

The growing international agenda for sustainable development will put pressure on spatial planning systems, and especially in a decentralised mode of delivery that grants local and regional authorities considerable powers in making land use decisions within a broad policy framework. The capacity of local and regional governments to fulfil international treaty obligations may emerge as a new governance issue.

Central government's responsibility

In the absence of central guidelines for the production of strategies, overall co-ordination and planning may be hampered. Local initiative alone in the face of increasing discretion and responsibility may not be enough, not given the scale of what must be done in many places.

United Kingdom claimed that central government has a responsibility to ensure that national considerations are respected, including the impacts on adjoining regions, and that there is a mechanism for resolving conflict. The holding of an independent public examination and the need for central government to approve the final strategy are important safeguards and

mechanisms for resolving conflicts of interest among regional partners. The option of complete devolution to the regions was not considered practical because of the absence of directly elected regional government in England, for which there is no democratic mandate at present. Central government also has a responsibility to produce clear national guidelines not just on the process for producing and content of the spatial strategy but also on such matters as appraisal systems, monitoring and review arrangements.

Korea noted that with the strengthening local autonomy, local governments are now making efforts to actively take the lead in territorial development policies. On the other hand, negative effects also exist, such as conflicts in utilising water resources, sharing environmental facilities, and allocating national resources for investment. United Kingdom reported that the absence of any relevant national policy statement is often one of the factors for planning approval for major infrastructure projects to take a long time. Turkey noted that it should be possible to give a larger role to local administrations except in the less developed provinces where human resources are scarce.

The challenge for central government lies in providing strict enough guidelines to exert influence on the basis of long-term global assessments, but these principles and guidelines must also be flexible enough to enable effective regional and local adaptations to national policies. National government can facilitate sub-national governments to build their institutional capacity.

Notes

1. It may be important to note that the dividing lines among these functions are not always obvious. The Austrian report noted that several sectoral policies have integrated spatial perspectives into their policy design. On the other hand, some spatial planning concepts deal with sectoral issues. So, the dividing line between territorial/spatial and sectoral is not a clear one. Territorial/spatial and sectoral have rather to be regarded as a duality, as ideal poles, between which there is a wide range of possible solutions.
2. Korea further noted that in the 1990s urban policies shifted from promoting multi-nuclear centres to promoting the competitiveness of the metropolitan areas as well as establishing the growth axis along the coastal area advantageous in the international transactions.
3. Presently, development plans for ten planning regions exist. Thus, the planning system is sought to be improved, so that prefectures concerned should have stronger influence on the drafting development plans while effective adjustment of interests among the prefectures is assured.

Chapter 2

SPATIAL DEVELOPMENT POLICIES AND TERRITORIAL GOVERNANCE IN AN ERA OF GLOBALISATION AND LOCALISATION

By Nigel Harris

Overview

This paper seeks to present a view of the era of globalisation through highlighting particular changes, which mark the break with the preceding period, the heyday of the nation-state. The exercise is undertaken in order to assess the resulting radical changes in the conception of spatial planning and thus the emergence of a new agenda for the management of cities. Following the introduction, the second part seeks to clarify what might be meant by “globalisation”, and the third, the main features of the management of the old order. The third fourth concerns the transition from one to the other, and the fifth, the emerging new agenda. The penultimate part concerns the emergence of a city of services, and the paper concludes with a discussion of some of the issues concerned with the governance of the new order.

What is “globalisation”?

Over the past two decades, the term “globalisation” has become increasingly fashionable and increasingly used, to the point where, as so is often the case when concepts enter the fast flowing streams of international discourse, like a pebble, it loses all sharp edges, loses any specific meaning. It suggests vaguely some increase in international interaction, although it is unclear why we should not continue to use instead the term internationalisation. A mere increase in international trade or capital flows (but perhaps, relatively, a decline in international migration) hardly justifies a new concept, particularly when we note that trade as a proportion of output or capital exports as a proportion of domestic savings for the developed countries is still perhaps lower than the

period before the first World War (see Hirst & Thompson, 1999). Nor does the concept of multinational corporation seem particularly new, although we may not wish to place its origin (see Moore & Lewis, 1999), as far back as 2000 BC. Political interactions internationally are at least as old as the nation-state system -- the English Civil War roused the Protestants of Europe and of the American colonies, the American war of independence roused the French, the French Revolutions, from 1789 to 1848, roused all of Europe and so on. Finally, the evidence that culture is now more international than the past is not very convincing -- Paris was shaping fashion in dress and food in the nineteenth century, Hollywood was shaping morality and behaviour in the 1930s.

What I think justifies, in a qualified sense, the term globalisation is not greater interaction between nations (internationalisation), but a more robust, even if not more measurable, development: the superseding of national economies by the emergence of a single global economy. This is not new in the long historical period -- elements can be seen in various regions of the world before the sixteenth century (before the creation of what we call the Modern State). But it is strikingly novel in relationship to the immediately preceding period, the domination of economies by the National State reaching its most advanced form in the century up to 1970 and its apogee. The concept of globalisation makes sense only in terms of the economic interests of the national state, of sovereignty. Formerly, with variations, it was assumed economic policy dealt with an autonomous economy. Political geography defined an area of absolute economic power; political and economic sovereignty coincided completely (as least, in theory). That assumption was embedded in the idea that the components of the national economy, capital, labour and land were basically immobile and not only fully within the control of the territorial authority but completely within its legitimate concern. Globalisation implies economic fusion between national economies so that interactions decisively affecting national economic activity start and end not only beyond the power of national government, but usually beyond even its knowledge. Thus, governments are obliged to entrust decisive influence over the employment and incomes of the population, their welfare, to extra-territorial forces, global markets, the outcome of which can neither be predicted nor determined. Economic policy accordingly becomes only a fragment among the influences affecting the local population, and even for its limited effectiveness, requires close co-ordination with the economic policies of other supposedly sovereign powers. This by no means makes economic policy unimportant, but it certainly decisively changes its meaning in terms of the old agenda of national economic management. It also affects the capacity of national political parties to offer honestly a programme to electorates.

However, just as the old agenda is partly mythic -- over-ign economic power was not at all as omnipotent as it seemed in theory -- globalisation is still only to a very limited degree realised. This is most clear in terms of territory -- the European Union with its east European associates is still far from being fully integrated, even though it is the most advanced component in this respect. The Atlantic and Pacific economies are similarly the next level of integration, with threads -- capital, trade and migration -- stretching into Latin America, east and south-east Asia, and now south Asia. But much of Africa and parts of Asia are still firmly in the era of economically detached sovereign state. Even in the heartland's of the global economy, integration is notoriously uneven, and the continuing disputes between governments over their economic relationships often suggest a stubborn resistance to globalisation. Rather there are networks, laid one on the other, mutually reinforcing but still far from comprehensive. In labour, national protectionism is at least in theory still absolute, although specific world labour markets for technical and professional staff are emerging, and there are growing integrated labour markets in clandestine workers. Furthermore, in social and political terms, the world is still very much national. Even if multinational corporations seek global strategies, they are still often tied to one home base, much of their staff drawn from one nationality -- even if that nationality does not imply obedience to a government that overrides loyalty to the corporation. Thus, socially the world is rather more cosmopolitan than globalised -- the local takes precedence in the creation of identity even in those circumstances, still far from the norm where daily life and work are global in scope.

However, as we argue at the end of the paper, the powers of government and of governance have, as a result of what integration has occurred, become increasingly opaque. The multiplicity of private and official agencies, supranational and sub-national, ranging from different national, provincial and local governments, business associations (both local, national and international regulatory bodies), NGOs, some of the multinationals, trade unions, universities and so on, jostle for influence within conflicting jurisdictions. Action becomes a matter of complex negotiation rather than simple fiat. If national economies are becoming integrated, fused, politics is increasingly dispersed and complex. The old agenda of planning becomes entirely utopian.

The old order

The contrast between a globalised world, even if only partly accomplished, and the preceding period could not be more extreme (which is why the present seems to be so new, even though in important respects it takes

up forms that were well developed before the era of “national capitalism”). The former period was one of an unprecedented and exclusive domination by one institution, the State, whether simply national or imperial. The leading governments extended their reach to the world, but carved exclusive slices out of it, a form of imperial rather than global integration. The process was driven by the rivalries of the Great Powers, culminating in war and the dominating events of the twentieth century, two world wars.

The domination of the State ensured the primacy of politics over economics, of public discretion over markets (and that domination ensured that the Great Depression was far more severe than might otherwise have been the case). Civil society virtually disappeared into the State, governments directing capital and labour as they saw fit in the national interest (not of course without dispute), assuming responsibility for housing, welfare, health, education and employment in peace, and the material survival of the population in war. All this implied, at least in Europe, very large and growing public sectors, an apparently inexorable centralisation of resources, and, where private business survived, publicly protected monopolies and cartels, “corporatism”, with matching giant trade unions (Harris, 1978). Economic relationships between governments became that of quasi-warfare -- trying to prevent the invasion of imports and foreign capital, and simultaneously, seeking to invade neighbours with exports and capital. Governments aimed to make their economies as self-sufficient as possible, a microcosm of the world economy, to be capable of survival in the event of hostilities (whether war or trade boycotts) on the basis of domestic activity for as long as possible. It was a conception bequeathed to developing countries in the post-war world as “national economic development” (a method supposedly of forcing the growth of capital on the basis of a closed national economy). Thus, in an era of total war, the peacetime became only a prelude to the resumption of hostilities; the civilian population was no more than an army at rest.

What is now seen as an irrational organisation of the world economy, sacrificing popular welfare to the interests of the State and warfare, was at the time seen paradoxically as the epitome of scientific rationality. The brave Fabians, Sidney and Beatrice Webb, found a model of St Simonian science in the *New Civilisation* (their term) of the Soviet Union in the mid-1930s, a time when we now know that that surface concealed the most chaotic period of Soviet history: combining the collectivisation of agriculture and the destruction of the Soviet peasantry, the terrible Ukrainian famines, the first two five year plans, the Great Purges and the creation of the Gulag, the destruction of the Soviet military high command.

The lynch pin of the system of scientifically organised society was the plan. The intelligence and ingenuity devoted to the methodology of planning, to seeking to anticipate the future, assumed that science had now made it possible to make accurate prediction precisely because all the decisive levers of economic power were concentrated in the hands of the government bureaucracy: careful study and calculation could determine the future output and employment of the national economy. The distinguished British economist Andrew Shonfield could argue:

“The State controls so large a part of the economy that a planner can, by intelligent manipulation of the levers of public power, guide the remainder of the economy firmly towards any objective that the government chooses” (see Shonfield, 1965).

So great and stabilising was the role of the State that Paul Samuelson, doyen of post-war economists expressed confidence that the business cycle in the United States had ended (see Zarnowitz, 1972). His colleague, Arthur Okun (former chairman of the President’s Council of Economic Advisers) confirmed in the late 1960s that recessions, “like airplane crashes” were now preventable.

It is important to remember this period of such confidence in the power of science and of the State to master the isolated national economy, since it was also a source of the idea that the national physical environment could also be managed scientifically with complete confidence in the future outcome -- indeed, with greater confidence. Economic plans were generally for four, five or six years, but the Master Plan was often for 20 years. The two approaches shared an authoritarianism founded in the idea of technical expertise -- the economist-engineer directed the economic machine (and many of the economic planners had an engineering background) as the physical planner directed the physical environment, without consultation, participation or any form of democracy. Political leaders could accept or reject the plan, but not question its scientific validity.

The scarce resource in the economic plan was capital, and the greatest attention was spent in seeking means to raise this, and then how the supply was to be allocated. The scarce resource in physical plans was land, not land for cultivation, but land on which populations could be settled. The planners thus adopted as their central criterion of success a range of person-land measures -- the distribution and density of population on the land surface of the country, with an assumption that high density was bad (it demonstrated poverty).⁴ Control of the location of new housing and industry with zoning, new towns and, in some cases, migration control, were employed to seek to meet these targets. When population distribution could also be linked to the dangers of

mass destruction from the air in the era of total war, the arguments for dispersal became overwhelming – as outlined in the British Barlow Commission Report of 1940 (see Royal Commission, 1940) when it observed of the concentration of population which led to:

“The disabilities in many, if not in most, of the great industrial concentrations, alike on the strategical, the social and the economic side, do constitute serious handicaps and even in some respects dangers to the nation’s life and development”.

The source of population concentration was, the Commission believed, the concentration of manufacturing industry. The Commission split between the majority, favouring controls only on the location of new industry, and the majority (led by the distinguished planner, Patrick Abercrombie) for comprehensive State control of industrial location (see Hall, *et al.*, 1973).

The ethic of obliging populations to conform to the distribution laid out in a central plan was inherited by developing countries after the Second World War. The Indonesian government obliged part of the Javanese population to resettle in the Outer Islands. The Malaysian administration directed people to the “under-populated” central and eastern areas. The Brazilian government sought to divert migration from the northeast away from the south and towards the west. The Chinese government, operating much the most draconian controls over the migration of population, diverted people away from the coastal provinces to Tibet, Xinjiang and Mongolia. The Tanzanian government embraced one of the most ambitious schemes, Ujaama, to concentrate the rural population far from its fields in new settlements. A United Nations survey recorded that of 126 governments surveyed in developing countries, three quarters were pursuing policies to slow or reverse migration. At the same time, the programmes of structural adjustment lending offered to African governments had an implicit promise, that migration would be reversed (see Cowan, 1988). The enthusiasm for scientific development encouraged governments to believe that they knew, better than their population, where people should be and to undertake quite elaborate measures to oblige them to move there.

It follows that cities of whatever size were bad, as they were high-density concentrations of population and activity. Migrants were perverse, attracted by superficial charms to move to cities and so colliding with the national interest. Policy should therefore be devoted to preventing this, and to forcing dispersal. A pervasive anti-urbanism, descended from nineteenth century European upper class fears of the political implications of concentrating people, attributed most social problems of the city -- deficits in public services,

poor housing and overcrowding, poor health, high land and property values, long journeys to work and traffic congestion -- to the physical concentration of population, not low incomes or the failures of public authorities. Much sophisticated scholarship was devoted to finding the philosopher's stone of the optimal size of city where such deficits could be minimised, to organising, on a national basis, a benevolent hierarchy of settlements that would tame the horrors of the primate city. The garden city of Ebenezer Howard brought together in a designed new town the health-restoring harmony of a merger of urban and rural. It formed the centrepiece of a political ideology that seemed to offer a scientific alternative to capitalism and socialism, a middle class route between employer and proletariat. The essence of such planning was control, regulation, to force the necessary anarchy of the market into what the planner decided was the socially accepted mode. Planners were evangelists for an alternative non-capitalist society. The end of the Second World War offered the unique opportunity for planners to establish the institutions to create the new planned society.

The agenda of purposes of the physical planners contradicted the logic of industrial society in a different way: it sought to reverse territorial specialisation. In the classical economics tradition, divisions of labour between areas of high and low population concentration were supposedly part of the means to enhance productivity. Nor was it possible in advance to anticipate what the size and location of those concentrations should be. The migration of labour in response to the changing geographical imperatives of the labour market was the means to identify where labour of what kind was needed. But to accept such a principle was to abandon hope of anticipating where people would be required and hence planning for them in advance. Within a closed economy, with the subordination of all sub-national entities to centralised power, political discretion was able to override attempts to accommodate differing comparative advantages. When the physical-planning framework became allied to total State power, as in the countries of what were the Centrally Planned Economies, the full logic became clear. Factories were located without reference to real costs or comparative advantages, let alone the possibility of radical economic change -- whether in the isolated industrial townships of the Urals, Slovakia or Transylvania, or in the central business district of Shanghai.

However, the planning tradition evolved, innovations occurred. Some of the more interesting ones happened in developing countries, especially where, on attaining political independence, planning (and some form of what was called socialism) was entrenched in the new regime. The Calcutta Basic Development Plan (1966), created by a team of innovative foreign planners under the auspices of the Ford Foundation, endeavoured to bring Calcutta's economy into the heart of the plan. The Karachi plan few years later made

poverty alleviation the centrepiece of the Master Plan for the city. John Turner's discovery of "self-help housing" in Peru, identified if not a hitherto hidden society, one not acknowledged in the official order; furthermore, he broke the illusion that housing was something delivered by a benevolent State; and the concept of the "informal sector" likewise suddenly revealed a new economy, or at least an economy not hitherto officially recognised, beneath the official statistics. Others noted also that regional planning seemed to have had little effect in narrowing the gap between the advanced and backward regions -- the cathedrals in the desert of the Italian Mezzogiorno did little to discourage the massive migration of Italians to the north and to Germany in the 1960s. However, generally in the developed countries, the routines and institutions of planning, like those of the macro economic management system, often proved too rigid to accommodate incremental change: the planning system seemed impervious to economic and social events. Institutional rigidity, national centralisation and the Master Plan approach ill-equipped countries and cities to meet serious economic downturn; the result was the economic devastation of the first and second recessions of the 1970s, the worst since the Great Depression of the inter-war years. The spell was broken. City planners were now swamped by high unemployment, de-industrialisation and spreading inner city urban dereliction. Whatever the merits and demerits of the old system of planning, it had manifestly failed to anticipate, let alone prevent, catastrophe.

The transition

However, before discussing the watershed of the 1970s, we need to note some of the elements of the transition from the old order to the new. The first and second World Wars and the Great Depression laid down the matrix within which government policy -- including the emerging interest in physical planning -- operated. One might have supposed in 1947 with the onset of the Cold War that development would merely replicate what happened after the First World War. The first and second World Wars were the result of the rivalries of the Great Powers of Europe, and while such rivalry continued after 1945, the more immediate political imperative was the forcing of the west European powers into a political-military alliance, NATO. This compelled measures of unprecedented political collaboration, culminating in the European Union. The economic imperative was the sustained effort by the United States to liberalise world trade, to force an unwinding of those defensive structures, which had exaggerated the severity of the Great Depression and threatened to paralyse the post-war economy. Thus, the reaction to the onset of the third World War was quite different to what had occurred in the first two, forcing political and economic integration on the Atlantic powers, later to include Japan. Those whose quarrels had twice in the century inflicted world war were

now corralled in a security order than made it impossible to continue the old order.

The world economy grew swiftly enough to absorb the frictions that might otherwise have obstructed the process, and in due course, extended trade to a selection of developing countries, extended the perimeter of migration and ultimately permitted the liberalisation of capital movements. Out of these processes emerged the beginnings of an interdependent global economy, a supranational division of labour which began to supersede the old order of closed national economies. For some thirty years, the Great Powers, as it were, economically disarmed, until by the time of the collapse of the Soviet Union and the removal of the original war motive for the NATO alliance, the separate national economies had in essence gone. The Soviet Union was itself partly destroyed by the new economic integration. What emerged, Russia and its associates were required to join an already global system rather than submit to an American-European empire.

However, the process was not simple. As we have seen, the 1960s still in many ways represented the old order. Economists still believed that the role of the State was so decisive, it had ended market-domination of society and the business cycle. In 1964, Harold Wilson's government in Britain briefly sought to return to an economic planning regime (as Mitterand endeavoured to do in France, also briefly, in the early 1980s). Corporate planning became the fashion in both government and large businesses. Shell International supported one of the largest planning departments, setting out scenarios until the end of the century. By the 1980s, such exercises were becoming rare, and by the 1990s, only the titles of Planning Departments still remained in some companies. The future had become unpredictable or the old illusion of predictability had been destroyed. Merit now lay in flexibility, in opportunism, in exploiting the unanticipated, not in setting course for a rigidly defined set of objectives in the future.

For cities in the developed countries, as we have noted, the crisis of the 1970s accomplished violently what elsewhere was achieved through incremental change. It revealed that the old structures, which could not accommodate the variability of the new global economy, did not allow easy incremental change without severe crisis as embodied in long-term unemployment and urban dereliction. Recession is the moment when economies and their flexibility are most severely tested. Managing the city in crisis is like planning on horseback; the sheer pace of events overwhelms the capacity to manage. For a time, it seemed as if the scale of devastation was not limited. To oversimplify, the first recession of the early 1970s hit hard the old heavy industrial cities that had long experienced elements of relative decline

(*e.g.*, Glasgow, Hamburg and the Ruhr, northeastern France, Pittsburgh and Gary, Indiana). The second, at the end of the 1970s, afflicted those symbols of post-war prosperity, high growth manufacturing centres, particularly based upon vehicle assembly and hitherto apparently invulnerable to decline (in Britain, Birmingham and the West Midlands, in the United States, Detroit, etc.). Finally, the third in the early 1990s attacked many of the new centres of tertiary activity (for example, London and the south east of England).

These successive contractions forced a brutal restructuring on cities (as indeed, on national economies), forcing not only the reorganisation of city economies and their institutions, but the perceptions of those managing cities, what cities were and what “planning” was supposed to be about. Cities had been, despite the decorative features of self-government surviving from the past, essentially instruments of national government policy, means to homogenise the national territory. Indeed, even as late as the 1980s, the exigencies of the central government public borrowing requirements in Britain led not only to increased centralisation of public finance but to rumours that the central government was considering the abolition of local government as a means to control public expenditure. However, adherence to the national agenda had brought catastrophe, and cities were obliged to begin to take back into their own hands more of the responsibilities for managing the city economy. The issues were made urgent by the results of macro economic reform. The decline of national economic boundaries exposed cities to rivalries with competitors abroad at a time when there was still very little perception of what the peculiar strengths and weaknesses of any particular city economy might be since this had not hitherto been a part of the agenda of city management responsibilities.

The pace of change was very different. Some governments resisted the pressure to decentralise powers, others embraced them. There was a more or less long drawn out process of relearning. The scale of shocks, the timing, the initial starting endowments were different. The tendency to treat all cities as basically the same, an inheritance of the former planning technology, so that policy reactions were standard, itself had to be abandoned if the unique endowment of each city were to be exposed. Manufacturing cities in particular often assumed a mercantilist approach -- that there could be no life and no serious (or “productive”) employment without manufacturing industry, and therefore followed a standard set of measures to encourage new industrial investment -- industrial incentives and parks, enterprise zones, advance factories, etc. Much time and treasure were lost in seeking to hold up declining industry or find the type of industry which would have greatest impact on unemployment (mass assembly) but was now least likely to require a city location. As cities came to compete more directly, such responses became increasingly risky and expensive, and with poor results in terms of reducing

unemployment. More time was lost before inner city dereliction could be reversed, before, the great inner city wholesale markets or the giant areas of central city railways land and terminals could be redeveloped, before in port-cities, containerising docks could allow them to be prized loose of inner city locations so that the vacated land could be redeveloped to underpin a new city economy. Then the symbols of disaster were turned into the flags of regeneration -- Sydney's Darling Bay, Yokohama's Minato Mirai 21, London's Docklands and Canary Wharf.

Almost universally, national policy became less important. The old obsessions with the national distribution of population, with urban hierarchy, with regional balance, tended to fade in the new map laid out by economic integration. Mumbai's dominance within India was becoming of less importance than its capacity to compete with Singapore. The ancient preoccupation in Mexico with the population size of Mexico City declined before fears that the city could not compete with Los Angeles or Chicago or Toronto in the new map of the North American Free Trade Area. The overwhelming primacy of London in Britain came to be seen as less urgent than the fears that it could not hold its financial, transport or cultural position against the challenge of Paris, Frankfurt or Milan, New York or Tokyo (see Kennedy, 1991).

Competition between cities also made possible mutual learning between cities, alliances, and the focus on role models: for example, the way in which Barcelona, for example, had reinvented itself, Boston had put together public and private funds to develop the inner city, the transformation of the port areas of Baltimore or Cape Town.

It was a transformation of agendas no less remarkable than the parallel evolution of macro economic policy -- from import substitution and constraints on foreign capital, large and growing public sectors, mandatory planning, to free trade and capital movements, privatisation and facilitating management. City managers shifted almost universally from the mandatory long-term physical plan (even if there were token chapters on the economy and on social problems) to flexible scenarios, from an exclusive emphasis upon the economic role and importance of manufacturing to a concentration on services, on culture, education and transport.

The new city economy

Thus, globalisation (or rather, the opening up of national economies, and in the developed world, the beginning of the fusing of national economies) and what has been a necessary result, decentralisation of powers and finance from the central to the city level, has created both new city economies and a quite new agenda of urban management. Instead of the map of national entities, covering the entire land surface of the world, we can dimly begin to perceive a map of networks of cities, an archipelago, with linkages outwards to zones of manufacturing, agriculture, mining, etc. Cities emerge as management or logistics centres for the world economy, with technology now extending their reach to the global system rather than limiting it to the local region.

Of course, the twin processes of liberalisation and decentralisation are not all the sole factors working on cities in this period. Indeed, it is difficult to remember a period in which so many processes are refashioning cities simultaneously. To list only some of the more obvious ones:

1. Opening cities to the world economy has restored the idea of cities in continual change, continual incremental adjustment to external markets, instead of the idea of a fixed physical structure, as a set of immobile economic factors. Historically, the changing prices in city markets have continually expelled some sectors and attracted other, providing a special context for innovations, which subsequently transform the city. Thus, the central task of city management is to provide a framework for this central dynamic of change, not fix it in immobility.
2. Liberalisation, macro economic reform, has not merely opened the city to external competition, it has led to the privatisation and restructuring of urban public sector enterprises, and in some cases, the privatisation and reorganisation of city public services. In the cities of formerly Central Planned Economies, the development of markets in housing and land is in the process of reorganising the distribution of activity in the city in even more radical ways.
3. The long-term processes of de-industrialisation -- whether the closure or relocation of city-based manufacturing -- has been accomplished to different degrees in different cities. In many developing countries, much manufacturing still remains embedded in the city economy, often secured by the continuation of protectionism -- for example, the position of the vehicle assembly industry in Sao Paulo -- even though,

in others, the familiar decline of inner city manufacturing is apparent (for example, the textile industries in Mumbai or in Shanghai).

4. Under the impact of increased world competition, firms have “spun off” many internal servicing operations. For example, large manufacturing companies have tended to outsource many services formerly provided within the company -- law, advertising, sales, research and development, etc. Thus, part of the growth of tertiary activity, so heavily concentrated in cities, is provided by this evolution of existing companies.
5. An increasingly globalised economy puts much greater emphasis upon the mobility of the city’s factors -- a higher proportion of the city’s output and of its labour force is required to move. Thus, the transport junction functions of the city become very much more important. Indeed, the city can be seen as essentially a junction in flows of goods, people, finance, information, etc. Thus, the efficient functioning of both each mode of transport (road, rail, air, sea or water) and of intermodal transfers becomes increasingly important in the generation of the incomes of the citizens. Mention has already been made of the radical urban implications over the past thirty years of containerisation or unitisation of sea cargo, with a radical decline in employment and the relocation of docks to greenfield sites and inland packing/unpacking terminals. The integration of production and movement, continuous flows between locations in different countries, and just-in-time stock policies obliged ports to aspire to zero error functioning, a system light years away from the old port, perpetually, it seemed, obstructed by bottlenecks and strikes.
6. The information revolution is simultaneously transforming many city activities in ways which are not easy to anticipate, changing in some cases non-tradable services into tradable, as well as creating new sectors of activity (*e.g.*, information loading and processing, software programming, etc.).
7. Finally is the impact of continuing shocks, so painfully seen in the economic crisis afflicting the cities of east and south east Asia in 1997-98. However, it is a mark of how effective reform has been that in many cases of current shocks, cities – and national economies -- are able to rebound with surprising speed. The crisis of 1973-75 afflicted some European and American cities so deeply, that high rates of unemployment continued for some two decades. By contrast, the 1994-95 crisis in Mexico which in the immediate context appeared to be one the most severe, nonetheless was ended within a

relatively short space of time. Asian cities hit by the 1997-98 recession have by now generally recovered. Thus, city and national economies seem to have attained levels of flexibility, which allow quite swift recovery.⁵

These processes overlap, and exaggerate their effects. They provide the dynamic context for urban management in a rapidly changing global economy.

The servicing city

The bundle of emerging functions of the city economy is thus becoming clear, although, as mentioned earlier, each city is in important respects unique. The package defines an important part of what is involved in the management of cities and in the forms of planning required. As mentioned earlier, the role of junction in flows -- from goods and people to information -- implies a particular endowment of infrastructure without which a city cannot operate. A key element in competition between cities is in seeking to capture the hub role in one or other of the modes of transport -- seen most clearly in the competition for new airports in east Asia (between the new airports at Hong Kong and Kansai at Osaka, Seoul, Taipei, Shanghai, etc.) or in port facilities in south Asia. There is a similar competition in establishing telecommunication hubs. Access to first class transport supplies the necessary condition for access to most other services.

Services are conceptually ill-defined (in essence, they are the residual after the enumeration of the output of tangible goods--industrial, agricultural and mining) and hence poorly recorded in the available statistics, particularly in services which are internationally tradable, and at the level of disaggregation required to identify the specialisation of a city. As a result, anecdote, vivid no doubt but with a high potential for error, tends to fill the gaps in statistical data. Furthermore, the distinction between services and manufacturing is, as is well known, partly illusory. A design engineer working for a vehicle assembly company is a manufacturing worker; doing identical work as an independent consultant, he or she is a service worker.

Nonetheless, we can list some of the service exports now of increasing importance in determining the employment and income of different cities, even if it is often less easy to assess relative economic importance:

1. *Services to manufacturing.* While many cities have desindustrialised, or are in the process of doing so, this does not at

all end the significance of manufacturing for cities. Central urban areas may lose industry, but often the factories are located in a string of smaller settlements or green field sites up to 100 miles from the city. Thus, Mexico City provides services (and transport junctions) for a ring of manufacturing centres in the central valley of Mexico-Toluca, Queretaro, Puebla, Cuernavaca, etc. Lyons services a major European industrial region. The triangle Mumbai-Pune-Nasik provides a dispersed industrial region that sustains part of Mumbai's service economy. The services involved are variously classified as accountancy, law, advertising, finance, research and development, consultancy, etc. Logistics to manufacturing and its facilitation is an important component here although not easily classified. The example in the box below is drawn from Hong Kong but illustrates the important role of cities not in the direct manufacture of goods but in the global organisation of manufacturing. Cities are also important in manufacturing research and development -- from laboratories and university research departments to the "incubator parks" where small companies can develop innovations.

Li and Fung is a company operating from Hong Kong in twenty-three countries of south-east Asia, Latin America, Eastern Europe, Mauritius and the Caribbean.

Mr. Fung explains how the system works. A foreign company will come to him with a proposal for a modest product -- a ball pen, for example, or a simple dress -- and ask him to find where it can be made more cheaply than anywhere else the inquiring company yet knows about. Mr. Fung's people set out to find not only a source of ever-cheaper labour but also somewhere safe from trade restrictions on Chinese production. Take that simple dress. The yarn may be spun in Korea, the fabric woven in Taiwan, the zips brought from Japan, and the garment part-finished in China before it passes through a final stitching factory in Indonesia. "What we are doing is finding the best place for every operation", Mr. Fung says: "At the same time, we are lining up factors of production so that we can cut lead times from three months to five weeks"

Li and Fung have a network of 7 500 regular suppliers, employing an average of 200 workers apiece. In other words, about one and a half million workers to some extent, depend on the firm.

Source: The Economist, 20 June 1998.

2. *Finance.* Many larger cities, aware of the immense increase in world capital movements and financial transactions, are now much more conscious of the role of financial activities and the need to facilitate the development of a financial quarter. As a result, there is considerable competition to become an international financial centre -- for example, between Mumbai and Shanghai, shadowing Hong Kong and Singapore -- and to ensure provision of the appropriate infrastructure (telecommunications, data bases, airports, etc.).

For those cities that have developed global centres of finance, the employment effects can be considerable. London employs some 600 000 workers in financial and associated activities, so this sector is a major source of income in the city economy.

3. *Trade and Hospitality.* Retail and wholesale trade is perhaps the largest single employer in the cities of developing countries. In developed countries, it is much less significant, but a key sector relating to the junction and distributional role of cities, to finance, to hotels and restaurants and to tourism. Indeed, some cities have developed strategies to expand retail-shopping facilities to support a tourist policy -- as with Singapore and Hong Kong. Others have also developed shopping quarters, often in old down town areas, with the same purpose. Thus, the retail trades become an important export industry.
4. *Culture.* Part of the complex of activities underpinning tourism and other international travel includes the provision of cultural services. In many cities, until recently this has been seen as a service for the local population and “non-tradable” whereas now it is rightly seen not only as tradable but as being an intrinsic part both of tourism, of business travel (for a financial centre), etc.

The study of London cited earlier (see Kennedy, 1991) found that there were an estimated 210 000 employed in the creation and delivery of cultural services, covering sub-sectors as diverse as the music industry (including broadcasting and television, recording, orchestras and musical education), film-making, museums, historic sites, second-hand and new book trades, antiques, theatres and cinemas, etc. (for a national study of the British cultural economy, *albeit* with a different definition, see Creative Industries Task Force, 1998).

Some cities and towns have chosen the provision of cultural services as part of a strategy to sustain the local economy. An extreme example of this is Hay-on-Wye, a small town in the west of England, which has become famous internationally as a retail centre for second-hand books. Other cities have, famously, employed regular festivals to the same end -- in drama and music (Edinburgh), opera (Bayreuth), film (Cannes, London, Delhi, Havana, etc.).

Such “festivalisation” is comparable to targeting business conventions or exhibitions, or sporting events (see Smith-Heimar, 1993 on the strategy for Indianapolis, or Townroe on Sheffield, in Harris, 1978). There is increasing effort devoted to seeking to measure the economic impact of such events for a recent attempt to assess the economic impact of motor racing (see Lilley III & De Franco, 1999). Indeed, festivalisation can provide the political and financial leverage for a much wider urban restructuring, as was demonstrated in Barcelona’s exploitation of the 1992 Olympic Games to refurbish a major part of the city and develop a new economic basis (see Pons, 1993 and Ajuntament de Barcelona, 1990).

5. *Medical Services.* Medical services have been traded internationally for a long time but on a small highly specialised basis for very high-income markets. They are now becoming more general, particularly in cities in developing countries, which can provide both high skills with affordable labour intensive services (in hospitals and clinics, convalescence and retirement homes, home nursing services, etc.). Singapore in the 1970s was perhaps among the first to recognise the potential here, providing medical services to middle income consumers in south east Asia. The Mexican border region currently supplies services to aged Americans from the mid-west, wintering in the south (see Arredondo-Vega, 1997). Barcelona and Bogota have developed medical “package tours” for those seeking surgery; the patient is provided with a single price covering travel, hotel and convalescence, surgery, underpinned with a State bank credit scheme.

As with many of the other services listed here, the quality of urban life is a key component of the package. Thus, few travellers will be attracted to medical care in a foreign location if they run the risk of contracting dysentery there from polluted water or poor

sewerage and solid waste disposal, or of violence on the street. Thus, the traditional programme of municipal services becomes of substantial economic significance in the servicing city.

6. *Education.* As an internationally traded service, education (mainly, higher education) has been dominated by particular centres. The emphasis of educational policy has tended to see it as public service for the local population, rather than as an export, that is, supplying foreign students. Accordingly there are relatively few studies of the economic impact of education (see Armstrong, 1993; Armstrong, *et al.*, 1994; Greenaway & Tuck, 1995; and Local Economic Planning Unit, 1995). However, many universities are large enough to have a significant economic impact on local trade, accommodation, transport, the provision of culture, etc. Furthermore, inner city universities may provide an important component in the development of tourism as a focus for small shops, restaurants, theatres and cinemas, clubs, etc. -- as with the Left Bank in Paris -- or in the incubation of new innovations in manufacturing (as with the Science or Technology Parks or Technopoles; for example, see the most successful British example in Cambridge).
7. *Data processing and software programming.* The information revolution is continually opening up new possibilities of tradable services. Satellite communications has made possible the location of different parts of the process of information loading and processing in different parts of the world. Bangalore in India is by now famous as a centre for software programming, initially subcontracted to companies in Silicon Valley but now spreading into global markets. Many other forms of data processing have spread -- airline ticketing and accounting, banking transactions, real estate transactions, criminal or medical record management, etc.

The list here concerns only some of the better-known examples of the services by means of which cities have reinvented themselves. Each city is, as noted earlier, in important senses unique, so that discovering the unique complex of activity on which a city bases its economic future is a voyage of discovery. Under the old economic regime, city managers were under no obligation to pay attention to the underlying economy, whereas now it has become a crucial element in determining the income of the city and the political support of the population. Political discretion allowed the design of very long-term physical plans, modelled on the long gestation periods of elements of

physical infrastructure. That now continues in the background; but in the foreground, is the need for short-term flexibility in relationship to an unstable external environment.

Governance and planning

The change in paradigms of both government and planning has been extraordinary. Planning schools are still struggling to catch up, to save what can be saved from the wreckage wrought on our perceptions and practice by globalisation.

On the other hand, it is globalisation that has restored the local -- at the cost of the national. Economic fusion, it seems, has stimulated political fission, increased social differentiation between territorial units, whether this is reflected in explicit legal decentralisation or not. Business, for so long obsessed with national governmental affairs as a key determinant of profits, has now, in many cases, come to see the local as crucial for business activity. Globalisation is thus a liberation for cities, a lifting of that tight national control that reduced them to being simply instruments of national policy, and a restoration of some measure of self-government and self-development. This goes some way to restoring their essential historic role. For the economic point of cities is not that they produce one type of output or another, but that they concentrate intelligence at a scale capable of forcing continual innovation. Cities have to be characterised by feverish activity, in constant change -- reflected in fashion in dress, eating habits, the style and speed of street speech and accent, in body language as much as architecture. The city ought thus to be constantly reinventing itself, expelling some activities which no longer need the incubator atmosphere, drawing in others that do. The thralldom of the national State, seeking to homogenise the national territory in one long-term stable form militates against precisely the essence of the city. A twenty year Master Plan, assuming the predetermination of the future, is thus an attempt to kill just the continual self-transformation, which is the essence of the city's contribution to the world.

History does not repeat itself, except in mockery. Decentralisation is now fashionable, but the city is not going to inherit the attributes of the sovereign State, any more than the immense range of global regulating agencies is going to come to constitute a world sovereign State. Rather is it the case that sovereignty itself is becoming dispersed amid many agencies, ill-defined, circumscribed by networks of control, opaque, and certainly not securely attached to any specific institutions. The picture is complex -- between, say, the ambivalence of governments concerning the degree of integration in the

European Union and those that still loudly proclaim the rights of absolute sovereignty. But the direction seems to be towards an immensely complicated, variegated and non-standardised world of governance, in which official agencies (world, national, provincial and city) jostle with private businesses and self-governing associations, an immense range of non-governmental organisations, universities, etc. Indeed, it is interesting that cities in the developed countries were among the first to recognise this diversity in the creation of urban fora, partnerships, etc., a phenomenon now repeated at the level of international agencies. The changing cast of, in the main, self-appointed “stakeholders” (what used to be known as “vested interests”, and enemies in the old order) offers few means clear cut democratic decision, but immense opportunities for participation.

The old economic agenda -- national economic development -- is fading, partly because the national territory is increasingly indistinct as an economic entity and government can no longer treat activity on that territory as autonomous, as susceptible to unilateral and exclusive direction. Behind that, however, is the relative decline in war as a State preoccupation. Economists attached particular significance to the domestic development of heavy industry and capital goods production in the old framework of national development, and elaborate economic arguments were produced to justify this. However, one cannot help noticing the link between these industries and arms production on a nationally self-sufficient basis as probably being much the most important justification for this economic strategy. Now that it is impossible to have a defence programme without imports, much of the old agenda becomes obsolete. Indeed, in all factors of production (capital, labour and technology) no national economy now has an optimal supply either in scale or composition. It is only a fragment of a larger whole, and indeed, the complexity of interactions between part and the whole defies the very simplicity of the concept of one territory. Cities are part of networks spanning many borders.

Does this mean that globalisation spells the end of city planning? It certainly does mean that if, by “planning”, we mean the unilateral expert statutory plan of direction of physical change over a long term period, regardless of the direction markets are taking. Indeed, the long-term fight of planners against the market seems now both perverse and utopian. However, if by “planning”, we mean having aims and plotting a course to achieve them -- and both may change as circumstances develop -- then planning obviously remains. The core of such a preoccupation cannot be the regulation of land uses -- that should be the outcome of the process rather than the means -- but shaping the structure of the city’s economy in the context of its changing relationships to global markets: that is, what used to be the exclusive prerogative of national governments. In any effective sense, this has to be short-term planning; it

cannot be expert but consensual, nor achieved by fiat. Formulating where the city should go is a highly political matter, requiring collaboration, promotion and facilitation, not statutory direction. Managing the city now is more like directing a sailing dinghy -- the captain does not control the tides, the winds or the weather, but a good sailor is very much better than a bad one in combining the skills of managing the boat, keeping the consensus of the crew, continually repositioning the boat to exploit opportunities, and reaching the destination.

The national plan has gone, whether governing the economy or territory. It no longer makes sense, and the experience of regional policy has been disappointing. However, given a city economic perspective, local level spatial planning becomes important. A city of high value services, dependent on rising flows of people, information and goods, requires continual adjustment of the physical structure and of infrastructure. Furthermore, the success of such a city also depends upon a high quality of life, part of which includes good physical design. Thus, while the heroic long term land use plan now seems redundant, the economic viability of a city now requires much more intensive intervention at the micro level.

Cities in Europe and North America have been through three decades of innovation in institutions and practices as they seek to accommodate the new environment of global economic integration. Many have learned to facilitate the creation of new economies that have institutionalised incremental change with a changing political consensus, liberating themselves in part from those rigidities that make for extreme vulnerability in conditions of crisis. The same is also true of cities in Latin America and in China. However, elsewhere the sovereign State is often still struggling to retain its monopoly control. In doing so, the State stifles the full potential role of cities to advance the world, to reduce the burden of world poverty. Liberating the cities is thus a key part of the agenda for new century and for the eradication of poverty.

Notes

4. The use of the population as a basic means to work out a scientific and therefore compulsory ordering of society had several terrible outcomes, from the eugenics movement in Nazi Germany (Proctor, 1988) to large scale transfers of population and “ethnic cleansing”. Dariusz Stola (1992, p. 338) comments: *“The totalitarian regimes emphasized the belief in the malleability of human societies, a faith which, I feel is at the heart of all organised population displacements. It was a belief in social engineering, in surgery on the body of peoples, a conviction that these amputations and transplantations of social tissue were necessary, justifiable and rational”*.
5. There are difficulties in measuring flexibility (Killick, 1995), but Caneri (in Williamson, 1994) offers an anecdote from Turkey to illustrate the increasing speed of reaction in macro economic policy: *“It took six years for the government to react to the first oil price increase, over six months to the major financial crisis of 1983, six weeks to the exchange crisis of 1987, six days to the 1990 Gulf War, and now six hours to major external changes”*.

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Chapter 3

GLOBALISATION AND JAPAN'S NATIONAL AND REGIONAL DEVELOPMENT POLICY

By Takafumi Tanaka

Globalisation and its impact on regional economy

Features of today's economic globalisation

A distinctive feature of the global economy is emergence of an integrated worldwide market where goods, services, capital, knowledge and technologies are actively traded across national borders. Furthermore, economic globalisation promotes globalisation in many other areas such as politics and culture, as is symbolised by the evolution in the last decade or so: namely, thanks to information and technology development, prosperity of the market economies was made known all over the world and consequently accelerated the collapse of the Iron Curtain.

Liberalisation and globalisation of financial transactions facilitated supply of abundant financial resources to developing countries in Asia and Latin America, contributing to their economic development. On the other hand, however, it has been judged that spontaneous worldwide movement of large-scale capital could be risky and could destabilise the world economy. Japan, therefore, is attempting to help stabilise the financially global world economy by means of macro-economic and international monetary policy co-ordination with other major industrial countries.

More notably, globalisation accompanied by rapid information and technology innovation combined with flow of goods, knowledge, technology and capital stimulates globalisation and technological progress synergistically. Consequently, the comparative advantages of each country as well as its industries and regional economies are rapidly changing; even the framework of regional development policy is now subject to renewal.

Liberalisation and globalisation of financial transactions and uni-polarisation in Tokyo

In Japan as well, financial transactions have been rapidly liberalised since the 1980s and financial intermediaries and private firms have become increasingly active in taking advantage of the global financial markets. Because Japan was regarded as being capable of supplying large amounts of funds to the world market due to its persistent international current account surplus, Tokyo was increasingly expected to develop into one of the global financial centres.

The combined effect of the expansion of financial economies and service-oriented economic growth has led to the migration of more population into the Tokyo Metropolitan Area, the top of Japan's three metropolitan areas.

As a result of this increased population influx, demand for office spaces soared, causing huge rise in land prices and value of other real properties; stimulating real estate transactions and land development seeking profit taking. Concurrently, because of increased liquidity obtained on the deregulated financial markets, values of financial assets like stocks drastically rose leading to the economic bubble as observed in some other industrial countries.

Needless to say, a bubble is destined to burst sooner or later. And in Japan as well, stock prices started to fall in the early 1990s triggering the economic slowdown. The recession lingers even at present, necessitating strenuous efforts and structural reforms by both the government and private sector in order to revitalise the economy. Tokyo has not grown into one of the top world-wide financial centres yet because banks, the main players in the financial markets, are preoccupied with disposal of bad debts and rectification of balance sheets, and thus it is difficult for them to keep pace with the rapid financial innovations. Moreover, land development has been suspended and large spaces of land remain idle or are only sparsely occupied, causing undesirable effects on urban structures.

Due to the bubble burst long, the population inflow and business concentration in the Tokyo Metropolitan Area have decelerated. However, because the economy of the Kansai Metropolitan Area, the second largest urban area, has also been stagnant due to Osaka's maladjustment to service-oriented economic growth, the uni-polarised concentration of population and economic activities in Tokyo has not been completely rectified. The globalisation of financial transactions combined with the innovation of information technologies tends to cause geographical concentration of financial functions; the same

trends are being observed in Japan, like the closing down of local stock exchanges in Niigata and Hiroshima. Further observation is needed to ascertain whether the financial globalisation will accelerate concentration of economic activities in Tokyo as Japan's financial institutions face tough international competition and are also busy with settling the negative effects of the bubble economy.

Impact of globalisation on developments of international division of labour and regional economy

Starting in the late 1970s when carmakers built factories in the US and European countries to defuse trade frictions, numerous manufacturing bases of the Japanese industry moved overseas. The trend was accelerated by the drastic yen appreciation following the Plaza Accord in 1985 and fast economic growth in neighbouring Asian countries. Such shift of manufacturing bases to foreign countries has generally been considered detrimental to the growth of the country and regions, because of its so-called "hollowing-out effect" on industries. However, since this shift is an inevitable outcome of dynamic changes in comparative advantage structures accompanying globalisation, we have to make every effort to derive benefits from it. A good example of such efforts is shown in the deepening division of labour between East/Southeast Asian countries and Japan leading to structural shifts of Japan's regional/local industries.

Dynamic shift of comparative advantage structures

In the process of industrialisation, Japan's comparative advantage structure within the manufacturing industries has shifted, keeping pace with the technological progress. It has shifted from that dominated by light industries like textile and food processing to that led by heavy industries like steel and chemicals and further to that spearheaded by precision machineries, electric equipment and machine tools. Such dynamic shift, named "flying geese pattern of industrialisation" by Professor Kaname Akamatsu (1961), has also been noticeable in the process of development of Asian countries. This type of development characterises not only sequential changes in industrial structures of a particular country but progress of international division of labour occurring in Asia, where the comparative advantages of front-running industrial countries have been taken over by late-starting countries one after another. In Japan, because of such dynamic shift, the share of light industries (textile and food/beverage) in the manufacturing sector's production value shrank from 40 per cent in 1955 to 13 per cent in 1995, while the share of machinery

manufacturing expanded from 17 per cent to 39 per cent during the corresponding period.

The changes in the country's industrial structures have led to corresponding changes in the regions and local areas: some areas like Kamaishi, which depended on a single industry like steel manufacturing, have gravely suffered, requiring an extensive range of government assistance for industrial restructuring. Overall, however, regions in Japan have managed to live with the drastic changes in comparative advantage structures. A typical example is found in Nagano Prefecture. As they modernised textile manufacturing, the conventional local industry in Nagano, textile accounted for 40 per cent of the Prefecture's manufacturing shipment value in 1950. But as they expanded machinery making, adjusting to the changes in comparative advantage, machinery manufacturing accounted for 70 per cent of their shipment in 1998.

International division of labour in production between Japan and Asian countries

The progress in the international division of labour in production characterises the recent trend in trade between Asian countries and Japan. The traditionally well known types of international division of labour or trade are "vertical division of labour", indicating trade of raw materials in exchange for industrial products, and "horizontal division of labour", indicating trade of different industrial products. New types have become prominent like "intra-industry trade" meaning trade of a variety of products made by the same sector.

Necessitated by upgraded quality and complicated configuration of products like machines, another new type called "international division of labour in production" derives benefits of specialisation in producing particular parts and components, leading to even more international trade. Among Asian countries including Japan, a variety of process-wise divisions of labour have been applied to manufacturing of cars, electric home appliances, personal computers and the like. Since a major advantage of such a method is to make best use of comparative advantages of labour skills of various countries, planning and development of a new product and manufacture of high-technological components are carried out in forerunning industrial countries, while production of relatively simple parts and assembly into a final product are carried out in developing countries.⁶

Because of such technical features of the international division of labour in production, regions like Southern Tohoku and Northern Kanto, whose

machine production bases promptly moved to Asia, have had to go through industrial adjustments including employment reduction. But Tokyo and other major cities carrying out product planning and high-grade manufacturing have been less seriously affected by this trend.

The progress of such international division of labour in production within East/Southeast Asia shows the potential for an Asia wide development, which would function as if it were a single factory on the basis of close ties among the sub-regions and countries.

Growing demand for investment and consumption stimulated by Asian economic growth

The rapid economic growth of Asia has had a positive impact on regions within Japan in the following ways. First, industrial growth in Asia propelled by direct investment inflow from industrial countries has helped increase capital goods export from Japan. This has led to production increase in regions like Nagano mentioned earlier, where machine-making industries are located. Second, Asian growth has sharply increased income and purchasing power of Asians, leading to Japan's increase in export of consumer durables like household electric appliances and cars. Kitakyusyu, Fukuoka and some others have enjoyed favourable impact of this trend through increased shipping of international cargo between these countries and Japan. Third, as more Asian tourists and other travellers came to Japan⁷, Hokkaido and northern Tohoku prefectures, for example, took advantage of eager demand for skiing among East Asian tourists.

Global information and communication and its impact on regional economy

Rapid technological innovation in information and communication like the personal computer and Internet is predicted to drastically change economic activities as well as social systems and people's life styles. The signs of those changes are already shown in various socio-economic developments. While such innovative information and communication technologies are expected to heavily influence the structure of regional and local economies and the process of urban development in the future, the following two entirely different options are envisaged.

According to a school of thought, innovation of electronic information technologies will reduce merits of geographical concentration of economic activities in cities, which have been the dominant trend of industrial activities

until recently. Accordingly, the post-urbanisation trend characterised by dispersed urban functions will become evident. On the other hand, some theorists in urban economics are arguing that, since face-to-face communication is indispensable to more creative technological innovation, which is the source of continued economic growth, urban agglomeration will accelerate, even if the decrease in electronic communication costs reduces constraints of geographical location.⁸

Analysing population developments in US and Japanese cities and behaviours of home office workers in the US, Kuruma and others (Reiji Kuruma, Toru Fujiwara, Takaki Waresato, Hiroshi Saito, Yasuhiro Sato, Yoshitsugu Kanemoto, 1999) find concentration-reducing phenomena like telecommuting and SOHO still in the embryo stage without a major impact. They point to the need for further observation including collection of fact-finding statistical data.

According to the Annual Report on National Capital Region Development by the National Land Agency about 130 000 Metropolitan workers were engaged in telecommuting at least once a week in 1995. This accounted for only 0.6 per cent of the Area's working population; this number is predicted to reach about 3 400 000 (16 per cent) in 2015.

Regional development policy in globalisation era

Future course of regional development policy in globalisation era

Policies actively responding to globalisation

In Japan, the Comprehensive National Development Plan (CNDP), the policy document on Japan's national and regional development, has been formulated five times after World War II. The original idea of the plan was mainly aimed at reconstruction of the country following the devastating destruction of the war and at economic development through the nation-wide development of modern industries. Because of lack of natural resources, the Japanese economy could grow only through introduction of foreign technologies from other industrial countries and active international trade. The Plan contained international perspectives from the outset, but its declared major objectives were domestic including reducing regional income disparity and seeking economic growth.

In this age of unprecedented globalisation, people are closely connected with other parts of the world due to the IT Revolution. Also,

fluctuations in the world economy heavily and directly influence local industries, requiring drastic restructuring of the local economies. Consequently, the policies for national and regional development must respond to globalisation fully.

Recognising that the economy, nature and environment conservation, culture and others fields are becoming global and uniform, “The Grand Design for the 21st Century”, the fifth CNDP, aims, as one of its goals, to form “the country open to the world”. In doing so, each region is encouraged to establish direct contacts with many regions of the world in its own way and to become “self-supporting” by promoting its development in the context of globalisation.

The deepening international division of labour in conjunction with the fast growing East and Southeast Asian counties has inflicted considerable damage, like shrinking of industries, on the economies of some regions in Japan. However, we believe that erection of barriers against international transactions in order to prevent adverse effects of globalisation on some regions of the country is detrimental to the development of the world economy and will lead to increase in socio-economic costs. We are determined to continue with the national and regional development policies that promote more progressive international division of labour with Asia, revitalising the regional economies dynamically, so that Asians' power for economic development will contribute to Japan's development.

Japan's positive contribution to the global community

Japan provides many kinds of support to developing countries, so that globalisation will lead to development of the world. The private industrial sector actively transfers technologies and production management know-how through direct investment into developing countries, while the Government provides an extensive range of support including infrastructure building and human resources training. Our ODA program also provides support in collaboration with international organisations like the World Bank on the basis of our experiences and detailed consideration of the recipient's local conditions. The Asian economic growth labelled “East Asian Miracle” presented a model of development policy that close government-industry communications based on experiences of Japan⁹ could make up for the “co-ordination failure”, which the market economy tends to make. Since knowledge and technologies will become more valuable for economic development in the future, we consider it essential to contribute to the development of the world economy by means of technical support to developing countries.

Conservation of global environment and creation of “Beautiful National Land”

One of the most important issues affecting the world community is conservation of global environment including prevention of global warming. This year's COP6 is scheduled to decide on procedures and guidelines for reducing CO₂ emissions pursuant to the Kyoto Protocol in 1997 designed to prevent global warming. Countries concerned are making Efforts in this regard.

For an effective prevention of global warming, closer co-operation with developing countries is required, so that their development policy aiming for economic affluence will be carried out in harmony with global environmental conservation. OECD members are responsible for demonstrating desirable patterns of regional development harmonised with solutions to global environment issues through formulation of their own regional development policies.

Japan has gained its reputation in the world community as “an affluent society” by way of her economic development since the end of the War. With the benefit of hindsight, however, we now recall that our country used to be “a beautiful country” endowed with natural beauty and seasonal uniqueness in the eyes of Westerners such as Isabella Bird (1885) and Thomas Cook, who visited Japan in the early Meiji Era.

While Japan will endeavour to continue to be vital and affluent coping with the economic globalisation and IT Revolution, we have to conserve limited reserves of natural resources. To meet requirements of the age of globalisation, the fifth CNDP set forth a basic objective to create “a beautiful country”, which will be praised by people in the world on account of harmony between vitality and quality of life. We are looking into ways and means to revise the national development planning system, which has spearheaded the post-war economic growth, so that sustainability of limited natural resources will be fully taken into account.

Strengthening international competitive edges of local economies through urban redevelopment

Following the population increase and rapid economic growth in the twenty-five years immediately after the end of the War, our regional development policy was aimed at enhancing the potential of a nation-wide development by developing new towns and transportation networks like new

bullet trains and express highways. At present there are about 7000 km of express highways connecting regions spreading from the northern end to the southern end of the country. As a result, more than 80 per cent of the population is now able to reach a large city inhabited by more than a million within 2 hours.

The population is predicted to decrease after peaking in the year 2007, and will age rapidly. Therefore, the capacity to invest is expected to be smaller according to macro-economic forecasts. Under such drastic changes, the national and regional development policies face challenging tasks trying to respond to globalisation: each region is required to strengthen international competitive abilities by making effective use of stocks of assets and by revitalising existing cities.

Furthermore, in the forthcoming age of the knowledge-based economy, it is required to create new values out of accumulated human knowledge and close communications. While doing so, it is also required to revitalise existing cities inhabited by those using knowledge into such an attractive community that is empowered with creative spirits and enables its inhabitants to readily enjoy natural beauty.

Unlike construction of new towns or greenfield development in a frontier site, redevelopment of existing cities has to maintain productivity and daily activities of citizens living there; complicated adjustment of ownership of properties may stand in the way of the redevelopment. At present, post-bubble syndromes are found in large cities like old empty buildings and idle land spaces, demonstrating inefficient use of land and hampering urban redevelopment. It is necessary to get over these difficulties and revitalise urban communities with comfort of living by realising productive land use immune to another economic bubble. In doing so, measures such as securitisation of property rights should be explored to strengthen market functions in connection with land uses. The National Land Agency is looking into a series of new land utilisation policies in this line.

To strengthen international competitive edges of regional and local industries despite shrinking investment capacity, co-operation among several cities through function sharing and other means will be needed, so that the economies of scale comparable to larger cities will be enjoyed. In collaboration with local governments, the National Land Agency plans to look for ways and means for multi-regional co-operation and support formulation of ideas that will help strengthen international competitive edges of co-operating cities and enable them to synchronise their functions.

Promotion of decentralisation and inter-regional co-operation

In Japan, the government is promoting decentralisation in the context of overall administrative reforms. Cabinet Resolutions were made in 1998 and 1999, announcing the “Plan for Promotion of Decentralisation”, which is to expand decision-making powers of local governments. Related laws and regulations are being revised on the basis of these resolutions. In response to this movement, national development planning system is being reviewed. One of the points is that demarcation of responsibilities between the national government and local governments should be clarified. Another point is that national development plan should focus on issues that the national government should be exclusively responsible for, either from a nation-wide or inter-regional viewpoints.

A problem concerning decentralisation in Japan is that municipalities, which are fundamentally autonomous bodies, are fragmented into about 3 300 bodies with a weak financial basis. Their reforms including merger are now needed for an economically viable development for each municipality. Even if merger is difficult in the near future, every municipality should not attempt to have a full range of facilities, but should co-ordinate with each other to play complementary roles for the sake of efficiency, especially in view of the limited investment potential in the future.

In an attempt to promote regional development by means of inter-municipal co-operation, the government has introduced and implemented “the Strategic Local Plan” on the initiative of Prime Minister Obuchi. This project is to provide government financial support for inter-municipal co-operation plans pursuing a common theme of development. By November 1999, 3 219 municipalities accounting for 99 per cent of the total made 460 plans, which the government decided to assist financially in the five years to come. Because of functional division of responsibilities among central Ministries and Agencies, the central government has seldom acted in concert to support comprehensive development plans made by municipalities. In this project, however, a concerted support is being provided; the National Land Agency made an overall planning scheme and co-ordinated actions with related Ministries and Agencies, and municipalities. From the viewpoints of inter-municipal co-operation and government support, the project has provided a model desirable relationship between the central government and local governments in implementing regional development policies.

Covering an area wider than a municipality, even each of the 47 prefectures is smaller than a citizen’s range of activities, which has expanded

because of development of highways and nation-wide bullet train networks. Consequently, it is necessary to draw up multi-prefectural regional development plans in co-operation with each other. In the present planning system, development plans for ten planning regions have been made up. In response to the context of decentralisation, the planning system is sought to be improved, so that prefectures concerned should have stronger influence on the drafting development plans while effective adjustment of interests among the prefectures is assured.

Active contribution of private economic organisations to policy making for national and regional development

Since Japan's national and regional development policy has mainly attempted to promote economic development and to reduce regional disparities in living standards by building infrastructures like railways, roads and ports, the public sector has played a dominant role in making public investment. Some such public investment projects, however, are regarded to be inefficient because social demand for infrastructures has changed.

In order to overcome the persistent recession throughout the 1990s, the Government has implemented a series of economic policy packages consisting of large-scale public investment programs. As a result, fiscal debts are forecasted to reach 130 per cent of GDP at the end of year 2000, disturbing the macro-economic balance. Restoring the balance is therefore of urgent need in order to maintain a stable economic growth potential over the long run. Moreover, because Japan's population is ageing rapidly and is predicted to peak and start declining in the year 2007, pessimistic views are being expressed about the long term investment potential, which is to be considered in managing national and regional development policies.

However, the strengths of Japan include the willingness to save, which is one of the highest among industrial countries, and personal financial assets amounting to ¥1 300 trillion. In addition, technological standards of private companies are high, while their risk management such as investment know-how is better than the government's. For this reason, future national and regional development policies are required to use financial resources and managerial know-how of the private sector for the purpose of not only construction of new infrastructures but maintenance and efficient use of existing facilities.

One of the top policy objectives of the fifth CNDP is to make "well-focused and efficient" social capital investment. The plan also points to the need for more utilisation of private sector's vitality in the light of successful

practices of other industrial countries, like Private Finance Initiative or PFI initiated in the UK. Based on these principles, the PFI Promotion Law was enacted in 1999 encouraging national and regional development through PFI. For PFI to be pervasive and be more readily used for national and regional development, we plan to step up government-private sector collaboration in effort to solve a range of issues: including human resources training, development of fund-raising markets, development and dissemination of risk managing know-how regarding project financing, and establishment of transparent procedures.

Participation by variety of private organisations like citizen's organisations and inter-regional co-operation

In Japan as in other countries, a variety of citizen's organisations have been active in numerous fields including consumer protection and environmental protection. Contribution of many NGOs including foreign organisations to the relief and reconstruction efforts after Hanshin-Awaji Great Earthquake has reminded us of their important roles in connection with national and regional development.

In the past, NGOs or similar organisations were not authorised to be a juridical person, though such status constrained their activities. The NGO Law in 1998, however, entitles an NGO to become a juridical person under specified conditions, empowering it as a legal party to a contract and other deeds. As of February 2000, consequently, 1 421 NGOs have been authorised as a juridical person pursuant to the Law and are making active contribution many fields including national and regional development.

For regional and local development, consortiums consisting of NGOs, local governments and private business organisations lead inter-regional co-operation, consensus formation and co-ordination. Future regional development policies will further promote such co-operation and attempt to promote policy formulation based on participation and consensus of a variety of organisations including local governments and NGOs.

International co-operation

International co-operation in Asia

To fully capitalise on the benefits of globalisation, both “competition and co-operation” are required. Trade, capital flow, transportation, passenger travelling among East and Southeast Asian countries as well as between Japan and these countries reveal both a closer relationship and competition. On the other hand, international forums like APEC are promoting international co-operation by making policies and rules, and cross-border development projects like development of the Tumenjiang River are emerging as a result.

Recognising the significant contribution of close intra-Asian co-operation to regional development, the Korean Government and the National Land Agency have been holding annual conferences since 1992 to exchange views on current status and issues concerning national and regional development policies of each country. The Agency has also exchanged views with the Peoples Republic of China annually since 1985 concerning policies and technical co-operation for water resources development.

The Agency is willing to step up such measures and prepare for multinational forums for promotion of co-operation in Asia.

Promotion of international co-operation in disaster reduction

Being vulnerable to natural disasters, Japan has been actively implementing disaster reduction policies. We played an active role in a UN program “The International Decade for Natural Disaster Reduction (IDNDR)” covering the 1990s in order to recognise importance of disaster reduction and to disseminate pertinent technology and know-how. Japan has also provided many countries, especially in Asia, with a variety of international co-operation and support in this respect.

Hanshin-Awaji Earthquake in January 1995 caused serious damage including deaths exceeding 6 000 persons and economic disorder, reminding us of the importance of policy measures for natural disaster preparedness and emergency relief. Notably as well, support by foreign volunteers including NGOs from Switzerland, France and other countries led to recognition of the value of international co-operation. On the basis of many lessons learned from this incident among others, the Government has stepped up efforts for promotion of the following international co-operation:

Establishment of Asian Disaster Reduction Centre (ADRC)

Set up in 1998 in Kobe where the Earthquake hit, the Centre was entrusted to collect and provide information on disaster reduction for Asian countries as well as to conduct studies relating to promotion of support to developing countries. Establishment of an institution for promotion of co-operation among neighbouring countries was judged useful by “Yokohama Strategy for a safer world” decided on at the Conference held in Yokohama, Japan, in 1994, the middle year of “IDNDR”. After the Earthquake, the “Asian Natural Disaster Reduction Conference” was held with the participation of ministers from twenty-eight countries and adopted “Kobe Declaration on Natural Disaster Reduction”. The ADRC was established through repeated discussions, following the Conference, by Asian experts concerned with ways for promoting international co-operation.

High-level Japan-US Earthquake Policy Conference Forum in co-operation with US FEMA

At the Halifax Summit Meeting in the year of the Earthquake, then Prime Minister Murayama proposed the organisation of a Japan-US Earthquake Symposium designed to facilitate the exchange of views between Japan and US experts on counter-measures against earthquakes. Experts held the symposiums in 1996 and 1997, providing opportunities for arduous discussions from both countries.

With the intention of following up on the outcome of these symposiums, the Japan-US Earthquake Policy Conference Forum was set up. It was attended by high-ranking policy making staff of Japan’s National Land Agency and the US Federal Emergency Management Agency (FEMA), the first meeting was held in 1998 and the second in 1999. The Forum was designed for the exchange of relevant information and the sharing of expertise in order to promote policies and planning for reduction of damage caused by earthquakes. The outcome will be made available to other countries in various manners.

Strengthening measures for emergency relief

In addition to the co-operation mentioned above, Japan is actively engaged in international emergency assistance for areas where a large-scale disaster occurred. In 1999, we sent an international emergency relief corps for disaster-hit areas in Turkey (in August and November) and Taiwan (in

September). The corps energetically executed life saving and medical activities in these areas. In addition, we provided these countries with yen credit, grant as well as materials such as tents and blankets needed for speedy recovery from these disasters.

Notes

6. In practice, while most of VTR's for household uses sold in Japan are being assembled in East/Southeast Asia, a drum, which is their core part demanding preciseness measured in microns, are produced in Japan.
7. Because of the Asian monetary crisis starting in 1997, however, Asian tourists have decreased at least temporarily.
8. The issue is subject to a micro-economic empirical study comparing the impact of a substitution effect between electronic communication and face-to-face communication on the one hand and demand for face-to-face communication to be increased by an income effect of communication costs reduction due to electronic applications.
9. Concerning the contribution of government-industry relations to development of Asia, please see: the World Bank (1993) and Kim, A. & Fujiwara, O. (1995).

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Chapter 4

SUSTAINABILITY FROM A NATIONAL SPATIAL PLANNING PERSPECTIVE

By Vincent Nadin

Overview

Many countries are reviewing and reforming systems and policies of spatial planning to improve their effectiveness in achieving sustainable development. Unsustainable spatial development trends present a considerable challenge to public policy, especially in managing the conflicts and contradictions amongst sectoral policies. The actions that need to be taken to improve environmental sustainability are generally agreed. The role of national government in sectoral policy integration around a spatial strategy is particularly important, but there are other tasks in providing information, evaluation and monitoring, enabling participation and capacity building. National governments should be prepared to cede competencies to other jurisdictions.

Reviews of action in five European countries show that the importance of environmental sustainability is widely recognised. There are many examples of positive changes to incorporate sustainability into spatial planning law and policy; the creation of new co-ordinating and advisory bodies, innovation and experimentation with new policy and implementation instruments; and new techniques to evaluate outcomes. However, most of the countries examined have made little progress on sectoral policy integration around spatial strategies. Even where progress has been made, the outcome supports only a weak definition of environmental sustainability. Generally, sectoral policies remain compartmentalised. Policy co-ordination and integration tends to dilute rather than incorporate sustainability objectives.

Introduction

The growing commitment to sustainable development is giving rise in many countries to reviews and reform of systems and policies of spatial planning. Spatial planning has a primary role in creating more sustainable patterns of development, and this has been widely recognised, as for example, in the European Union's (EU) *Green Paper on the Urban Environment* (see CEC, 1990) and the Fifth Environmental Action Programme *Towards Sustainability*. The draft *European Spatial Development Perspective* (ESDP) (see CEC, 1998) promotes the concept of sustainability in spatial planning across Europe, and notes the need for a better understanding of vertical and horizontal policy co-ordination, geographical integration between regions and across boundaries, and improvement in the capacity of planning instruments and institutions to articulate and implement sustainability objectives.

This paper considers how spatial planning at the national level can contribute to sustainability objectives. It addresses the following questions:

- Why is national spatial planning necessary to achieve more sustainable development?
- What is sustainability from a spatial planning perspective?
- How can national spatial planning contribute to sustainable development?
- How are national governments actually responding to sustainability through national spatial planning and with what effect?

The paper is primarily based on research undertaken in the preparation of the *EU Compendium of Spatial Planning Systems and Policies* (see CEC, 1998), the EU's *European Sustainable Cities Project* (see EU Expert Group on the Urban Environment Sustainable Cities Project, 1996), and the first stages of work on an EU funded cross-national research project -- *SPECTRA: Sustainability, Development and Spatial Planning*. The emphasis of the paper is thus on environmental sustainability and the experience in EU countries. It is recognised that spatial planning undertaken at the national and regional levels is important in resolving tensions between environmental, social and economic sustainability.

Why national and regional spatial planning is necessary to achieve more sustainable development

Technological, economic and social forces give rise to spatial development patterns with negative environmental effects across Europe (see Sassen, 1995). Some of the most common indications are the rapidly increasing demands for urban development and conversion of rural land to urban uses: the fragmentation and sprawl of new urban development; the separation of urban functions (with an associated increase in the need to travel and increased car dependence); the increasing amount of derelict and contaminated land, the polarisation of economic development giving rise to increasing congestion in core cities and poor access to urban services in peripheral regions; the failure to protect areas of environmental importance; and the deteriorating quality of urban and rural environments.

There is general agreement that the search for solutions to unsustainability should be concentrated at the regional and local levels, but these are also matters of national and international concern. This is because of:

- the increasing significance of global and other non-local forces in determining demands on spatial development at the regional and local levels;
- the increasing interdependence of nations and regions -- spatial development policy made in one place has impacts beyond regional and national borders;
- the need to address and integrate the spatial development effects of national and regional sectoral policies, where this can't be done at lower levels; and
- the lack of institutional capacity to successfully address sustainability even where competencies are effectively devolved.

The potential contradictions of sectoral policies, and thus the need for integration at the national if not supranational scale, are particularly important. For example, at the European level rapid integration in the agricultural sector through the Common Agricultural Policy (CAP) provided price guarantees to farmers to increase productivity and improve agricultural standards of living. This set in train a systematic and progressive loss of habitats, valued natural environments, and landscape features as financial incentives led to higher demands for agricultural production (see Blowers, 1993). In many countries,

the land use planning system has had relatively little power over rural change, and intense lobbying from environmental interests brought reforms to the CAP in the 1980s and 1990s.

In the European transport sector the trans-European transport networks (TETNs) are having major effects on locational and investment decisions although these implications were not fully understood or considered when the TETNs were established. One major concern now is the negative pump-effect of new high-speed networks as investment is drawn from locations connected to major centres, and further concentrated in the core cities. There is also evidence that regional economic development funding has been in conflict with environmental policies where infrastructure investment has been made at the cost of the protection of sites designated for their environmental importance.

At the national level in European countries any number of examples of potential contradictions of sectoral policies could be cited. In Greece, agricultural income support policies have led to the overexploitation of water resources in certain locations. Improvements to the weak road infrastructure have intensified pressure on particularly valuable environments. In Finland planning policies allowing rapid urbanisation have created low-density settlements, increasing the demand for travel and reducing efficiency in the use of land and infrastructure. In Ireland, economic development and planning policies have produced rapid growth in the east of the country but with the effect of depopulation in the west and the creation of unsustainable settlement patterns. In the UK and the Netherlands, more market oriented public transport policies have conflicted with other development policies.

Such contradictions can even arise with constitutional provisions. In Finland and Spain there are constitutional rights in respect of the right to have (and effectively build) a home, which have frustrated efforts to restrain new housing development in sensitive locations. Even where public policy pursues environmental objectives there can be problems. In Finland, as in other places, the extension of sewerage outfall pipes and chimney heights to meet local environmental targets has simply exported the environmental impacts to other localities. Many policy conflicts can be addressed at the regional and local level, but there is also a need for a national, and in some cases, trans-national response.

As well as the potential conflicts between sectoral policies that need to be addressed, there may also be positive opportunities for creation of synergy between policy sectors in pursuit of sustainability. For example, it has been argued that taxation and especially road pricing is a more effective way to reduce travel by car and energy use than land use policy -- which has only very

long term effects. But the best results would come from applying both in a co-ordinated way through an integrated policy.

What is sustainability from a spatial planning perspective?

The general principles of sustainable development relevant to spatial planning are now well established and agreed, although individual authors may give different emphases. The main principles drawing on ecosystems theory are:

- absolute protection of critical natural capital;
- maintenance of the stock of substitutable capital;
- adoption of the precautionary principle;
- respecting environmental carrying capacity;
- improving efficiency of resource use and minimisation of waste;
- self-sufficiency of geographical units (negotiating outwards) and non-exportation of externalities;
- closure of resources loops, re-use and recycling
- maintenance of biodiversity; and
- inter-generational equity and futurity (EU Expert Group on the Urban Environment Sustainable Cities Project, (1996) and O’Riordan, 1985 and Blowers, 1993).

There is some agreement too about how sustainability should be operationalised by the adoption of certain principles or objectives in spatial planning. Those that are most often stated are listed in Table 1. The planning principles are divided into two parts -- themes, which guide the formulation of land use planning policies, and principles that guide the form and operation of the planning system.

The examples of planning policy themes and planning system objectives given in the Table suggest a ‘strong’ definition of sustainable development (see Baker *et al.*, 1997). This view demands proactive environmental management; the promotion of local economic self sufficiency,

institutional changes and new planning instruments and tools to ensure that economic activity is kept within environmental capacity limits. It would be possible to generate a similar list of principles on the basis of a 'weak' notion of sustainability. The emphasis would be on ameliorating measures to reduce the impact of economic activity on the environment especially through technical fixes, an acceptance of exploitation of non-renewable resources for economic gains, and a continuation of existing institutions and tools for spatial planning. A weak definition would assist in reducing the environmental impact of development but would not lead ultimately to sustainable development.

Table 1. The operationalisation of sustainability in spatial planning

Planning policy themes (examples)	
Urban containment and concentration	Prevention of urban sprawl to minimise transformation of rural land, and fragmentation of urban services, often linked to increased densities and reuse of vacant urban land.
Durability and adaptability in the built environment	Increasing the quality of the built environment to minimise energy use, promote neighbourhood identity and historical continuity, opportunities for walking, etc.
Mixed use development	Promoting diversity of land uses within neighbourhoods and properties, making more efficient use of the land resource, and the abandonment of crude zoning.
Reducing the need to travel	Linking work, home and other activities within reach of each other, self-contained communities, and sustainability supporting infrastructure.
Creation of open space and water networks	Protection and enhancement of important environments, promoting flows through linking green spaces and open water.

Table 1 (continued)

The planning system	
Overarching strategy	A strategic perspective is needed which takes a very long-term horizon, shifts the orientation of the system to sustainability goals, and sets targets for environmental quality.
Policy integration	Establishing horizontal integration amongst sectors and vertical integration of levels of planning to establish commitment to common policies across government.
State of the environment information	Improved knowledge about environmental states, trends and impacts, promotion of consistency in the application of environmental information, and support for research.
Demand management	Attention to environmental limits and carrying capacities of specific territorial areas, so that development is constrained by supply and environmental capacity, not simply demand led.
Self-sufficiency	Emphasis on self-sufficiency, and responsibility for the management of natural resources for each territorial unit, starting at the local level.
Evaluation of environmental impacts	Ensuring that the environmental implications of development are considered in decision making through environmental assessment and sustainability appraisal methods.
Monitoring of environmental impacts	Ensuring that the performance of planning policy and implementation, and the state of the environment are monitored through the use of indicators.
Participation	Enabling the involvement and empowerment of stakeholders in policy formulation and implementation to generate ownership and meet special needs.
Capacity building	Ensuring that regional and local institutions had resources and skills to address sustainability, and the promotion of inter-professional working.

How can national spatial planning contribute to sustainable development?

At its simplest, spatial planning systems will contribute to sustainable development to the extent to which they adopt the principles listed above and others like them. The adoption of these principles will require changes in law, policy, institutions, instruments and procedures of spatial planning and other areas. The existing characteristics of planning systems will obviously be important in determining how they are able to respond to the sustainability agenda. Two aspects of planning systems that are particularly important are considered here: the enumeration of competencies through application of subsidiarity; and the extent to which the planning system is able to address spatial sectoral policy integration.

Subsidiarity

The principle of subsidiarity is useful in considering the role of national government in spatial planning for sustainability. Subsidiarity governs the distribution of competencies between jurisdictional levels in federal countries and is also used in the allocation of competencies between the EU and its member states. The general principle is that competencies should rest at the lowest possible level of jurisdiction. Competencies should be ceded upwards only when they cannot be effectively undertaken at the lower levels and when it results in general societal benefits. The application of subsidiarity also may require action to be taken to create or strengthen institutions at the appropriate levels if the competence should rest at that level.

Environmental sustainability requires action at all jurisdictional levels. There are obvious global and trans-boundary environmental issues that need to be addressed at the international level. It has also been argued that the complex task of policy integration is best done, and most easily achieved at the regional and local levels (see Blowers, 1993 and Haughton & Hunter, 1994). In this case, the role of national government is largely to create the conditions within which regional and local initiatives can develop. However, national government usually has most power in determining the use of resources within its jurisdiction. This sovereign power of nation states can become a major obstacle to sustainable development if the need to surrender competencies to other jurisdictions is not recognised (see Blowers, 1993). An important task for national government is to consider carefully what competencies should be performed at what levels -- the global, trans-boundary, national, regional and local.

Blowers has argued that the main roles of the nation state are to co-ordinate the creation of policy for different time periods and spatial scales; to identify appropriate targets and methods to implement them; and to monitor and evaluate the results. The list of sustainability principles suggests other roles for national government, for example, to provide strategic direction and policy, to ensure integration and commitment of all arms of government to the strategy, to create the necessary institutions, instruments and procedures at appropriate jurisdictional levels; to provide information on the state of the environment and ensure consistency in its application; to foster debate on the meaning of sustainable development and raise awareness at the local level; to implement policy directly, such as the designation of protected sites of national importance; and to build the capacity of local institutions and actors.

The tasks are undertaken by national government and the distribution of competencies will vary depending on governmental structure, and the capacity and maturity of institutions at different levels. This is particularly important in the case of the transition countries. Strict adherence to the ideal of local decision making may be counter-productive if important competencies are decentralised to regional and local government institutions before they are operating effectively.

Spatial policy integration versus land use planning

Broadly, there are two different models of “spatial planning”. First, spatial planning is used as a generic term to describe systems of land use or physical planning which regulates development in the interests of a more rational organisation of territory. This *land use planning* is one of many sectors of government activity, and will typically operate alongside other sectors such as transport, agriculture and environmental protection. Second, is the much wider notion of spatial planning as the co-ordination or integration of sectoral policies around a spatial strategy in pursuit of common objectives. *Sectoral spatial policy integration* ideally provides an umbrella of spatial strategy to which all sectors will be committed.

The term spatial planning is widely used to cover systems which embrace either or both of these approaches. For example, in the Netherlands, land use planning and sectoral spatial co-ordination are both addressed within the same system -- *ruimtelijke ordening*. In the UK, there is relatively little sectoral spatial co-ordination, and the *town and country planning* system could only be described as land use planning. The term spatial planning has not been widely employed in the UK and, until very recently, there has been some resistance to the idea of the wider model of spatial planning in government. In

other countries and regions there may be separate systems for the management of land use and for sectoral policy co-ordination or integration.

The application of sustainability principles to spatial planning systems requires attention to both land use planning and sectoral spatial policymaking, and national governments have important roles on both counts. It should not be assumed that a land use planning system could grow so as to act as a sectoral policy co-ordination or integration mechanism. If the traditional place of planning is as an equal partner to other sectors then there will be resistance to the other policy sectors falling into line with a spatial planning strategy. In fact, land use planning as a sector of public policy is typically weaker than other sectors, as has been widely demonstrated when economic, agricultural, transport or other interests wish to contravene planning policy (see Liberatore, 1997).

The extent of spatial policy integration might be characterised as compartmentalised, diluted, co-ordinated or integrated. Liberatore has suggested indicators for measuring the success of sectoral policy integration, (with an emphasis on the integration of environmental sustainability into other sectors). These are:

- the extent, degree and timing of environmental assessment in sectoral policy formulation;
- the existence and frequency of consultations between jurisdictions with competence for sectoral policies at the various levels, and whether these are symbolic or lead to co-decisions;
- assessment of comparability of new sectoral legislation with environmental legislation;
- whether policy evaluation includes an assessment of the environmental consequences of policies;
- whether funding is available for sustainable development in each sector.

Policy integration presents many challenges. Different sectors will organise policy (and plans) on different territorial units and for different time-scales. There will be different procedures, and generally land use planning has been subject to more mechanisms to ensure accountability (such as rights to object where development rights are restricted) than other sectors. There will also be problems of integration within sectors. If sectoral policies are influenced by sustainability considerations these may be distributional – some interests may lose out and others benefit.

Positive results can be achieved in different ways. The research on which this paper is based suggests that there is equal potential of very different institutional arrangements and spatial planning systems in achieving more sustainable development. For example, although an effective tier of regional planning is crucial to the elaboration of spatial planning policy for sustainability, it can be delivered effectively in one country by a regional tier of government (as in some federal systems), and in another by voluntary co-operation of local authorities. The particular forms will depend on the constitutional, legal, social, cultural and other conditions.

How are national governments responding to sustainable development through spatial planning?

Within the EU, there is some convergence of approaches in national and regional planning systems, reflecting the influence of EU and other intergovernmental initiatives. European environmental law and the structural funds have been particularly important influences on spatial planning policy and systems in the member states. Nevertheless, there is still very significant variation in progress and performance. By way of illustration the following section briefly reviews and presents snapshots of recent initiatives in spatial planning in response to the sustainable development agenda in five countries -- Finland, Greece, Ireland, Italy, and the Netherlands.

Finland has well established and rigorous systems for land use planning and environmental management, with much decentralisation of decision making. There have been significant improvements in environmental quality over recent years. A new law, the *Land Use and Building Act*, has been introduced specifically to promote sustainable community development, to decentralise competencies further and to involve the community earlier in planning decisions. The role of national government is to become more focused on spatial development issues of national significance. National government will concentrate on providing information and analysis (a national assessment or scenario of spatial development to 2017 is being undertaken), and monitoring through the application of indicators, including explicit comparisons with performance in other countries. National government is also supporting research into cross-sectoral urban systems and experimental projects on sustainable urban development.

The new Act reinforces the role of physical planning in sustainable development, through enabling requirements for improved energy efficiency, life cycle analysis of materials, urban consolidation and containment and other methods. But it also seeks to integrate physical planning with economic

development, regional policy and environmental management, especially through a strengthened regional administrative structure. This is to address the recognised problem of each sector promoting its own interests. Sectoral policy will be co-ordinated and targeted on priorities agreed at the regional level, and national government will enhance its regional policy to address disparities. The Environment Ministry will be negotiating with other ministries and other stakeholders to seek their commitment to its Environment 2005 initiative and sustainable development.

In Greece, sustainable development is not nearly so widely understood or accepted as it is in northern Europe. The country is undergoing widespread institutional reform as competencies are devolved to regional agencies and a strengthened tier of local government. The new governmental structure presents opportunities for creating more effective spatial planning. A new law has been introduced in 1997, which for the first time introduces sustainable development into legislation. The law is specifically to provide for the remedial action and urban consolidation required in areas which have been “loosely urbanised”. Further proposals are in hand for a revision of the planning law and instruments, which will use sustainable development as an organising principle, but there are still questions about whether the principle will extend to other sectors. National policy in Greece, as in many other countries, is dominated by the need for economic growth, meeting the criteria for admission to European Monetary Union, and improving the infrastructure to support economic development.

National government in Greece is preparing regional spatial plans, and the use of the metropolitan plan has been extended to other cities. The master plan prepared for Athens has taken sustainable development as a central principle. A National Centre for Environment and Sustainable Development is being established which will advise different departments of national government.

In Ireland, a national review of the planning system was undertaken in 1997 to address sustainable development (amongst other factors) and propose changes to the structure of the system to deepen cross-sectoral understanding and action. The proposals are yet to be agreed, but in their has already been progress on new strategic planning guidance for the main cities, and an emphasis on creating new institutional arrangements to improve co-ordination and environmental awareness in government. A National Sustainable Development Partnership has been formed from the former National Environmental Partnership Programme bringing together all government and non-government stakeholders -- both those whose activities impact on the environment and those who seek to protect it. The partnership has a wider remit

to consider the environmental, social and economic dimensions of sustainability.

A Green Network of government departments and agencies has been strengthened as a forum for raising awareness across all government departments, and with the task of carrying forward the country's sustainable development strategy prepared under Agenda 21, and undertaking strategic environmental appraisal of sectoral policy. An inter-departmental steering committee is producing indicators and assessing information needs for monitoring sustainable development.

In Italy, the regions have taken the lead in reforming planning law, for example, by requiring that plans must aim to protect the environment and 'guarantee' an integrated approach. In the Tuscany region new laws require that regional sector plans check their comparability with policies on land and resource use. New instruments have also been created, such as the municipal energy plan and municipal noise plan.

The national planning law is thought to be an impediment to sustainable development. It has remained the same for many years, based primarily on 'urban standards', which do not allow for the careful consideration of development impacts. Land use plans don't refer so much to sustainability and there is considerable fragmentation of policy. The National Institute has made proposals for City Planning for a new law, based around the principle of sustainable development, and promoting increased co-operation amongst levels of government and institutions with planning responsibilities. It would ensure that planning instruments identify critical environmental limits for areas of the territory, and are able to require compensation where replaceable environmental resources are consumed.

The Netherlands is relatively well placed to address sustainability through spatial planning. There is a strong consensus about the need for effective planning and regulation of spatial development. Nevertheless, many new initiatives are thought necessary to strengthen policy and action on sustainable development. Policy themes are concentrating more on curbing urban expansion and development at lower densities, reducing the increase in car use, and improving ecological networks. There is a new emphasis on water network systems such as wetlands and coastal zone management. Other topics include the relationships between the urban system and major infrastructure projects, urban-rural linkages and the impact of information and communications technology. There have been many other innovations in spatial planning policy, such as the much quoted "ABC policy" which seeks to locate new development according to its level of trip generation, and the focus

of new development on urban transport corridors alongside multi-modal “infrastructure bundles”. Many experimental and demonstration projects are being supported to seek new ways to address sustainability issues, for example, intensifying land use whilst improving the quality of places.

A National Spatial Planning Commission is in place which co-ordinates the spatial dimension of sector policies and is responsible for national reports on spatial planning. A Fifth Report, in preparation, will provide guidance looking forward to 2010-30. As previous reports, it will be agreed on by all ministries. Sustainability is a major influence on its content though economic imperatives also figure prominently, especially in respect of transport infrastructure.

Policy integration is an explicit function of spatial planning instruments at all levels. The Provincial Spatial Planning Commission co-ordinates spatial impacts of sectoral policy at the regional level through the *Streekplan*, and the *Structuurplan* performs a similar function at the municipal level. New initiatives are being made to increase integration of regional spatial plans with the statutory environmental policy plan and the water management plans. The aim is to ensure the systematic co-ordination and synchronisation of publication of the different plans, or their full integration through a single integrative plan at the provincial level. The first such integrated spatial planning-environment plan has just been published. Targets and indicators are widely used in plans, against three resource categories: energy, biodiversity and space. Environmental capacity constraints are being introduced through the concept of “environmental use space” expressing maximum allowable use of environmental resources in a given area.

National planning law has been revised to further decentralise competencies to the provinces and municipalities from the centre and allow for the creation of more flexible local planning instruments. Procedures are being introduced for the early involvement of all stakeholders in the consideration of development proposals and infrastructure prior to its formal planning. Environmental compensation mechanisms have been introduced through the *Stad & Milieu* project, so that environmental standards or limits can be exceeded in certain areas if there is overall benefit to sustainability and compensation can be made in other ways. All these initiatives increase the discretion of local areas to take a more holistic view of proposals rather than apply predetermined solutions and standards. However, central government has also increased its powers of intervention in local decision making so as to speed the planning process where developments of national importance come under lengthy challenge, and if necessary to act against the wishes of the local municipality.

As well as the progress made in individual countries and regions, national and regional governments in Europe have been active in trans-boundary spatial planning. More than fifty Euroregions, interregional working groups and other border region associations were identified by the Council of Europe in December 1995. EU funding initiatives have promoted much of this joint working, and the latest strand of the INTERREG initiative has funded spatial planning co-operation across very large trans-national regions, also involving countries outside the EU (see Nadin & Shaw, 1998).

The main rationale for trans-boundary co-operation on spatial planning has been to address the economic problems of regions which are peripheral to the nation state and where borders have presented a barrier to effective development, but sustainable development has also been important. The initiatives have also emphasised the need to tackle flood and drought through spatial development measures. In practice many projects funded under the programmes have had a strong sustainable development theme, for example in examining the potential of trans-boundary urban corridors to promote more sustainable development patterns, joint policy development to promote sustainable retail location, networking on the role of new towns in sustainable urban expansion, and joint monitoring and control of peripheral expansion of urban areas. Each of the trans-national programmes will also be preparing a long term spatial vision for its region.

Conclusions

Overall, the snapshots of action on sustainability in the five countries illustrate that the objective of sustainable development has led to considerable rethinking about the role and operation of spatial planning, with proposals for legal and policy reform. On policy there is evidence of considerable innovation, but the strategies adopted are generally conservative and reflect a weak definition of sustainability. There is little fundamental change of policy approach towards demand management, but rather novel ways are found of meeting market demands in more sustainable ways. Environmental interests are being traded off against economic interests and the planning systems generally continue to balance competing interests rather than assert sustainability principles.

Returning to the principles for the spatial planning system set out earlier, most progress is being made on the collection and analysis of environmental information for spatial development and evaluation of development proposals, which has been spurred on by the need to monitor progress towards international agreements, and EU legislation and policy. The

need for policy integration is recognised but of the examples here, only the Netherlands has made any significant progress to true integration of policy. In general spatial plans are being used to create a political consensus around development plans, or to legitimise decisions but they are not creating integrated sectoral spatial policy (in the terms set out earlier).

New institutions have been created but they are primarily advisory. Compartmentalisation of policy by ministry and department is still the norm. New instruments have been created to address specific environmental issues. Of particular interest are the national perspectives or visions being produced by a number of countries including France and Norway. They will provide an overview of the current state of spatial development and in some cases scenarios of future prospects, but except for the Netherlands, visions have so far had a limited role in shaping sectoral policy.

Very few countries are as advanced as the Netherlands where the most acute environmental problems are under control and steady improvements are being made. However, even here, integration of spatial planning and environmental policy has proved very difficult, and there is still considerable compartmentalisation of policy. National government is playing a very active role in spatial development, but there are concerns that spatial development policies such as the locations for new development identified in the Fourth National Report have in some ways been counter-productive. Central decision making has not allowed for the creation of sustainable solutions at the local level and thus have undermined the local ownership of the solutions. However, the Netherlands is the only example that could be said to have made progress in implementing a 'strong' definition of sustainability.

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Chapter 5

THE AUSTRIAN SPATIAL PLANNING SYSTEM

By Roland Arbter

Overview

Spatial planning is a very important and challenging subject, a very complex one, too. This makes the task of presenting the Austrian experience briefly something of a problem.

There is no worldwide valid definition of *spatial planning*. Several definitions of *territory* or *territorial/spatial* can be given (note that in German one says *Raumplanung* using a noun, with a risk of implying that there is an object to be planned, while in English the adjective *territorial/spatial* emphasises more that the subject of spatial planning is rather a dimension than a concrete object). In addition, innumerable approaches to *planning* exist. As a consequence, even the notion or definition of *spatial planning* can lead to rather subtle discussions.

The territory itself does not supply spatial planners with objectives. Thus, spatial planning is no technical or scientific issue. In reality, it is the interests and objectives of concrete human beings (politicians, entrepreneurs, employers, NGOs, citizens, etc.) which lead to the need for spatial planning.

Spatial planning has to deal with the interests and objectives of human beings. In most cases these interests and objectives are conflicting ones. Possible conflicts can for example emerge along the following lines:

- conflicts between economic development objectives and the principles of sustainable and prudent management of natural and cultural resources and heritage;

- conflicts between the objectives for intensified trans-national economic integration and the interest in reducing the social and ecological costs of these interactions and transport flows.

Several other lines of possible conflicts could easily be enumerated.

For spatial planning in practice, it is important to accept that these conflicting objectives and interests can neither be ignored nor removed by any method aiming at objectively optimal solutions. In Austria it is considered essential -- and an inherent aspect of politics -- to find acceptable and viable solutions in the debate about the different views held by the different agents involved. All these interests are very often equally legitimate but tend to be limited in their perspective. In the best possible case, spatial planning activities can lead to new insights facilitating a synthesis between apparently diverging opinions to produce new compromises.

The necessity to base spatial planning on a plurality of existing opinions and -- sometimes equally legitimately -- interests is something I would like to emphasise, because this is one of the principles on which a federal country like Austria can contribute some specific experience.

Rather than attempt to give you a synopsis of spatial development trends in Austria or an official and comprehensive overview of the Austrian spatial planning system, the focus of my contribution will be on some selective aspects of a spatial planning system in a federal state. The view presented will not be based on academic studies but will be given from the point of view of a civil servant within the federal administration.

The following three issues will be discussed:

- Aspects of spatial planning in a federal state;
- The problem of co-ordination;
- Outlook on possible future roles at the national level.

A preliminary hypothesis is this: “As the characteristics of the *territories* concerned mirror the political, economic and social values of a society, so the quality of the *spatial planning system* has to be seen in the context of the given political culture of the entity.”

Aspects of spatial planning in a federal system

Let me mention only a few specific features which are determinant of spatial development in Austria: Austria is a rather small country (83 000 km², 8 million inhabitants) with only one major metropolis (Vienna, 1.8 million inhabitants). It is a neutral country in the centre of Europe and has been mainly oriented to the West (since 1989 we have been a member of the EU). Austria is a relatively rich country in terms of GDP per capita, but geographically and economically it is located at the *prosperity edge* of Europe. Austria is an Alpine country ($\frac{2}{3}$ of the territory, $\frac{1}{2}$ of the population), a border country (sharing borders with 8 other countries) and both a landlocked and a transit country.

These are the basics. Of course, there is an interrelation between the specificity of geographic features and the spatial development trends and spatial planning system (*laboratory-function of the Alps*), which would be worth exploring, but this is not my subject here.

As a federal state, Austria has 3 levels of government (national, regional and local): 8 *Länder* and about 2 350 municipalities. The distribution of powers within the federal system is determined by the Constitution, which reflects the specific historical experience of Austria (which had had some traumatic experiences with dictatorships in the past one hundred years). There are some similarities to other federal states (like Switzerland, Belgium, etc.) but federalism (in the sense of devolution) is by no means a homogeneous concept applicable everywhere; Austrian federalism has its own specific features.

The Austrian Constitution provides the following framework for legislative and regulatory activities of the different territorial authorities:

- local authorities are responsible for spatial planning at the local level (these powers are not dependent on the size of the community);
- the federal (that is to say, national) government can issue sectoral regulations for spatial planning in sectors that come within its responsibility (*e.g.*, trading code, transport and traffic laws, water and forestry, mining law);
- all other aspects of government authority for spatial planning come within the remit of the regional governments in the 9 Austrian *Länder*. However, spatial planning schemes for their

regions do not qualify as integrated comprehensive plans as they don't comprise planning at the federal level.

Hence, under the Constitution, there is no formal requirement in Austria to integrate spatial planning activities at the federal and regional levels into one comprehensive spatial development scheme (neither on the national level nor on the regional level).

There are two other specific features of the Austrian Constitution which add to the fragmented institutional framework for spatial planning:

- Members of the national government (the federal ministers/*Bundesminister*) are directly responsible to the national Parliament. In Austria, not even the Prime Minister/*Bundekanzler* has the power to give orders to the other federal ministers. His co-ordination powers within the federal government are more or less exclusively political. This is one of the reasons why efforts to strengthen formal co-ordination between federal policies are, politically speaking, not so easy.
- Besides the specific constitutional tasks, a series of non-governmental or quasi-governmental activities are performed by the different authorities of the State, which have at least as much impact on the structure of the territory and the spatial behaviour of citizens and institutions as government instruments (this includes the creation and operation of infrastructures and national services, the granting of subsidies and other assistance as well as the provision of regionally relevant information services as well as education and training, research, publications, counselling, and other services). The federal government, the regions and the larger local authorities thus often work independently along parallel lines and sometimes in political competition with one another, but frequently also use the existing opportunities for co-ordination, though mostly in a more or less informal way.

Reality is complex in Austria, but the system has proved not entirely unsuccessful. Coming back to terminology, in the Austrian case as well, it is difficult to define *spatial planning* both conceptually and institutionally (*e.g.*, the tasks and instruments of the regional spatial planning authorities in the different *Länder* vary in practice according to the political framework within the specific *Bundesland*. For instance, in some *Länder* spatial planning divisions are responsible for co-ordinating Structural Funds, while in others their tasks are limited to implementing spatial planning laws).

The following terminology is used in Austria (see Figure 1):

- *Raumordnung* / Territorial planning: This concept comprises land use planning as well as development planning and development policy on the local, regional and national levels.
- *Raumplanung* / Spatial planning.
- *Raumplanung im engeren Sinn* / Comprehensive (physical) planning, including building codes, building regulation plans, development plans, zoning, land use plans, etc.
- *Sektoralplanung (Fachplanung)* / Sectoral planning with a territorial reference.
- *Regional (wirtschaftliche) Entwicklungsplanung* / Regional (economic) development planning: mainly based on incentives focussed on assisted areas
- *Raumordnungs (Raumentwicklungs) politik* / Spatial planning policy.
- *Regionalpolitik* / Regional policy.
- *Nicht regional orientierte Sektoralpolitiken* / Non-regionally-oriented sectoral planning.

In practice, spatial planning is practised by numerous agencies and instruments the focus of which varies according to the level of government. The Constitution only gives the general frame. The political willingness and capacities to create and to activate spatial planning instruments vary from one *Land* to the other, from one region to the other, from one sector to the other. So, although the constitutional framework is the same, the reality of spatial planning in the 9 Austrian *Länder* has evolved differently according to their specific needs and political background (the same goes for the openness of sectoral policy makers to the idea of integrating territorial aspects).

Nevertheless, some common basic elements, some general features of the distribution of tasks and roles can be detected:

- The main instruments at the local level are legal instruments like zoning, building regulations, building permits, etc.

- On the *Länder* level -- and within some *Länder* on the sub-*Länder* level (*Regionalplanung*) -- some legally binding framework concepts are established which primarily address zoning activities at the local level, ensuring consideration of regional interests (securing priority locations, etc.). Even some federal sector plans could have a direct specific regulatory impact on zoning activities of the municipalities (*e.g.*, mining, etc.).
- Besides the regulatory instruments, the *Länder* and the federal level have a wide range of policy instruments to deploy development incentives in strategic locations (*e.g.*, subsidies for investors, infrastructural measures, etc.).
- Instruments to protect the nation's natural and cultural heritage exist on all levels of government, differentiated according to the specific interest involved (national, region or local).
- In the field of regional development policies, numerous instruments exist on all the three levels.
- Last but not least, the supranational level -- the EU -- has been gaining more and more influence (Structural Funds policy, Competition policy, TEN, CAP, etc.).

It is safe to say that the higher the level of action, the more selective and specific the instruments become (subsidiarity).

Federalism faces the plurality and complexity of reality. The relatively complex but rather flexible Austrian system may produce some redundancies and could thus be regarded as not very efficient. But in practice, it has proved to be rather successful. Redundant systems have the advantage of being well equipped to respond to change and to innovate (this is due, among other things, to the internal competition).

Of course, there is no ideal model to be copied by everyone. Each model has to be seen in its own context, and has its own strengths and weaknesses, options and risks. As far as the Austrian spatial planning system is concerned, the following legitimate questions may be raised (these are only examples):

- How can some kind of basic standard of spatial planning on the *Länder* level be ensured without a national planning law and without a formal national planning authority?

- How can co-ordination between the federal ministries and between the federal level and the *Länder*-level function, if there is no legal provision to ensure this co-ordination?
- How is it possible to work out a clear regional/national and territorial/spatial vision, which could then serve as the basis for all government activities?
- What is the real role of the federal level, if there is neither a legal basis for spatial planning on the national level nor formal co-ordination?

The problem of co-ordination

It may be despite -- or perhaps because -- of the complex institutional situation and the fact that the Austrian constitutional system provides for no effective specific mechanism of formal co-ordination that a viable network of informal co-operation has developed in Austria in the field of spatial planning policy. And this co-operation through informal networks has proved to be quite effective.

One key element for the co-ordination of spatially relevant policies in Austria, which is not regulated by law either, is the Austrian Conference on Spatial Planning (ÖROK), which was founded in 1971 with a view to compensating for the existing lack of formal co-ordination. This Conference serves as a platform for co-operation between the Prime Minister / *Bundeskanzler* and the other federal ministers, the *Länder* governors and the representatives of local authorities as well as the social partners, who participate in an advisory capacity.

The Austrian Conference on Spatial Planning takes the form of regular political sessions, with the main work being done in committees and working groups on the civil servant level. Apart from serving as a platform for co-operation and for the co-ordination of general policies, ÖROK also commissions studies and collects working data and thereby provides the basis for innovation in spatial development policies. ÖROK's main task is to draw up the Austrian Spatial Planning Concept on a co-operative basis, a task that it has performed twice: in 1981 and 1991. This concept or general strategy provides guidance for relevant spatial planning measures carried out at federal, *Länder* and local levels. Like all other conclusions elaborated by ÖROK, the Austrian Spatial Planning Concept is based on unanimity agreement and is of a non-binding nature.

It should also be mentioned that ÖROK as an informal co-ordination body has successfully served as a co-ordinating forum for all work performed in the context of preparing and implementing the Austrian EU Structural Funds programmes. In this respect, the tradition of pragmatic, flexible co-operation among the different institutions has proved to be one of the key elements of success. And it is questionable whether any formal co-ordination mechanism could have dealt with the complexity and the pressure of time that this co-ordinating task involved as effectively as did the ÖROK Conference.

Let me add some remarks on the relationship between spatial planning/territorial policies and sectoral policies from the Austrian perspective: A justification of spatial planning often starts with the declaration that sectoral policies pay little or no attention to the spatial/territorial impacts of their activities, as their considerations are limited to a single, sectoral perspective. And that spatial planning is different. Hence, one may conclude, there is a need for spatial planning as superior policy level to issue orders to sectoral policy makers. In the Austrian case, this is unrealistic.

In Austria -- partly due to the tradition of co-operation within ÖROK -- several sectoral policies have integrated spatial perspectives into their policy design (*e.g.*, integrated agricultural policy for mountain areas, forest development plans, etc.). On the other hand, some spatial planning concepts deal with sectoral issues (*e.g.*, the regional development plans for specific sectors). So, the dividing line between territorial/spatial and sectoral is not a clear one. Territorial/spatial and sectoral have rather to be regarded as a duality, as ideal poles, between which there is a wide range of possible solutions (which does have consequences for the institutional relationship between spatial planning and sectoral policies). At least in Austria, a co-operative model has been preferred to a hierarchical spatial planning system. Thus, spatial planners have to show value-added for others to gain importance.

Future role of the national level

What are the future challenges to spatial development in Austria? I can only give some flashlights:

- Spatial planning has increasingly to take into account the supra-national perspective (trans-national, European).
- Ensuring European and global competitiveness of the *location Austria* (transport infrastructure endowment and linkages, social and economic balance within Austria, etc.).

- Coping with EU enlargement.
- Ensuring the practical application of the concept of sustainability.
- Spatial implications of new forms of economic and social activities (*e.g.*, retailing, tourism, etc.).
- Impact of transport and settlement structure on public finances, etc.

The challenges -- seen from a national perspective -- are numerous.

What could be new political strategies for spatial planning on the national level? In principle, spatial planning could play the role of a specific sector (also in coalition with another powerful sector, like transport or environmentalism) or it could play the role of a co-ordinator (as in Austria).

Nevertheless, there remains the need for a political mandate (or a political mission) for spatial planning exercises also on the federal level. The overall political objective for the elaboration of the first Austrian Spatial Planning Concept in 1981 was to address disparities, to adapt the regional public infrastructure endowment and to ensure equal development opportunities throughout the country. For the second concept in 1991 the guiding principle was to increase efficiency. The work on a new Spatial Planning Concept has started only recently. Spatial planners agree that it is not enough to start the work on a new national concept just because ten years will have passed soon since the last one, the clear political interest in this initiative has still to be explored and this will hopefully be achieved soon. Reality shows that politicians are more interested in individual key issues than in long-term oriented comprehensive spatial planning concepts.

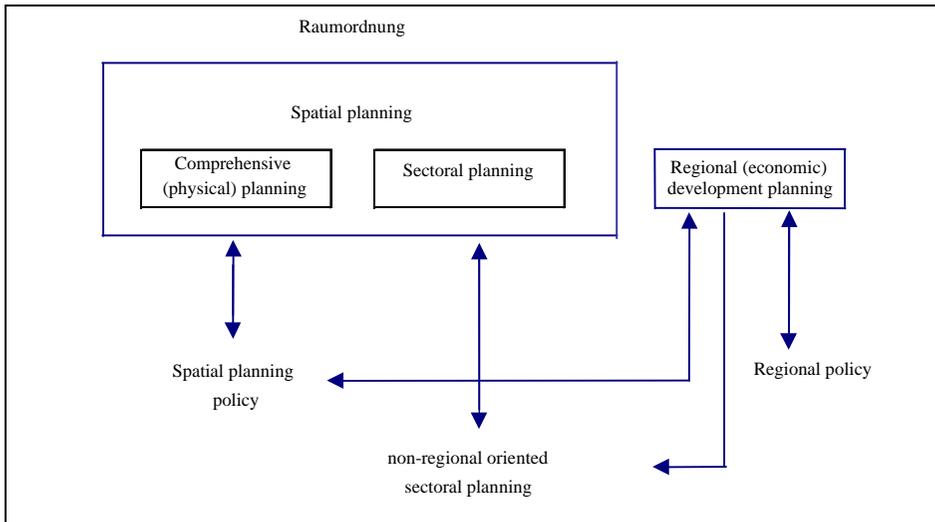
New instruments have to be explored also on the federal level. In the past, efforts have been made also in Austria to establish a federal spatial planning authority and to pass a federal spatial planning law. Due to the constitutional and political framework in Austria, these efforts failed. For the future nobody will be working in that direction. It seems to be more promising to explore new avenues in information strategies, networking, awareness-raising activities, co-ordination and mediation tools, counselling, evaluations and monitoring instruments, impact assessment tools, etc. The new role of spatial planning -- at least on the federal level in Austria -- could be rather that of a service provider than of a legal authority.

Epilogue

Concluding questions:

- What could be the core issues of spatial development in the future, if the values of society tend to become more heterogeneous, more individualistic, more flexible and unstable, increasingly short-term-oriented and short-lived? What will be the impact of these trends on public policies?
- What could be appropriate strategies to ensure more sound, long-term oriented and multi-sectoral integrated territorial policy approaches, while short-term effects and media attention rates and viewing figures continue to play an important role in the political system?

Figure 1. Present system of concepts used (Austria)



Chapter 6

THE PERFORMANCE OF SPATIAL PLANNING

By Andreas Faludi

Overview

The effectiveness of spatial planning is much discussed. The issue seems simple. Lest plans should be considered a failure, outcomes must conform to intentions. So the agents shaping spatial development must be made to fall into line, and so plans must “have teeth”. Dutch authors are not the only ones to hold another view that takes account of the reality of frequent plan departures. So whether evaluating planning is a matter of measuring outcomes, or whether another procedure is called for, depends on assumptions about planning, its function, or purpose. At least as far as strategic spatial planning at regional and even more so at national planning is concerned, recognising the interactive nature of planning is indeed more realistic. However, how can we evaluate such planning? Fortunately, there has been sustained Dutch research into the ‘performance’ of strategic spatial planning. The term has been coined to suggest that in strategic planning, effectiveness as a notion needs to be reconsidered. Where planning is considered to be interactive and a learning process, its purpose is to shape the minds of decision-makers. This requires a different notion of effectiveness, which is what performance, stands for.

The works discussed are based on the “decision-centred view of planning” holding that plans are to help decision-makers in making sense of their situations. Evaluation needs to be couched in terms of whether they do so. Various research methods are discussed, and a bridge is forged to another line of argument about the structure of meaning in spatial planning. For this the term “planning doctrine” has been introduced. Doctrine gives overall direction to how actors view their situation. In this way, doctrine facilitates plan making and implementation.

For the sake of communicative effect, doctrine invokes simplifications. Dutch national planning doctrine, for instance, evolves around the twin notion of the “Randstad” and the “Green Heart”. Geographers find them elusive, and dissident planners argue that they are counter-productive, but these allegations are not the issue. The issue is whether strategic spatial planning is merely to persuade by means of appealing images or whether an element of expert analysis remains essential. Tentatively, it is suggested that analysis comes into its own in the search for an ‘open’ doctrine.

Introduction

This paper is about strategic spatial planning. Strategic spatial planning concerns the major spatial development issues. Such issues may arise on whichever level, but it is more common for them to be addressed on the regional and even more so on national level.

More in particular, this paper asks how strategic spatial plans can be evaluated. On face value, evaluation in planning seems simple enough. Lest it should be considered a failure, planning must “deliver the goods”. This means that the outcome of planned action must conform to what the plan says. For planning to achieve this, it must make the various agents that are normally shaping development according to priorities of their own fall into line. So in order for strategic spatial plans to be effective, conventional wisdom has it that they must “have teeth”. The government agency responsible for making the plan must be able to rein other actors in. “Other actors” may refer to other government agencies, whether on the same level of government (horizontal co-ordination) or on other levels (vertical co-ordination). The need for control also and above all applies to private actors. When all is said and done though, conventional wisdom sees horizontal and vertical co-ordination and the exercise of control over private actors as stopgap measures. Ideally, the planning agency itself should look after the implementation of the plan. The problem is that under conditions of division of labour this is not normally possible. The exceptions are single-purpose agencies set up to deal with unique and huge issues, like the vast land reclamation schemes and storm flood barriers in the Netherlands, the organisation of Olympic games, the development of La Défense in Paris, and so forth.

Dutch authors are not the only ones to question the view that strategic spatial planning always is -- or indeed should be! -- such projects where vast powers and resources are vested in planners. They base themselves on the appreciation that much planning is not a technical process of producing material things but rather a process of mutual learning involving interaction among a

multitude of actors. This understanding of planning as a “soft” process is more attuned to the seemingly endless multifarious negotiations that many practising planners are constantly involved in, and to the, at best often very indirect impact that their plans have. Planners often feel bad about their day-to-day practice and the fact that their plans are more often indicative than binding. They think that this falls short of what planning should stand for. Shedding misconceived ideas about what planning stands for should help planners in making sense out of what they in fact do.

Be that as it may, what this demonstrates is that evaluation is not simply matter of measuring outcomes. Where planning-as-learning producing indicative plans is concerned, a more subtle procedure is called for. So the answer to the type of evaluation needed depends on our assumptions about planning, its function, or purpose. After having discussed these assumptions, in a nutshell, the message of this paper will be that, plans must be evaluated, not primarily in the light of their material outcomes, but for how they improve the understanding of decision makers of present and future problems they face. Where having strategic spatial plans increases this understanding, there they may be said to perform their role, irrespective of outcomes. The long and the short of it is, such plans perform their role if and when they help decision-makers making sense of their situations, and so they need to be evaluated in this light.

At the end of this paper, I relate the analysis of plan performance to another line of argument. It is about “planning doctrine” as a structuring device responsible for success in planning. In so doing I draw on work that analyses the structure of meaning behind plans. Planning doctrine is a comprehensive concept that extends to the institutional capacity for analysis and action concerning spatial issues. Relating two hitherto disparate lines of reasoning, the paper ends with an exposition of this concept and its implications for evaluation research.

Two types of planning

The first question this paper needs to answer is:

What is the purpose of spatial planning at the more strategic level of regional and even more so national planning?

This question will be answered in the spirit of what is called the “decision-centred view of planning”. The decision-centred view derives its key

characteristics from the “IOR School” (the acronym for the Institute for Operational Research existing between the sixties and the eighties as a branch of the Tavistock Institute of Human Relations). The most radical departure from previous thinking introduced by that school concerns the very question discussed in this section: the nature of planning. It answers this question by emphasising, not plans but day-to-day decision-making (Faludi & Mastop J.M., 1982 and Faludi, 1987, pp. 91-92). In the words of the “I.O.R School”, planning must be seen as “... *not so much concerned with producing a plan as with gaining a better understanding of the problems with which we are faced now and in the future, in order that we can make better decisions now*” (Centre for Environmental Studies, 1970, p. 16). This emphasis on improved understanding predates much of the current talk about planning-as-learning. What is also remarkable is the pragmatic concern with action rather than plans.

Of course, planning is not always learning, and nothing but learning. Sometimes planning is indeed a technical exercise of producing material things, thereby drawing on available expertise. Planning-as-learning relates to situations in which issues are less clear-cut. So there are types of situations, and the notion of planning varies accordingly. In this spirit, in Faludi (1989a; see also Faludi & Van der Valk, 1994 and Mastop, J.M. & Faludi, 1993 and Mastop, H. & Faludi 1997; the original formulation is in Van der Valk, 1989) I distinguish between project and strategic plans and look at how each of them is being prepared, their respective form and intended effects.

Project plans are blueprints of the intended end-state of a material object and of measures to achieve that state. In project planning, interaction between those concerned focuses on the adoption of the plan. Once adopted, the plan forms an unambiguous guide to action. So its adoption implies closure of the image of the future. The time-element in project planning is restricted to phasing works in line with the exigencies of producing the final outcome. A project plan is expected to have a determinate effect on outcomes. In other words, within predefined margins of error, outcomes must conform to the specifications in the project plan.

Strategic plans concern the co-ordination of projects and other measures taken by a multitude of actors. As always, these actors can be other agencies of government and/or private actors. The set of decisions taken by these actors forms the object of planning. The co-ordination of these decisions is a continuous process. Since everybody wants to keep options open, time is of central concern. The strategic plan itself is no more than a momentary record of agreements reached. It forms a frame of reference for negotiations and is indicative. The future remains open (see Table 2).

Table 2. Two types of plan

	Project plans	Strategic plans
Object	Material	Decisions
Interaction	Until adoption	Continuous
Future	Closed	Open
Time-element	Limited to phasing	Central to problem
Form	Blueprint	Minutes of last meeting
Effect	Determinate	Frame of reference

Source: Faludi, 1989a.

Spatial plans can take either shape. Many spatial plans are of course project plans. Indeed, one form of spatial plan, the blueprint used by architects and engineers, has become the prototype project plan. However, much as in other forms of planning, there is a range of situations in spatial planning in which the assumptions underlying the making of project plans simply do not apply. There can be too much uncertainty and conflict, and there can be too many actors making the situation too complex. Whilst this can (and sometimes does) occur at local level, this is more usual at the regional and national level. This is why, in the terms outlined above, spatial planning at these levels is predominantly strategic in character. Although on the face of it about technical things, by virtue of the persistent uncertainty and conflict around them, major infrastructure developments considered at regional, national and even international demand a strategic approach, too.

We can now answer the question at the beginning of this section. It is that the purpose of spatial planning at the level of regional, and even more so national planning is to give guidance in situations that are characterised by uncertainty and conflict around spatial development where there needs to be mutual learning. The guidance is for the benefit of subsequent decision-makers and concerns their decision situations. Strategic plans inform them about implications of their various courses of action. They can draw such information from the plans where the latter predefine courses of action for them, the implications of which have been explored. Alternatively, the information they need may be in the minds of those who have participated in preparing a strategic plan. Such “invisible products” of planning like a common appreciation of problems, a confluence of views as regards desirable solutions and so forth are

important, sometimes more so than the ‘visible products,’ the plans themselves (Wallagh, 1994).

Two types of evaluation

The follow-on question that arises and is central to this paper is this:

What is the best approach to evaluating “planning-as-learning?”

Planning-as-learning raises further issues. After all, whether planning delivers is no longer the only test that applies. In the Netherlands there has been sustained research into how such evaluation should take place. Recently, this has resulted in a collection of papers in “Environment and Planning B: Planning and Design” (See amongst others Mastop, H., 1997). This paper draws on this Dutch school of “performance” research.

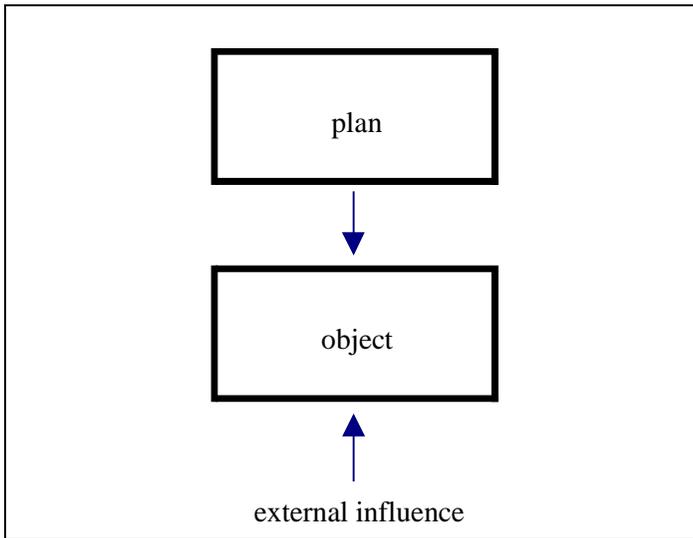
Albeit implicitly, much evaluation takes the Scripture as its point of departure where it says “*By their fruits ye know them*”. The implication seems that the evaluator must go and look whether the outcomes of a planning exercise conform to intentions as laid down in the plan. This is certainly true for project plans. As we know, project plans are concerned with material things. It is fair that evaluation should be in terms of material effects. Where there is conformity between outcomes and intentions, there the project plan may be deemed a success.

As we have seen, the purpose of strategic plans is different. It is to guide the making of decisions. To put it differently, it is to allow decision-makers to learn about what the situation is and what they, individually or collectively, can do about it. Such learning does not always occur “on the fly”. There are all too many issues to be dealt with. Since this is so, the quality of strategic plans must not be measured in terms of conformity of outcomes to the plan. Rather, their quality must be measured in terms of the performance of plans in facilitating decision-making.

Co-authored works with Mastop (Mastop, J.M. & Faludi, 1993 and Mastop, H. & Faludi, 1997) lay bare the underlying assumptions as regards the object of planning. In the case of the project plan, the assumption is that of an inanimate object being manipulated by an actor. Account is taken of external variables (Figure 2). This is not a suitable assumption as regards strategic plans. Once again, such plans are addressed to human agents and do not concern inanimate objects. Human agents analyse plans for any messages that

are relevant to them, deciding how to deal with the messages on that basis. In so doing, they re-interpret the messages, and in this sense distort them.

Figure 2. The conventional approach effectiveness: conformity



Source: Mastop, J.M. & Faludi, 1993.

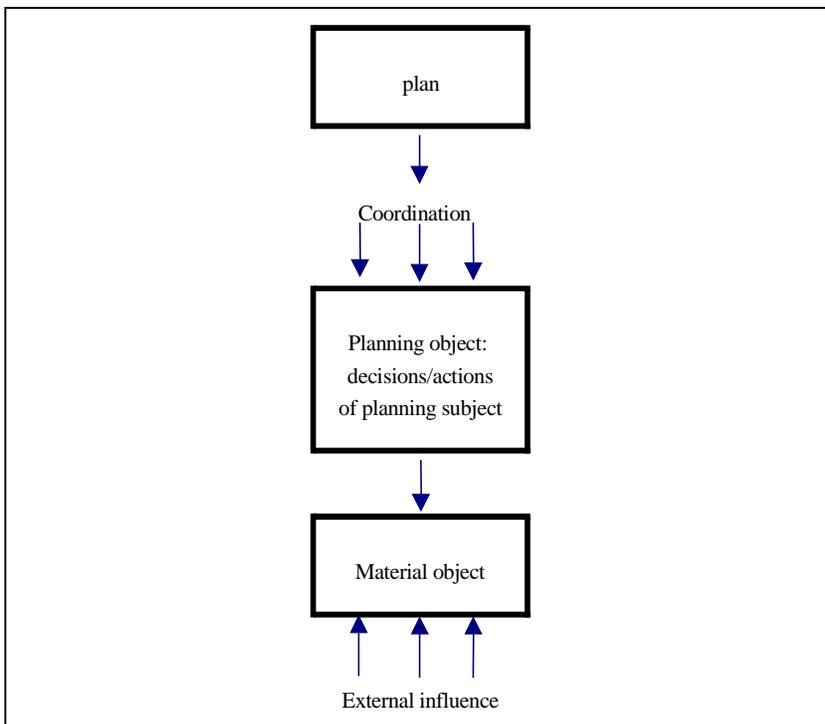
In another paper with Korthals Altes (Faludi & Korthals Altes, 1994; see also Korthals Altes, 1995) I point out that communication between plan-makers and those to whom they address their messages is always and necessarily distorted. Such communication must be viewed as the “double reconstruction of texts”. After all, the author of the plan conceives of the recipient in the abstract, and the recipient thinks of the author of the plan in the abstract, too. So meaning assigned to a plan and its messages is never the same as intended.

This is very different from manipulating inanimate objects. This is where Dutch evaluation theory comes into its own. Following amongst others Barrett & Fudge (1981), it differentiates between conformity and performance (See amongst others Faludi, 1989a). Performance (being the more difficult term of the two) refers to how a plan fares during negotiations, whether people use it, whether it helps clarifying choices, whether (without necessarily being followed) the plans form part of the definition of subsequent decision situations.

So what happens with the plan becomes the key to evaluation, whether or not it is followed is not the issue.

This has profound implications for what is commonly described as the object of planning (Mastop, J.M. & Faludi, 1993 and Mastop, H. & Faludi, 1997). The immediate object is not “society”, “social problems”, “social development”, or such like. The real planning object in the sense of that which planning is concerned with is the set of decisions and actions that are being co-ordinated by means of a plan. We sharply distinguish this planning object from the material object, the problems in the outside world that the plan relates to (Figure 3).

Figure 3. The decision-centred view effectiveness: performance



Source: Mastop, J.M. & Faludi, 1993.

With this out of the way, we define plan performance. A planning or policy statement is fulfilling its purpose, and is in this sense “performing”, if and only if that statement plays a tangible role in the choices of the actors to whom it is addressed. This may include the maker of the plan who then in a manner of speaking sends messages to him or herself (as all of us do in using our diary as a major device for managing our time). Lastly, the range of addressees may also include other actors not explicitly named in the plan to whom (for whatever reason) the statement appeals so that they want to take it into account. Once again, in all these cases the plan performs a useful role, irrespective of whether the outcomes correspond to the plan.

Playing a role in the choices of target groups is then what plan performance is about. This can be expressed in terms of ends and means. Planning statements are then the means to an end, the end being to let ideas of the maker of the plan become part of subsequent decision processes. However, the language of ends and means seems inappropriate. The plans we are talking about address people. People should not be regarded as means to an end. In fact, “implementation” can better be seen as a process of social interaction between the makers of a plan and the group or groups to whom it is addressed (Figure 4).

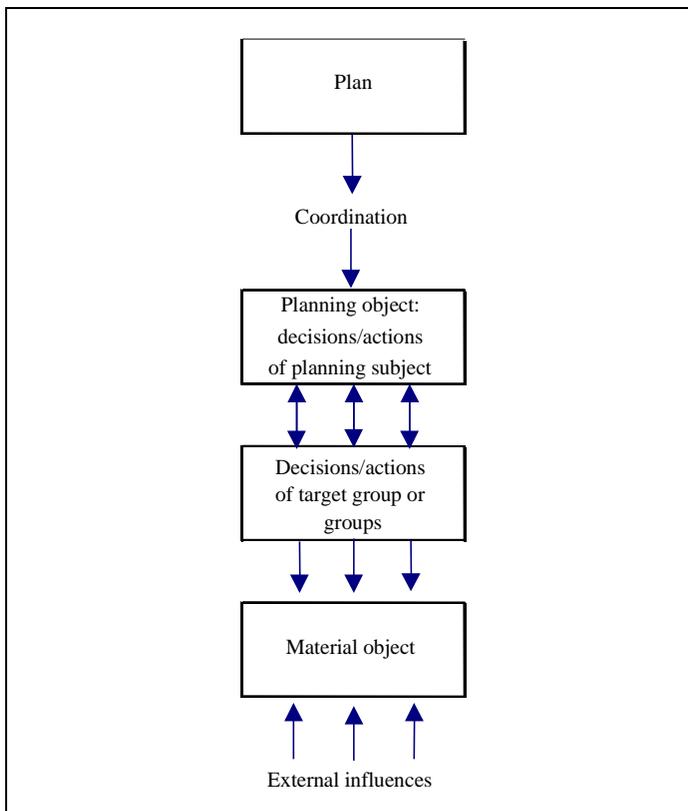
The conclusion is that project and strategic plans need to be evaluated differently. In the case of a project plan, evaluation must follow the logic of ends and means and of conformance of outcomes to intentions. Technically, such evaluation can be complex. However, the logic is simple and need not concern us here.

Strategic plans are different. Their addressees may interpret them freely, much as judges interpret (and thereby change!) the law in cases where strict adherence would create anomalies. In such cases we do not say that the law is ineffective. Likewise, even where and when departed from, a strategic plan is not necessarily ineffective. It can still be a framework for deliberating about what to do. It continues to fulfil this function for as long as it informs decision-makers about the original intentions and the reasoning behind them, in other words for as long as, by looking at the plan, the decision-maker can learn something about his or her situation. So, where strategic plans are concerned, we must establish whether they perform their function as decision-making frameworks.

An example will elucidate what this means. It is a real-life example drawn from research by Postuma (1987) into the 1935 *General Extension Plan of Amsterdam*, the first Dutch plan based on extensive surveys. The plan boldly covered the period until the year 2000. The research is about how the plan was

used until it became obsolete in 1955. This involved studying proposals for housing projects, including land acquisition and compulsory purchase, but also of port facilities and the like. In each instance, the research established whether reference had been made to the plan. In the case of departures, the research established the reasons. In so doing, it sought to understand the role the General Extension Plan had played in decision-making during the two decades after its adoption.

Figure 4. The interactive-perspective effectiveness: performance



Source: Mastop, J.M. & Faludi, 1993.

The research found that before the war housing schemes did conform to the plan. However, the Port Authority had no stake in the plan and disregarded it. So on this count the plan was anything but useful.

After the war, sand was difficult to get. There was not enough equipment to transport it to where it was needed in order to raise the land well above the water table. In the Western Netherlands, this is necessary because of the well-known conditions prevailing in an area below sea level. Even so, with sand being less readily available, it became imperative to use less sand and thus to make do with raising the land to a lower level. Now, this meant more rainwater storage. Larger areas had to be set aside for this purpose, and this meant departing from the original plan. Now, the proposal in the pre-war plan to raise the land to the higher level had been taken after due deliberation, and decision-takers could use that analysis for establishing what the effects would be of making do with less sand. In this way, and even though the material outcome was different from what had been foreseen, the General Extension Plan proved to be useful. The city fathers used the plan, pointing out to the Council where they recommended departures and why. When deliberating about proposals, sometimes the Council, too, invoked the plan. So the idea of a plan working by assisting decision-makers in understanding the situations that they are faced with here and now does reflect reality.

The answer to the question as to the best way of evaluating “planning as learning” is now clear. One needs to look at how plans are used by decision-makers in practice, at how plans perform the function assigned to them under the decision-centred view which is to help increase the understanding of decision-makers faced with concrete choices.

The method for evaluating plan performance

Now that we know the general direction that needs to be taken in evaluating the performance of spatial plans, the next question is clearly:

What is the appropriate method for evaluating the ‘performance’ of planning as a learning process?

For evaluation to be rigorous there must be criteria. They provide benchmarks for differentiating between good and bad strategic plans. Dealing with this issue, I first discuss the three conditions of a strategic plan being effective identified by Mastop, J.M. (1987 [1984]; p. 344):

1. The plan must name the operational decisions for which it is intended as a framework;
2. The plan must be of continuing relevance to the situation as it evolves;
3. The plan must help in defining operational decision situations. In other words, lest the plan be considered ineffective, it must actually be invoked.

I myself have made do with two conditions, one necessary and one sufficient. The necessary condition is that operational decision-makers must know the plan (In Faludi, 1986, p. 101 I say they must form part of the same community of discourse). The sufficient condition is that decision-makers must accept the plan as part of the definition of their decision situations. To this extent, there must thus be agreement between the maker of the plan and the decision-makers to whom it is addressed.

Based on these considerations, this notion of the “performance” of plans can be rendered operational. Two starting points are:

1. the objects of study are specific planning or policy statements, not plans or policies as such;
2. studying performance of plans or policies means focusing on decisions and actions of the groups to whom they are addressed (Mastop, J.M. & Faludi, 1993 and Mastop, H. & Faludi 1997).

Two situations are conceivable. The first situation is that subsequent to the plan being adopted, decisions are taken that conform to the plan. Theoretically it is possible that this outcome is coincidental, so in order to establish whether the plan has worked, a causal relation between intention and outcome needs to be established. Anyway, there will be many situations in which subsequent decisions do not conform to the plan, and for the purposes of discussing the evaluation of plan performance they are more interesting. In such situations, the evaluator must find out what really happened to the plan, how (if at all!) it has been considered. By way of example, it will be

remembered that close analysis in the study of the 1935 *General Extension Plan of Amsterdam* revealed that the plan did fulfil a useful purpose.

So the first requirement is to identify plan departures and to find out whether, even though departing from it, decision-makers have allowed themselves to be influenced by the plan. This is the basis for judging performance. However, this does not exhaust the possibilities for plans performing a useful function. For instance, it may be that decision-makers conclude that they cannot go on invoking a plan that is outdated. On this basis they decide that a new plan, or (which amounts to pretty much the same) at least a substantial revision of an existing plan is in order. In such a case, it makes no sense either to say categorically that the previous plan has failed its purpose. Rather, the answer to the question of whether it has failed, or whether it has served a useful purpose inspiring the authors of the new plan, depends on whether and how ideas in the former plan find their way into the pages of its successor document.

On this basis, Wallagh (1988, pp. 122-123; see also Wallagh, 1994) gives a comprehensive specification of the types of situations in which a plan performs its function as a learning framework, and this list may at the same time serve as a checklist for the evaluator of plan performance. The situations are as follows:

1. an operational decision conforms to the plan *and* explicit reference is being made to it, demonstrating that conformity has not been accidental;
2. arguments are being derived from the plan for taking non-conforming decisions, so that departures are deliberate;
3. the plan provides the basis for analysing consequences of an incidental decision which happens to contravene the plan, thus bringing that decision under the umbrella of the plan;
4. if and when departures become too frequent and the plan must be reviewed, the original plan may still be said to have worked for as long as the review takes that plan as its point of departure.

We might call the latter the regenerative capacity of a plan.

It bears emphasis that studying plan performance is complex and demanding. Difficult questions need answering: Did a decision-maker allow him- or herself to be influenced by the plan and, if so, to what degree? The

evaluator faces the problem of whether the data are adequate and the recollections of respondents accurate, whether respondents are truthful, and so forth. In short, the problems of interpretative social research stare the researcher into the face. However, invoking the criteria is never a straightforward matter but rather involves judgement inherent to the whole notion of planning-as-learning. Much will depend on how in each case the decision-makers involved appreciate their situations and whether they deem the plan to be helpful in making sense of them.

This at the same time provides the most general answer to the question at the beginning of this section as to the appropriate method for evaluating the 'performance' of planning as a learning process. It is to look at how decision-makers take decisions and to find out whether plans help them in understanding what they are doing. This is unlike conventional evaluation with its characteristic approaches evolving around combinations of impact assessment and cost-benefit analysis. Evaluation of plan performance requires deconstructing decision situations into their components and identifying elements derived from plans and/or from the experience of participating in the processes that have led to their formulation.

Framing action

There has been a range of Dutch studies concerning the performance of strategic spatial plans. On the whole such plans are performing well enough for a while, after which they get out of date. This does not mean that development takes place at random. On the contrary, it is still fairly orderly. Plans articulate underlying values, assumptions and concepts. Even if a plan gets out of date, underlying values and so forth act as a frame of reference. So the next question to be answered is:

How can actors involved in spatial development invoke a common frame of reference?

For the frame of reference invoked in strategic spatial planning, I am not the first one to have used the term "planning doctrine". Classic authors like Selznik (1953 [1949]) on the Tennessee Valley Authority and Foley (1963) on London have preceded me. Others are using terms like "megapolicy assumptions" (Dror, 1971) or "policy frames" (Rein & Schön, 1986 and Schön & Rein, 1994) or "hegemonic project" (Hajer, 1989) in pretty much the same sense. So it is important not belabour the term doctrine. The important thing is that, like paradigms according to a widely held view of science, such a

discourse or frame, or, as I prefer to call it, planning doctrine gives a stable direction. In this respect, doctrine is one of the sources of strength on which plans can draw.

An example will serve to elucidate the issue (See also Faludi, 1987, pp. 128-132 and Faludi & Van der Valk, 1994, p. 15). It concerns the Dutch "Urbanisation Report" of several years back. This is a strategic spatial plan in anything but in name. It is based on the idea of managed growth throughout the Netherlands according to the philosophy of what the Dutch call "concentrated deconcentration". This stands for a policy of allowing suburban-type development (hence "deconcentration") but at the same time insisting that this type of development be focussed in designated areas (hence "concentrated") so as to prevent uncontrolled suburban sprawl. In practice this entails developing a couple of new towns and another dozen-or-so existing towns called "growth centres". The policy has been impressively successful, even according to the conformance criterion. In excess of ½ million people have moved to these growth centres, and at the height of this policy more than twenty per cent of annual housing production took place where the "Urbanisation Report" had indicated that it should (Faludi & Van der Valk, 1991; 1994).

However, the research base of this strategic plan is weak. It pays only lip service to uncertainty. Admittedly, the plan does give indications as to the actions that would lead to the achievement of the desired objectives, but it leaves it more or less at that. It does not pay explicit attention to what is being done day-in, day-out by those working at the coal-face of spatial development. So the plan runs foul of the first of the three conditions of Mastop above: it does not specify the decisions for which it is intended as a framework.

The plan worked even so. It did so by articulating an image of a desirable future. At that time, some Dutch planners argued that, rather than worrying about vertical and horizontal co-ordination (the bread-and-butter of Dutch planning practice leading to complex negotiations), plans should do precisely this: articulate attractive future images. In this way, plans should mould perceptions and by 'framing with images' (Faludi, 1996) ensure their own implementation. This was more or less what this strategic plan called the Urbanisation Report had done.

The Urbanisation Report was not an isolated plan. Rather, it was one of several consecutive planning documents which, between them, have cumulatively generated consensus about what the Netherlands should look like. In the seventies and early eighties, this was sufficient to guide operational decision-makers involved in growth management. It is this "deep structure" behind plans that I describe as planning doctrine. The suggestion is that

strategic plans sometimes “work”, not as plans in the ordinary sense of the word, but by articulating aspects of the underlying doctrine.

Planning doctrine as used here stands for a coherent body of thought concerning:

1. spatial arrangements within an area (urbanisation patterns, the distribution of industry and facilities);
2. the development of that area (responding to expected patterns of growth or decline in demand, changing patterns of preferences, perceived opportunities and threats); and
3. the way both are to be handled (planning approaches and the organisation of planning).

Examples of ideas under (1) and (2) are planning concepts, like the neighbourhood idea and the green belt. In the case of planning doctrine, such concepts combine into an overall principle of spatial organisation for the jurisdiction concerned. Such a principle of spatial organisation expresses certain values. In the Dutch case these values are those of “Rule and Order”, as is the title of the book on Dutch strategic spatial planning that I co-authored with Van der Valk (Faludi & Van der Valk, 1994).

Planning principles under (3) form an equally important aspect of doctrine. They concern the preparation of plans, their form, uses and/or effects. Examples are “survey-before-plan”, public participation, “deciding cases on their merits”, as well as recent ideas re-emphasising planning as debate (Healey, 1997). Over time planning principles become enshrined in practice. They automatically inform the work of planners. With the principles of spatial organisation they become part of what Barret & Fudge (1981) describe as the “assumptive world” of planners. Having sets of common assumptions that planners can draw upon gives planning institutional capacity, the more so since elements of Dutch doctrine have penetrated the views of politicians and the public at large.

When do we speak of doctrine, and what criteria do we apply to it? In another co-authored paper (Alexander & Faludi, 1996) doctrine is defined as a conceptual schema. Such a schema is like a generalised “script” organising the subject's perceptions, experiences and expressions about an area.

The conditions for being able to speak of doctrine are:

1. a planning subject (being an agency with statutory responsibility for planning); that
2. recognises the relevant planning area as a relevant object of concern; and
3. adheres to the doctrine over time so that there is continuity of concerns.

A planning doctrine may be expressed in a plan or plans, but also in other ways because doctrine is distinct from its mode of expression. After all, a doctrine's metaphorical core and the image projected by a plan or policy document are different.

This takes us into discussing metaphor as a pervasive mode of understanding by which we use experiences in one domain to structure another. So metaphor confers meaning. An example from Dutch planning is the term “Green Heart” designating the core area of relatively open land enclosed by the “Randstad”, a horseshoe-shaped area with various towns and cities of medium size that between them form the urbanised core of the country. The power of this metaphor lies in the injunction not to choke the heart by building over it, the more so since it is green! (Figure 5).

Metaphor has a critical role in human knowledge and action and is central in human imagination, providing the quasi-logical framework of associations. As such, it enables synthesis.

The paradigm (as used in philosophy of science) is also a metaphor. Paradigms are a feature in a widely accepted model of scientific progress, in which they represent the collective decisions of a scientific community which “frame” “normal”, puzzle-solving science. Much discussion concerns whether or not paradigms are rational or not.

I return to this issue below. At the moment suffice it to say that the more inclusive we define the planning subject, the more actors it includes, the more important doctrine is in securing plan performance. The knife cuts both ways. Successful doctrine binds many actors to it. Such a doctrine will help with forming networks that can be called upon and mobilised to safeguard the values on which doctrine is based. This is why doctrine has been said above to increase institutional capacity.

Figure 5. Dutch planning doctrine



Where doctrine is mature, planning is a 'normal' activity. This means that an arena exists in which problems, solutions and their consequences are analysed. As a result, planning is cumulative and progressive (This may account for such successes as Dutch planning has; see Faludi, 1989*b*; 1991; Faludi & Van der Valk, 1994). The reverse is also true: absence of planning doctrine may be a reason for failure. Another contribution of planning doctrine

is to reduce the burden of plan making. Lastly, doctrine can fill the gap left by plans that have become obsolete.

The combination of its consensus building and “policy framing” role suggests that planning doctrine also performs a social function. Here Alexander and I make use of Giddens (1979) where he talks about “structuration”. Structuration may serve as a unifying concept, allowing us to bring together two hitherto disparate streams of thinking about performance and planning doctrine. We first need to look at structuration.

Structuration is a key concept in Giddens referring to the process by which social action is being structured by the cumulative outcome of previous actions. These outcomes may be belief systems, rules and/or institutions. For instance, consider the multifarious negotiations as which we described planning in practice. This certainly involves many interactions. According to Giddens such interaction is constrained by given structures of meaning, facilities and norms, what he describes as “structuring modalities”. At the same time, social interaction would be impossible without structures. Structures 'enable' interaction much as they constrain it. Furthermore, during interaction structures are being re-established or changed, as the case may be. So the relationship between structure and interaction is not a one-way street. Rather, they are mutually dependent on each other (For a critique see Hajer, 1989).

Structuration is what happens in every form of planning recognising, as in this paper, its object as human actors “talking back” to plans, and using plans to their advantage, often in creative and unexpected ways. Following Giddens, there would indeed be something seriously wrong if this did not happen; if the recipients never change the plans handed down to them. So the idea above of performance analysis is in line with Giddens’s view of social interaction.

Doctrine is one form of structuring modality. More specifically, it is a belief system in that it conveys meaning to those concerned with the environment. Meaning is further articulated in plans, policies, programmes and projects. They, too, are structuring modalities, albeit on a more concrete level. Ultimately, they bear fruit in social interaction, in the case of strategic spatial planning concerning decisions about spatial development. This is what structuration stands for: actions taking place within a dynamic framework that is itself being transformed during the process.

In this way, the concept of structuration may act as a unifying device for the performance of plans and the broader question of how doctrine works. In fact both strategic spatial plans and doctrines are structuring devices, the difference being that plans are more specific. Also, being more specific, we may expect plans to deal more with facilities and the application of norms rather than with meaning, which is where doctrine comes into its own. However, both plans and doctrines can be evaluated for how they perform their role by looking at how they are used by decision-makers.

There is a difference though. Performance analysis takes us to a micro-level. The type of analysis required is detailed and demanding. The analysis of doctrine is no less demanding, but it takes place on a macro-scale, tracing historical trajectories and making qualitative judgements on that basis. The strength of doctrine lies in its appeal to cultural values, in its holistic qualities, embracing various aspects of a problem and endowing them with meaning by presenting them as part of one overall view that is historically rooted and offers perspectives on the future at the same time. Analysing doctrine, we are thus into the business of historic interpretation, with all the pitfalls that this entails.

It is the persuasive power of planning doctrine that makes for consensus, and the importance of consensus in Dutch planning cannot be overemphasised (Van der Heiden *et al.*, 1991 and Faludi, 1994). Consensus gives direction to the search for alternatives and delineates the range of consequences to be considered in plan making as well as in taking subsequent decisions. Without consensus, planning means endless argument, and reasoned choice becomes difficult.

Consensus is undoubtedly an asset. It can ensure co-ordination, even in the absence of reliable plans. People may do what is required, not because they are guided by a plan but because they think the same way about problems. Since we have defined it in terms of whether ideas in a plan form part of the definition of subsequent decision situation, where there is consensus, plan performance improves.

With this we may answer the question that this section deals with as to what it is that makes for actors involved in spatial development invoke a common frame of reference. What is responsible is a long learning process leading to a common way of perceiving problems and of evaluating solutions, something that brings order in our thoughts and actions.

Walking the tightrope

Recognising the role of frameworks in planning challenges assumptions about the expert planner and his or her trade. The question is as one about the purpose of strategic spatial planning:

Is the purpose of planning to articulate a doctrine or frame that gains acceptance, and where does this leave other criteria of good planning?

This is an issue because the direction into which the above has taken us has its disturbing aspects. For the sake of communicative effect, doctrine may be reduced to simplistic notions. Dutch national planning doctrine, for instance, evolves around the “Randstad” and the “Green Heart”. They are at the core of the Dutch principle of spatial organisation. The concepts have been so successful that they have become part of Dutch language. However, whether they correspond to reality is debatable. Geographers find them notoriously elusive, and dissident planners argue that they are counter-productive (Van der Valk & Faludi, 1992; 1997; De Boer, 1991 and Van Rossum, 1994). However, in applying rigorous standards of analysis, geographers miss one crucial point. It is that these are policy concepts and not analytical ones. Though they may entail oversimplifications of reality, their popular appeal is a source of strength. This point is certainly not lost on planners criticising “Randstad” and “Green Heart”. They are opposed to the current form of Dutch planning, which is why we have described them as dissidents. In some cases they go even as far as extolling the virtues of patterns of development that are radically different from the Dutch, like the suburban sprawl exemplified by Los Angeles.

Whether Los Angeles is the model to follow is not the issue. The issue is the purpose of planning at a strategic level. If articulating doctrine around a successful metaphor is all there is to strategic planning, where does this leave expertise? Is the scope for expert planning limited to narrow issues within existing planning doctrine (rather as Kuhn saw the role of scientific method as limited to “puzzle-solving” within existing paradigms)? Or is there a role for experts even in formulating doctrine?

Let there be no misunderstanding. The alternative is to leave planning doctrine to the visionary designers and/or politicians. In a joint paper, Alexander and I are debating the issues, amongst others around the notion of “open” planning doctrine (Alexander & Faludi, 1996). As the apparently contradictory term suggests, this would be a form of doctrine that, other than the

conventional meaning associated with “doctrine”, is tolerant for variety and focuses on flexibility of choice. Thus “open” doctrine expects and accommodates change. “Open” doctrine is tolerant of ambiguity, expecting concepts to be re-interpreted and policies to be re-evaluated in future. Now, this is not what urban designers nor politicians for that matter are normally after. (For instance, it has been the Dutch parliament that has insisted in the early nineties on the Green Heart, rather than remaining the strategic concept that it was, being fixed in space). Nor is this something that is easy to make the public understand.

Anyway, to formulate doctrine that is flexible requires much disciplined analysis and thus expert input of a sophisticated kind. This input ranges from sensitivity tests of proposed policies to the imagining of various situations under which doctrine might come under stress. So the next thing to look into might be evaluating the performance of something as elusive as malleable planning doctrine. The mind boggles!

APPENDIX: OUTLINES OF THE DUTCH PLANNING SYSTEM

The Dutch planning system is comprehensive in that it includes planning on local, provincial and national level. Local plans are the direct reference points for those at the coal-face of spatial development. In making local plans, and even though these plans are indicative and not binding, municipalities are guided by provincial structure plans, amongst other inputs. As far as they are legally binding, local plans are subject also to provincial approval which means that there is much deliberation about the content of plans between the municipalities and provincial authorities.

In making their own indicative strategic spatial plans, provinces in turn are not subject to government control. However, the government has reserve powers (that are very rarely used) to ensure that in case of conflict national concerns prevail. Provincial plans are brought to the attention of national planners, once again leading to much discussion.

National policy as such though is articulated in so-called key planning decisions adopted after due deliberation and consultation by both houses of parliament. The most prominent of these key decisions relate to overall spatial development and arise out of major planning exercises culminating in the publication of National Spatial Planning Reports. Since 1960, four such reports have come out at intervals of approximately ten years, and the fifth one is currently in the works and due to be published in draft form shortly. These reports attempt to synthesise spatially relevant policies into one integrated scheme expressing national aspirations. Such schemes are much discussed, not only in the professional community, but also in the national press, which is an indication of Dutch planning being in the public eye and a going concern.

This does not remove the usual problems of horizontal co-ordination between government departments nor those of vertical co-ordination between levels of government. However, at least there is continuous discussion of such matters, and the planning key decisions punctuate these discussions with authoritative pronouncements that form reference points for the future. The importance of spatial planning may be gauged amongst others from the efforts of departments of government other than planning to articulate spatial concepts

that suit their concerns. Thus, the departments of transport, agriculture and of economic affairs have all come out with policy documents that contribute to the richness of spatial discourse. Be that as it may, Dutch planning receives much international acclaim, and it seems plausible that the neatness of Dutch development is indeed a mark of its effectiveness.

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Chapter 7

INNOVATIONS IN SPATIAL PLANNING IN THE UNITED STATES

By Robert D. Yaro

Overview

This paper will examine innovations that are now occurring in the spatial planning system in the United States, and in particular, the "smart growth" movement that is strengthening state and regional land use planning systems across the country. This movement is being driven by growing public concern about suburban sprawl and its impacts: metropolitan highway congestion, urban disinvestment, land consumption, infrastructure needs and related consequences of sprawl. The paper will begin with a brief history of the US land use planning system and describe the current and evolving role of federal, state and local governments in this system. It will also describe the objectives of spatial planning at all levels of government. Finally, the success of these systems will be reviewed and the challenges and opportunities they face will be discussed.

Background: a decentralised spatial planning system contributes to sprawl

For most of this century, federal and state governments delegated virtually all responsibility for spatial planning to municipal governments. The result has been a highly fragmented planning system that has encouraged the dramatic deconcentration of most US metropolitan regions. (It should be made clear, however, that sprawl is being driven by the values and locational preferences of the majority of Americans, who overwhelmingly choose to live in detached single-family suburban homes and travel by automobile). Since 1970, however, steps have been taken to reassert the role of federal and state governments in spatial planning.

To understand the US spatial planning system it is first necessary to describe the provisions of the US Constitution that shape land use regulation. Under the Constitution, responsibility for spatial planning is delegated to the states. Governments are also precluded from “taking” property through excessive regulation without compensation. Several US Supreme Court Decisions since the 1920s have cited the takings clause of the Constitution to limit the scope of planning and land use regulation. Until recently, these decisions have for all intents and purposes given property owners a virtual right to develop their land, unless there are severe environmental or other constraints present.

In 1924 the federal government established the modern US land use regulatory system when it promulgated the Standard Zoning Enabling Act, in order to create a consistent set of regulatory institutions and procedures across the country. This model statute was subsequently adopted by all 50 states. Under SZEA virtually all authority for land use regulation was further delegated by the states to municipalities. These actions gave local government the pre-eminent role in the US spatial planning system for much of the 20th century. Since 1945, the absence of any centralised land use planning at the national, state and regional level has enabled rapid urban sprawl in virtually every US metropolitan region.

The quiet revolution in land use regulation: the growth management movement

In the 1970s, however, growing public concern for the impacts of sprawl on the environment led the federal government and a number of states to reassume a role in spatial planning, in what was termed at the time “the quiet revolution in land use regulation”.

State growth management

Several states, including Oregon, Vermont and Florida adopted new state growth management systems. Among these, Oregon's remains the strongest and most effective. Oregon's 1973 Land Use Act was adopted in response to fears that the state's prime agricultural districts and seacoast would be consumed by suburban sprawl. The state's Land Conservation and Development Commission was established to adopt “goals” for the state that would drive state and local planning actions. The Commission also certifies municipal plans as being consistent with the state goals. At the heart of Oregon's program are goals that require that every municipality to adopt an

urban growth boundary, beyond which farm and forest lands must be zoned for exclusive agricultural and forestry use. In the Portland area (with 1 million residents, the state's largest metropolitan region) an elected metropolitan government, Portland Metro, was established to provide regional services and to operate the regional planning system. Metro's new 2040 Plan put in place policies that permit a forecasted 50 per cent increase in regional population to be accommodated within an urban growth boundary that will be increased only slightly in area. (This will be achieved by increasing densities for new development, in filling existing neighbourhoods and by locating new development on "recycled" urban lands.)

Regional land use regulatory commissions

Regional land use regulatory commissions were created for several large natural resource areas, including Lake Tahoe in California and Nevada, The Santa Monica Mountains in California, the Adirondack Park in New York and the New Jersey Pine Barrens. Most of these commissions were established in response to concerns that large scale second home, resort, or metropolitan over-spill development would overwhelm the natural values of these places. The federal government played an active role in establishing several of these systems. The Tahoe regional commission, which administers a performance-based zoning system, was created through federal legislation (required by the US Constitution for the creation of "interstate compacts" involving two or more states). The Santa Monica Mountains and New Jersey Pinelands national reserves were established in 1980 through federal legislation, with the intent of creating a nation-wide network of similar reserves. (These ended up, however, being both the first and the last national reserves, since the Reagan-Bush administration had little interest in the concept.) Both reserves utilise regional land use regulatory systems and land acquisition to preserve these large natural resource areas from encroachment by nearby metropolitan areas (The Santa Monica Mountains adjoin Los Angeles; the New Jersey Pinelands lie between New York and Philadelphia.)

Local growth management

Hundreds of municipalities in large metropolitan areas, from the San Francisco Bay Area to New York, adopted local growth management systems. In most cases these systems simply reduced overall densities, through "large lot" zoning provisions requiring one, two or more hectares of land for each housing unit. These regulations severely restricted new housing

production, leading to dramatic increases in regional housing prices, and severely limited production of affordable housing in some regions.

During the 1970s the federal government adopted the National Environmental Policy Act (NEPA), requiring an environmental impact statement for major public and private development projects. Several states adopted state environmental policy acts similar to NEPA. A federal coastal zone management act was also adopted, providing funds and authority to the states to manage growth in these areas. Similar federal legislation was passed regulating development in wetlands, endangered species habitat and flood-prone areas.

Legislation to establish a national land use-planning program, however, failed to pass the Congress. In addition, the federal government required the creation of advisory metropolitan planning organisations as a prerequisite for obtaining federal funding for roads, sewers and urban renewal. Few of these agencies, however, have the authority to shape metropolitan land use patterns.

A second wave of state and regional planning programs swept the country in the 1980s, with seven states adopting new or improved state planning systems. A new generation of regional land use regulatory agencies was also established in dozens of important natural resource areas, from the Columbia River Gorge on the West Coast to Cape Cod on the East. Several of these were established through the efforts of federal natural resource agencies, including the National Park Service and the US Forest Service. During this period, a second generation of more sophisticated local growth management programs also emerged in several fast growing metropolitan regions.

Leadership from the civic sector

Independent civic advocacy groups initiated virtually all of these programs. It must be stressed that in the US much of the leadership for strengthened spatial planning continues to come from these non-governmental organisations (NGOs) -- the civic sector of society that I now call the "dot-orgs", after their internet suffix ("org"). Civic leadership on spatial planning concerns is a long-standing tradition in the United States.

In the 19th century, civic groups successfully advocated for regional park and parkway systems and city plans in dozens of major cities, many of them designed by the great landscape architect and city planner Frederick Law Olmsted. Then in 1912, Daniel Burnham completed his *Plan for*

Chicago, commissioned by the Civic Committee of the Commercial Club of Chicago (a downtown businessmen's group). The Civic Committee recently completed a new regional plan for the 6-county Greater Chicago region.

In 1923 another not-for-profit group, Regional Plan Association (led by Charles Dyer Norton, the same business leader who had earlier commissioned the Burnham plan in Chicago) initiated its *Regional Plan for New York and Its Environs* (published in 1929). This was the world's first comprehensive, long-range metropolitan plan. This plan developed techniques for population and economic forecasting, community design and transportation planning that are still widely used. It proposed the extensive networks of bridges, highways, parks and other infrastructure systems that were built with federal support through the depression and early post-war era. RPA completed a Second Regional Plan in 1968 and its Third Regional Plan, *A Region at Risk*, was published in 1996.

Civic groups similar to RPA have been established in more than 20 states and in dozens of metropolitan regions to serve as advocates for improved spatial planning. Non-governmental civic advocacy groups were established to promote the adoption or strengthening of state, regional or local land use planning programs, providing political legitimacy for these efforts. One of the first of these groups was 1 000 Friends of Oregon, established to monitor the progress in implementing that states planning act. Dozens of other groups, many of them also called 1 000 Friends (*e.g.*, 1 000 Friends of Florida) have sprung up across the country to advocate for more effective growth management programs.

In some cases these groups have been created to promote adoption of new spatial planning systems; in others they monitor progress in achieving the goals of these plans.

Toward a national smart growth movement

In the 1990s widespread public concern has emerged over accelerating suburban sprawl. In most US metropolitan regions, the rate of urbanisation is proceeding at a rate several times the rate of population growth or new household formation, with several important unintended consequences:

- open space, including farms and forests, wildlife habitats and recreational and scenic landscapes are being consumed by large lot subdivisions, strip malls and office parks;

- traffic congestion on suburban arterials and metropolitan interstate highways is reaching a condition known as “gridlock”, as automobile registrations and vehicle miles travelled inevitably increase;
- inner-cities and older suburbs and their growing minority and immigrant populations have become increasingly isolated from new job and housing opportunities in the outer suburban ring, and metropolitan regions are forced to build new infrastructure and schools in the outer ring even as these resources are being abandoned in the inner ring;
- air pollution and “non-point source” water pollution are resulting from increased automobile use and paving of vast areas of the growing suburban ring, undercutting quality of life for all metropolitan residents.

As a result of these concerns, a broad-based national “smart growth” movement has emerged to curb sprawl and promote more effective spatial planning. Smart Growth is now a “front-page” issue: between January and March 1999, print and broadcast media, including *The New York Times*, *The Washington Post*, *Newsweek* and *Time Magazines* and *ABC News* have run feature stories on the issue. *Time Magazine* recently highlighted the issue with an article headlined “The Brawl over Sprawl”.

The term “smart growth” was first used in the late 1980s to describe proposals to improve Massachusetts’ state and regional planning system (which were promoted as “Growing Smart” initiatives). Rather than managing or restricting growth, as earlier growth management systems did, “smart growth” was meant to connote a pro-growth orientation. In general the goals of smart growth programs have included promoting development in and adjoining existing urban and suburban centres. Smart growth also promotes more compact, less resource-, energy- and land-consuming, and more transit- and pedestrian-friendly patterns of growth.

The 1991 federal Intermodal Surface Transportation Efficiency Act (ISTEA) required preparation of metropolitan transportation plans as a prerequisite for receiving federal transportation funds. The federal government has not, however required co-ordination between transportation and land use plans. The 1997 federal transportation act (“TEA-21”, the Transportation Efficiency Act for the 21st Century) does, however, fund co-ordinated land use / transportation demonstration projects.

At the state level, several states have adopted new or strengthened incentive-based state smart growth management systems, bringing to 13 (of 50) the number of states with state planning programs. These include: Washington, Oregon, Arizona, Utah, Minnesota, Tennessee, Maine, Vermont, Rhode Island, New Jersey, Maryland, Georgia and Florida. Legislation to create similar systems is pending in several other states, including Iowa, Massachusetts and New York.

Most of these programs include the following features:

- a set of goals or principles to guide state and municipal plans and investments;
- a requirement that state agencies prepare functional plans designed to achieve these goals;
- a set of strong incentives designed to encourage regions and municipalities to adopt plans and regulations consistent with state goals (these generally include grants to prepare plans and regulations, priority for state discretionary grants for construction of schools, roads, water and sewer systems, etc.);
- a process for certification of regional and local plans and regulations as being consistent with state goals.

In addition, some of these states, including Oregon and New Jersey have adopted benchmarking processes, in which specific goals or benchmarks have been established to monitor progress in achieving state goals to be monitored over time. Benchmarks range from social indicators (*e.g.*, percentage of households with income below the poverty line) to environmental indicators (number of days with urban air pollution exceeding federal standards, or rate of land consumption) to economic indicators (employment growth). One criticism of these first generation benchmarking efforts is that they require monitoring of dozens, or even hundreds of often-obscure economic, social and environmental indicators. In response, some states are moving towards a “dashboard” approach to benchmarking. Under this approach, a relatively small number of easily available, readily understood benchmarks are utilised to show general trends and achievements, in much the same way that the dashboard on a car only displays a handful of mechanical indicators.

A number of new regional land use regulatory commissions have also been established in important natural resource areas and resort regions (ranging from New York’s Long Island Pine Barrens. Also, a new generation of local

growth management systems has been established. In some areas, such as the San Francisco Bay Area and the adjoining Silicon Valley, civic coalitions have successfully promoted adoption of urban growth boundaries in more than a dozen cities, including the nation's tenth largest city, San Jose.

Several states, and hundreds of municipalities have adopted new conservation land acquisition programs, totalling several billion dollars. In the November 1998 elections, voters approved 240 initiatives, totalling US\$7.5 billion. In the largest of these, New Jersey voters approved a US\$1 billion program to preserve nearly one half million hectares of farm and forestland. Other voter initiatives created urban growth boundaries and other growth management controls in municipalities across the country.

Finally, a growing number of metropolitan areas, including New York, Seattle, San Diego, Salt Lake City, Chicago and Boston have adopted or are preparing new comprehensive regional plans. In several of these places, including New York and Chicago, independent civic groups have prepared plans. Regional Plan Association's Third Regional Plan for the New York region calls for strengthening state growth management systems in all of its three states. It sets forth strategies to expand the region's 2 000 km regional rail system, and integrate elements of the subway and commuter rail networks into a Regional Express, or "Rx" rail system (modelled after Paris' RER system). The plan also calls for creation of a permanent 3 million hectare "greensward" consisting of eleven large protected natural resource systems that can serve as a permanent "green edge to growth".

Federal leadership

As noted above, for more than a quarter century the federal government has distanced itself from spatial planning concerns. While federal transportation laws required metropolitan transportation plans, they did not mandate co-ordinated land use strategies. In 1997, however the US Environmental Protection Agency re-engaged with the issue when it established the Smart Growth Network, a national alliance of more than 30 leading business, real estate, environmental and civic groups that is promoting more effective state, regional and local land use programs.

In his 1999 State of the Union address, President Clinton proposed a major new "Liveability Agenda" to provide financial support for metropolitan planning and state and local transportation and open space efforts.

Specific initiatives to be included in the President's year 2000 budget proposal to the Congress include:

- The Regional Connections Initiative, US\$50 million to promote regional smart growth strategies;
- Better America Bonds, US\$9.5 billion over five years for state and local efforts to preserve open space and reclaim “brownfields”;
- Community Transportation Choices, expanding federal mass transit funding to a record US\$6.1 billion.

Vice President Gore stressed this issue in his presidential campaign, which is placing the issue of spatial planning on the national policy agenda for the first time ever. Gore would significantly strengthen the federal role in spatial planning; however, several of his likely Republican opponents have also embraced smart growth initiatives.

Conclusion: challenges and opportunities

As noted above, the historically decentralised US spatial planning system has done little to restrict, and in many ways has actually promoted the rapid deconcentration of US regions. Most of the emerging state and regional smart growth systems are too new to effectively measure their effectiveness in curbing sprawl and its related impacts.

Established in 1975, Oregon's state planning system is one of the firsts, and in many ways still the most effective of these programs. Unlike most US state planning programs, the Oregon program mandates consistency of local land use plans and regulations with state policies. (Most others provide incentives to encourage consistency, with inconsistent results.)

Oregon is also one of only two states (the other is Washington) that requires that regions adopt urban growth boundaries (UGBs). Because the UGBs have been effective in increasing densities and compact centres, when Portland Metro (the nation's only elected metropolitan government) recently adopted its 2040 Plan, the region's UGB was expanded only slightly to accommodate the extensive growth expected over the next four decades. By comparison, New Jersey's State Planning Office has estimated that the state has urbanised more than 100 000 hectares of land in the decade since the state's incentive-based plan was adopted.

Positive features of the US spatial planning system include:

- it encourages NGOs to actively participate in creating and monitoring the effectiveness of spatial planning systems at all levels of government; and
- it provides enormous flexibility for each state to innovate in the design implementation of its system. In this sense, each state serves as a laboratory for spatial planning, and is able to tailor its spatial planning system to its own needs.

The way forward

The national smart growth movement is working to promote improved spatial planning at all levels of government. It is unclear, however, whether this issue will fade in the years to come if the national economy cools and real estate development pressures recede. Writing in 1999, it appears likely that this issue will be the subject of a national debate in the 2000 campaign for the White House. And regardless of the outcome of the election, several additional states and a number of regions can be expected to adopt new spatial planning systems in the first years of the new millennium. Furthermore, these efforts would be multiplied and strengthened if the occupant of the White House were to use his or her office to promote smart growth and provide federal incentives to promote state and regional smart growth plans.

Chapter 8

NEW APPROACHES TO THE CONTENT AND PROCESS OF SPATIAL DEVELOPMENT FRAMEWORKS

By Patsey Healey¹⁰

Overview

This paper examines the nature of spatial development frameworks in the context of contemporary pressures for a stronger policy focus on the qualities of places and territories. It argues that these pressures demand new understandings of territorial dynamics and place quality, and new processes for articulating spatial development strategies. The new understandings need to move from 'simple' geography to a more variable, relational approach to understanding socio-spatial dynamics. The new processes need to move from technical exercises to collaborative processes of various kinds. The reasons for these shifts are explained and the importance of developing these new understandings and processes in the context of the specificities of particular situations emphasised. The paper concludes with a comment on how strategies have effects and their implications for territorial governance cultures generally.

The global and local significance of the qualities of places

In the contemporary literatures on economic, social and environmental development, a strong appreciation of the role of place, territory and locale in a globalising economy and society emerges (see Castells, 1996 and Storper, 1997). This apparently paradoxical tendency is now capturing the attention of many policy-makers at all government levels and in many parts of the world. There are several reasons for this.

Mobile capital searches out specific qualities of territories as places for investment. Multi-national companies compare the qualities of areas within which to locate production units within a global frame of reference. Economic

actors in localities have to think and re-think how to position their products in continually-shifting global economic landscapes. In these processes, some places do better than others, producing new patterns of uneven spatial development, with the resultant social and environmental problems that the political sphere has to address.

With increasing access to global media and internet resources through new technologies, people can live in global as well as local cultures. This shapes expectations as well as lifestyles. Thanks to physical infrastructure investments, people are also increasingly mobile, in daily, weekly, yearly and generational time. They compare places in terms of quality of life, moving within and between regions more easily than before. These processes too result in uneven spatial development and problems which demand political attention, from congestion and pollution in the territories and locales to which people and firms are attracted, to rural isolation and to urban neighbourhoods of extreme tension and poverty within cities, however buoyant their local economies. Environmental relationships also connect global flows within climatic and hydrological systems to local ecosystems. The activities of firms and households are linked to these systems through the way resources are used and waste products disposed of.

These forces emphasising the qualities of places are not just evident in economic and social relationships. They are also manifest politically, with an increasingly active politics asserting the importance of place qualities, linked both to material concerns with quality of life and the value of personal investment in places, and to wider concerns for the culture and identity attached to places in a globalising world. This often results in conflicts at all levels of government between environmental and economic objectives.

As a result, the city, region and territory are being given greater recognition by policy-makers as key institutional sites where the complex relations between economic dynamics, socio-cultural aspirations and identities and the relations between society and nature are being played out. This focuses attention on how these forces link to each other within the geographical and institutional “space” which lies between that of the urban neighbourhood and the small municipality and that of the nation state. Such a focus challenges an organisation of policy fields into functional sectors and searches for alternative “integrative” concepts with which to re-align policy development. It also highlights the way different activities unfold across the “space” of a city or territory and emphasises the significance of the spatial conjunctions and intersections of activities. These conjunctions generate both synergies and dysfunctions, leading to active processes of “place-creation” to promote

synergies and the need for conflict reduction processes where dysfunctions are evident. In short, it focuses attention on the spatiality of social processes.

This leads to a concern with the capacity of governance mechanisms to recognise and address in a strategic way these territorial interrelationships, their spatial interconnections and their positioning in wider global relationships. The result is a new interest in territorial and spatial development strategies and frameworks. How can they be used to promote an improved economic, social and environmental performance in cities and territories, and position them better in globalised relations? How far can integrated territorial strategies reduce the tensions and conflicts between policy objectives?

This paper looks firstly at how these new demands are being met in spatial development policy. It then examines emerging tendencies by looking at the policy agendas pursued in new approaches to spatial development frameworks, and at the policy relations of the processes through which such frameworks are produced, especially emerging forms of collaborative process. In conclusion, a comment is made on the relation between such collaborative processes and the evolving dynamics of urban and regional development. The paper draws in particular on European experience.

New initiatives in spatial development policy

The idea of spatial development policy focuses attention on the way activities interrelate in places and localities. It provides an alternative basis for policy integration to that derived from the sectoral division of policy. Sectoral ways of organising policy agendas derive from conceptions of people's (separate) material needs (education, health, housing, transport, etc), and the types of business in which firms engage. Within Europe, place-focused policy has developed both at the level of the region and at the level of the detailed planning of towns and the allocation of land uses within them. However, it has been quite common for the spatial planning effort to be weakened (as in many efforts in regional planning), or for the spatial focus to be overtaken by an economic development emphasis, or for the emphasis to be narrowed down merely to the regulation of land uses (Healey, 1998).¹¹ Yet most countries have some form of 'planning system' focused on some aspect of the management of spatial synergies and dysfunctions.

Traditionally, such "planning" systems have focused on place quality and attempted to promote an inter-linked approach to economic, social and environmental considerations. As conceived in the mid-twentieth century, when there was a strong emphasis on building better cities, conceptions of

“good city” forms were articulated in master plans and development plans. These were then expected to be translated into public capital investment projects in town building and regional infrastructure provision. It was assumed that the public sector was the major builder of cities, often generating opportunities for the development of construction companies in the process. Private sector activity was assumed to be limited, and regulated by “public interest” principles grounded in a conception of the “good city”.

In countries where there were major national programmes of urban and regional development, these plans have had a considerable influence in shaping the physical form of development. But the concepts of the “good city” were not always translated into effective practices and in any case were often too crude to capture emerging realities. In some cases, such as the UK, the place-focus struggled to get a foothold in strongly-sectoralised governance contexts, and the emphasis shifted from public sector development to regulating the private sector, as the scale of public investment diminished. In other cases, public investment agendas might be set by the concerns of particular government departments or powerful politicians, rather than the plan.

A further criticism of these traditional plans has been that, in the balance of considerations in the treatment of place quality, plans gave too much attention to local environmental qualities at the expense of economic considerations. This has generated calls for less rigid policy frameworks and more attention to economic dimensions. But much depends on the local situation. In places experiencing the downside of uneven economic development, economic issues may be given a strong priority. Elsewhere, environmental lobby groups feel that strategies are far too much concerned with promoting economic issues, particularly accommodating road-based transport or urban expansion or major redevelopment projects, at the cost of considerations of sustaining environmental assets and capacities. This leads to demands for greater regulation and the adoption not merely of protective zoning but tough performance targets for urban and regional conditions, monitored by a range of performance indicators.

These types of critique raise questions about the way in which spatial synergies and dysfunctions have been conceptualised and the manner in which they have been translated into policy tools. More recently, there has been some concern that these struggles between economic and environmental positions are driven by far too narrow a conception of the interrelated social, economic and environmental dynamics of what actually goes on in places. Policies get adopted which appear to deal with one issue but ignore the complex linkages between issues as they play out within a locality. This has encouraged a shift of attention from the level of specific regulatory interventions, specific investment

projects and particular performance indicators to the search for more coherent and effective integrative concepts that can have a substantial and enduring effect on investment and on regulation. This encourages policy attention to the more synthetic scale of integrated territorial development strategies.

This shift has been encouraged by the experience of the 1980s and 1990s, in Europe at least. With a combination of public investment constraints, and a property development sector which went from slack conditions to boom and then bust, the attempt to force development activity into the shapes demanded by often out-dated spatial development plans seemed too great. The “market” was often assumed to be a better reflector of what the qualities of a “good city” might be for the 21st Century. Or the shaping of new “pieces of city” was left to the imagination of designers of *grands projets* or the energy of urban regeneration teams. Rather than focus on strategies and plans, the emphasis in the planning field turned to the promotion of projects, and to a focus on land use regulation (Healey & Khakee *et al.*, 1997). This shift could be justified by an attitude of ‘responding to initiative’ or ‘facilitating creative solutions’ in a situation where urban and regional dynamics and their spatial dimensions were not well understood.

However, this experience of “strategy-less” planning is now seen to have been counterproductive. Projects competed with each other and undermined each other’s viability. Regulation without territorial strategy could lose sight of the adverse consequences of the cumulative impact of separate regulatory decisions on place quality. This has re-enforced the search for a new strategic focus in spatial development policy systems. Thus “planning” systems are themselves under pressure to change just as the wider forces outlined in the previous section focus more attention on the spatiality of urban and regional development. This creates a “positive moment” for spatial planning. But to meet this opportunity, the new experimentation with spatial development strategy needs to be inspired by new conceptions of “place quality” and new understandings of urban and regional dynamics. Efforts are also needed to connect new policy concepts to the tools available through which policy can have an influence.

There are now initiatives all over Europe in re-thinking spatial development approaches and strategies, from the level of the European Union (Committee for Spatial Development, 1999), the national level¹² and individual cities and territories (Healey & Khakee *et al.*, 1997 and Salet & Faludi, 2000). But this re-thinking raises complex challenges. One challenge is to re-consider the focus and contents of such strategies, their framing ideas and specific agendas. Traditionally, spatial development plans focused on where to put

development projects. Now there is more pressure to consider how to produce and sustain place qualities in an integrated way.

A second challenge is to create new processes through which strategies are produced. This involves constructing new policy relations for strategy development. Traditionally, spatial development plans were produced by technical teams in interaction with a few key politicians. Now there is pressure for more collaborative processes, involving a much wider range of interests.

This is related to a third challenge, which is to develop new ideas about how a strategy relates to the ongoing flow of action. Traditionally, it was expected that the plan would determine the location of investment decisions and the principles embodied in land use regulations. Now it is recognised that such simple linear relations between policy and action are neither appropriate nor realistic, given the multiplicity of actions and actors upon which territorial development depends. Spatial development strategies should be as much about releasing the capacities of these actors to imagine and realise how to improve territorial qualities as about determining what projects the public sector should pursue and what rules should limit what others are able to do. Such strategies achieve their influence by their persuasive, mobilising and framing qualities, suggesting the importance of interactive policy relations rather than linear ones. In the rest of this paper, I discuss these three challenges in more detail.

The agendas of spatial development strategies: from morphologies to relations

The new initiatives in producing spatial development strategies provide insights into the policy agendas, which inform such strategies. Traditionally, these agendas were technically defined by experts working for government or in consultancies. They were strongly influenced by the requirement to provide a spatial framework for public investment in building the city. This investment tended to be channelled through major sectoral programmes -- transport, housing, education, health, etc. Spatial plans were expected to provide appropriate locations for the projects arising from such programmes. They were also expected to preserve valued resources, such as agricultural land, mineral resources and valued cultural features. This linked the role of spatial plans to the promotion of economic efficiency, social welfare and cultural values.

How far these sectoral requirements were integrated into a coherent conception of urban and regional dynamics depended on the conceptions and

skill of the experts and the power of the planning instruments to control the location of both public and private investment. Traditional conceptions of urban structure focused on the morphology of the city and the region, with the arrangement of land uses taken to represent the activities that took place. Key morphological elements, which structured urban region space, were typically presented as the hierarchy of urban centres, transport and water systems, and the relation between “town” and “country”. Within cities, the structuring elements were assumed to be the relations between land use and transport systems, the hierarchy of central places, the detailed organisation of neighbourhoods and central places, and the relation between built areas and greenspaces. These conceptions were increasingly modified to recognise that the relationships between activities were more than just contiguities of land uses. This led to a focus on models relating land use and transport relations, and expressing central place hierarchies in terms of land values and patterns of retail spending. Despite the shift to activity relations, morphological concepts exercised a powerful hold over planning policies and practices, as in the case of the Dutch “Randstad”, the British compact city surrounded by a greenbelt, and the “Finger Plan” for Copenhagen (Faludi & van der Walk, 1994).¹³

Some of the resultant plans had a major influence on urban form in the second part of the twentieth century. In Sweden and the Netherlands, spatial plans had a key role in shaping the urban building effort throughout the second part of the twentieth century. These plans were deeply informed by conceptions of appropriate relations between land use and movement, and by concerns for local neighbourhood amenities. Elsewhere, as the balance between public and private investment in the development process shifted, spatial plans became more important in regulating private investment. In Britain by the 1980s, spatial plans had more influence on private investment than public investment (Healey, McNamara *et al.*, 1988). Conceptions of the spatial organisation of the city and territory were given less explicit attention, to be replaced by an emphasis on the regulatory criteria to be applied to particular classes of development (Healey, 1998). There has been a parallel shift to more policy-focused plans in Scandinavia. In Italy, concepts of urban form continued to guide the production of spatial plans and the specification of projects, but these had only limited influence on either public or private investment. In northern Italy, this produced a stagnation of development effort. In southern Italy, it encouraged the tendency for development to ignore land use and building regulations altogether (Ave, 1996).

Where spatial development plans promoted coherent conceptions of the city and territory, the traditional concepts promoted by planners were themselves open to criticism. Three particular difficulties have been emphasised in the critical literature: the focus on the material dimensions of

place and territory, rather than their cultural meanings and contribution to identity; the emphasis on “simple geography”, assuming that how activities connect is a function of how near they are to each other; and the assumption that the physical form of the built environment and the way activities are located in space has a determining effect on social relations and place qualities. The material emphasis derives from a conceptual and analytical focus on meeting people’s needs and promoting the ‘efficiency’ of the urban fabric. The key measures in analyses of access to facilities or the relation between home and workplaces were time, distance and cost. More subtle place qualities such as safety and security for different groups of people, or the meaning of different parts of the city for different groups of people, tended to be neglected.

The emphasis on linear distance supported assumptions that relations between activities in places are more important the nearer they are together. When transport and telecommunications options reduce the “friction of distance”, however, it becomes more obvious that places are connected to each other across all kinds of distances (Graham & Healey, 1999). The key places of significance for a farm growing peas for supermarkets are likely to stretch across regional, national and international space, depending on the time-space relations of large and increasingly multi-national retail chains. The significant geography for the financial industry in the City of London brings New York and Tokyo much nearer than London suburbs or European smaller towns.

Finally, it is now widely recognised that the way built form and regional morphology affect social relations is much more complex than can be “read off” from a map of land uses. Physically well-designed neighbourhood areas are not necessarily socially-cohesive. Business parks equipped with new technological infrastructure do not necessarily house leading edge technological companies. Improvements in transport infrastructure do not necessarily lead to better business opportunities or raise land and property values.

Traditional conceptions of urban region and city morphology embedded in many spatial development plans and regulatory practices are increasingly seen to constrain the realities of the contemporary socio-spatial dynamics in urban regions. It is now widely understood that the policy agendas pursued in spatial development plans need to change. They need to be founded on different conceptions of how spatial development strategies can exert an influence. They need to embody different ways of conceptualising socio-spatial relations. This pressure to re-imagine spatial policy agendas is finding its way into reviews of planning policy and efforts to produce new spatial strategies, including the *European Spatial Development Perspective* (Committee for Spatial development, 1999).

The evidence of changes in policy agendas emerges most clearly from the new initiatives in strategic spatial planning in Europe in the 1980s and 1990s. The agenda of competitive positioning in a new European and global economic geography strongly shapes strategic pre-occupations, particularly as regards justifying major transport investments and locations for new concentrations of business development activity (Healey & Khakee *et al.*, 1997). It also highlights the importance of the cultural assets of a place, as attracting tourists and the skilled workers of the new knowledge industries.¹⁴ The agenda of environmental sustainability highlights both new conservation priorities and new ways of thinking about the flows of people, goods and waste products through urban and regional infrastructure and ecological systems (Houghton, 1997 and Satterwaite, 1999). The agenda of social cohesion leads to concerns for the quality and accessibility of particular parts of the city and region and to consideration of how cultural development strategies could promote both social cohesion within an area as well as enhance its assets to compete in the wider context.

A key challenge for these initiatives is to new find ways of integrating these different agendas into coherent socio-spatial conceptions and avoid some of the adverse consequences of individual policies (*e.g.*, the socially damaging effects of the single-minded pursuit of economic competitiveness or environmental protection). To have effects, these new integrative conceptions need to make sense to many stakeholders and have the power to persuade the many actors whose decisions need to be influenced if a strategy is to have effects. This means that new strategic spatial planning efforts have to be more than merely an aggregation of policy principles and land allocations collected together in a plan. They have to provide strategic concepts with the power to “frame” how specific actors think about their interests and individual strategies in relation to a place before they come to define particular projects and actions. It can often be a very hard task to combine the development of such new “frames” or “strategic visions” of places with reaching agreement on specific policies, investment projects and land allocations. In many cases, spatial strategies are little more than a political-institutional accommodation to the competing demands on place qualities in a pluralist political context.

In such contexts, some apparently integrative concepts, such as “sustainable development”, become heavily over-worked. Simplified notions of spatial structures get incorporated into policy debate with only limited awareness of how they might work out in specific situations. Notable examples here are the “compact city” and “corridor development” which have emerged in the 1990s, as well as the ESDP concept of “polycentric development”. These revive earlier conceptions of “contained towns” and “growth poles” which have been around in planning policy and practice for many years. Even the new

spatial visions promoted in the plans, while having some mobilising power, are not well connected to emerging ideas about urban and territorial realities (Motte, 1995 and Healey, Khakee *et al.*, 1997). The spatial metaphors deployed in these efforts are important in giving a higher profile to the spatial dimensions of policy issues and in encouraging a shift towards different policy agendas. But if they become filled out with old concepts rather than new ones, and if they cannot hold multiple and conflicting forces and stakeholders together in some kind of creative tension, they are unlikely to be effective in performing the persuasive work needed to translate a strategic spatial development policy into material effects (Yanow, 1996).

The new urban and territorial realities are not easy to grasp and the tools for understanding them are not yet well-formulated. However, there are increasing resources to be found in research and analysis in geography, futures studies and other fields. There is now a substantial body of work on regional development that emphasises flows, networks and nodes in economic and social relations (Castells, 1996 and Graham & Healey, 1999). This focuses on the relations that connect activities to each other, and the variable time-space dimensions of these relations. The *Study Programme on European Spatial Planning* attempted to come to grips with the implications of this approach:

In regional analysis, there has been a gradual replacement of a territorial organisation/differentiation paradigm based on concepts of centres and hinterlands, or cores and peripheries, in which “accessibility” continued to play a significant role, by more variable geographies based on nodes and networks where the technologies for processing and transmitting information have become key influences in the extent and intensity of spatial integration. (This leads to a) relational approach in... analysis... This focuses attention on the specific linkages which bind companies to each other, provide the social worlds in which people live their lives and connect biospheric causes and consequences through the operation of natural systems. Each network, or relational web, has its distinctive pattern of linkages and nodes, cores and peripheries, (its) concentrating and dispersing forces. Each also has particular temporal emphases and spatial dimensions. The spatial patterns and physical forms in a territory are the result of the amalgam of networks, which transect the territory in some way, layered over each other.¹⁵

This suggests that the key task for spatial development strategies is to identify the critical relationships which are likely to shape the future economic, social, political and environmental qualities of a place and territory, to examine their network structure and the nodes of intersection with other relations critical

for the quality of the social, environmental and business environment of an area, and to assess which elements of the spatial pattern of an area are critical for the dynamics of these network relations. Approaches of this kind are beginning to take shape in some of the regional economic strategies being produced in different parts of Europe, though these efforts are typically not well linked to the social and environmental dimensions of localities.

The approach implies that the morphological elements of a “spatial development” strategy cannot be taken-for-granted but must be “discovered” in each situation. There are unlikely to be “off-the-shelf” models for integrated urban region spatial strategies. The “discovery process” is not just a question of traditional “analysis”, given the complexity of the relational networks transecting urban region space. It is likely to involve tapping into the knowledge resources of all kinds of people in all kinds of situations and relations. Further, the complexity of the relations is such that predicting future spatial patterns and trying to guide the future towards them is probably a fruitless effort. Instead, strategic planning for places and territories becomes an exercise in collective risk-taking and mobilising forces to help invent the future. It involves identifying possible trajectories and patterns in emergent tendencies and imagining ways to enhance or counteract them in order to provide a different inheritance for our successors. It becomes an effort in the strategic shaping (“framing”) of ongoing processes of invention and innovation, rather than the production of investment blueprints for proposed urban forms.

This approach assumes that the spatial patterning of the future cannot be readily predicted or controlled. Instead, it is actively made through multiple innovations and interactions between endogenous and exogenous forces. Spatial development strategies have a role in helping to frame the interactions and release the innovations. The key strategic “trick” is how exogenous and endogenous forces can be linked together to contribute to both the flourishing of the wider context (of national and supra national economies and societies) and the well being of people within localities. Such strategies operate not merely by indicating where major material investments should go and what criteria should govern land-use regulations. They exert their influence by framing ways of thinking about the qualities of a place and ways of valuing them. This persuasive work in turn helps to mobilise the many actors inventing the futures of places through shaping their ideas and decisions towards more collectively beneficial ways of acting (Bryson & Crosby, 1992 and Healey, 1997).

The processes of spatial development strategies: from technical design to collaborative process

This conception of spatial development strategies puts a premium on the way strategies are produced. It is now widely recognised that spatial development strategies are unlikely to have much leverage on events or to achieve much legitimacy in the eyes of key actors unless they are prepared through processes which move beyond the traditional technical-political nexus which governed plan production in the past. The new emphasis is on more collaborative processes for preparing spatial development strategies.

There are several reasons for this. One argument reflects the political-institutional realities of a much greater dispersal of the power to act to make a difference to the socio-spatial relations of places and territories. Neither the expert planning team nor the public sector and the planning authority can any longer imagine that they are “in charge” of the spatial dimensions of the future. If understanding and analysis of the complex relations and intersections of economic actors, civil society and environmental flows is to be grasped, in both its material and cultural dimensions, then it is important to tap the knowledge resources represented within all these networks.

But there are two other very important reasons for the new emphasis on collaborative processes. One is that, if a strategy is to have effects, it has to work through framing how those who are investing, regulating, inventing ways of going on, are thinking about the place and territory, about the relations between networks, about potential synergies and nodes of integration (Schön & Rein, 1994). It has to be capable of persuading and mobilising. Involvement in processes of articulating strategies is widely recognised as a critical way of performing such persuasive work. Secondly, a major problem faced within European societies at least is increasing disaffection with traditional forms of politics and methods of government. Politicians are no longer trusted to represent the “public interest” effectively, with a proliferation of all kinds of pressure groups who campaign vigorously around issues to do with place quality. Experts are subject to criticism both from alternative positions within their fields and from those who object to over-reliance on technical analysis. In such political contexts, a spatial development strategy, to be legitimate, needs to show that it is not just the work of the old technical experts and politicians carrying on “business as usual”.

However, collaborative strategy development for places and territories is challenging work.

Firstly, in any collaborative process, there are complex conflicts to be addressed. Some of these cannot be smoothed away by consensus-building processes, and will remain to be resolved by political or legal decisions. This means that careful attention is needed to how a strategy development process moves through opening out the issues, consolidating them and developing strategic concepts, and dealing with outstanding conflicts. A helpful idea is Bryson and Crosby's concept of "forums, arenas and courts". This draws attention to the need to be prepared for early, more informal ways of collaborating to identify issues and develop approaches to understanding urban and regional dynamics (the "forums"). "Arenas" are more structured situations, where strategic frameworks are developed and selected, in ways that attempt to maximise shared ownership. "Courts" provide a necessary complement to collaborative processes, in recognition of the potential that some conflicts will remain unresolved (Bryson & Crosby, 1992; Healey, 1998 and Innes, 1992). The overall objectives are to increase the visibility and persuasiveness of a strategy to stakeholders, especially those with responsibility for key investments and regulations, to reduce the degree of conflict to be resolved in judicial and semi-judicial modes, and to enhance the overall legitimacy of the final strategy. European contributions to the literature on collaborative strategy development processes have complemented American work with an emphasis on the significance of the institutional context within which such processes evolve and the important issue of who gets access to collaborative processes and how, and what happens when they get there (Malbert, 1998 and Healey & Khakee *et al.*, 1997).

Secondly, the persuasive task of adopting a different kind of spatial strategy within an urban region could be very great, especially where government structures are deeply embedded in sectoral/functional relations, with policy communities of experts and pressure groups clustered within them. Adopting new frames of reference, which stress alternative "integrative" concepts for structuring policy agendas are likely to challenge how government responsibilities are divided up. They thus have the potential to upset established power relations, both within the public sector and the private sector. This difficulty has been particularly apparent in the area of transport policy. In many countries, transport investment was dominated in the second part of the twentieth century by road-building agendas. Around this agenda, policy communities have developed which link particular types of expertise in government departments and civil engineering contractors. Shifting from this nexus of relations to strategies, which focus on other transport modes and seek to reduce rather than accommodate the demand for travel is a considerable challenge (Vigar & Healey *et al.*, 2000). These difficulties are not just within the public sector. For example, developers who have been buying up sites for development on the assumption of a "compact city" planning strategy may

strongly resist a shift to a “corridor” approach, which emphasises sites in different locations (Vigar & Healey *et al.*, 2000).

Thirdly, in the context of the arrangement of administrative, political and juridical competencies, places and territories are typically fragmented among a range of levels and agencies. These areas rarely fit the spatial reach of the key relationships of an urban region. Political-administrative entities also tend to focus on borders and what goes on within them, whereas a dynamic and “flow” based view of urban region relations emphasise nodes and connections across such borders. This leads to an increasing policy interest in ways of bringing jurisdictions together, in partnerships which span levels of government, or multiple jurisdictions in a locality, or locales with common economic, social or political positions and relations within a larger territory.¹⁶ These developments are sometimes inhibited by the complex dynamics of transformation underway in the public sector in many countries, devolving and centralising responsibilities between levels of governance and pushing responsibilities out from government to the private sector and civil society. These changes may make it difficult to build up groupings of stakeholders with sufficient stability to undertake strategic framing work. However, the tendency in many of these changes encourages collaboration. The frustrations of fragmentation lead to a recognition of mutual dependencies which make key stakeholders seek consensus-building arenas (Innes, 1992), while many of the changes in the public sector encourage a shift away from the hierarchical organisational forms, to “partnership” and “multi-level governance”.

There is currently a great deal of experimentation underway in collaborative strategy making, in spatial strategy development, in sectoral policy fields and in local environmental strategy development, often linked to work on Local Agenda 21 work. It would be very valuable at the present time to undertake systematic comparison of these efforts. Some of these emphasise joint strategy making between groupings of municipalities. For example, 55 municipalities came together to produce a strategic plan for Lyons for the Lyons subregion (Motte, 1997). In the Glasgow area, 8 municipalities collaborated on the Joint Strategy for Glasgow and the Clyde Valley. Some collaborative efforts arise through formalised partnerships, or mechanisms for formal agreements between partners to pursue joint interests. Such an agreement underpinned the strategy for the Stockholm region, where complex transport problems needed to be addressed. In Italy, formal mechanisms for such agreements and have been used in some multi-municipal partnerships (*patti territoriali*). Some of these partnerships work through informal processes to involve key stakeholders in the formulation of strategies, prior to moving the strategies through the established formal arenas of plan making (*i.e.*, the “forum” stage). Some see the creation of a strategic vision as an inherently

informal process, quite separate and more over-arching than the formal development plans used in planning systems.

From this experience, it is clear that there are no process blueprints which can be taken off the technical shelf and applied in particular situations. The institutional dynamics of each situation is different. The current experimentation is providing an array of situated accounts, which help understanding of what it takes to produce enduring strategies and how this relates to the specificities of contexts. It also begins to show that some spatial development strategies produced in collaborative ways have contributed significantly to the qualities of “territorial *milieux*”, whether evaluated from economic, social or environmental angles. But such work takes time, and involves considerable effort in strategic mobilising.

Spatial development strategies in action

These developments provide an indication of what may be required to enable spatial development policy systems to contribute significantly and strategically to the new policy interest in the qualities of places and territorial *milieux*. It demands new concepts and new processes. The processes require a political-institutional capacity to focus on the scale of the sub-region and to mobilise a wide range of stakeholders. They need the capacity to draw widely upon the knowledge resources available and generate collective learning contexts in which new ways of thinking about territorial dynamics can be developed, shared and focused into strategic priorities. It sets up demands for new ways of integrating ideas, beyond simple conceptions of urban morphology and traditional sectoral ways of dividing up plans. It requires new organisational arrangements for translating these conceptions into actions that make a difference.

Because of the complexity of territorial dynamics, it is no longer possible to think of strategies and plans being “implemented” in a linear way. Spatial strategies achieve their effects by becoming a frame of reference that structures and shapes the flow of action. This shaping role needs to be experienced through the influence on flows of material resources, investment in land, property, landscape improvement, transport facilities, etc. It needs to be reflected in regulatory criteria, with respect to land use, development projects and environmental quality. It needs to be embodied in the policy discourses used by the various governance actors to identify and to justify what they do.¹⁷ It is these, which are the key institutional practices, which must be affected if broad policy conceptions are to be translated into impacts within the finegrain of urban and regional dynamics.

The key change in strategy-making processes implied by such a conception of how strategy works has been to realise that this means getting stakeholders involved at the start, rather than presenting them with a strategy and asking for comment. Where this happens, the overall processes of learning new conceptions and policy frames has the potential to be speeded up, with the learning developed around the formulation of a strategy being more readily disseminated and translated into other arenas which the strategy needs to influence. Conceived in this way, spatial development frameworks which are likely to have effects are produced through processes which enrol the key stakeholders in a shared effort to produce a collective understanding and frame of reference, whatever the continuing conflicts which may be expected among them. The critical manifestation of such frameworks is not the formal document, the plan or the vision statement. These are important as records, as reference documents and as sources of legitimacy. What is much more important is the strategy as it exists in people's minds. Traditional linear approaches to strategy-making miss the knowledge resources about the complex dynamics of places which stakeholders possess. They also fail to develop ownership of the strategy among stakeholders and generate conflict, as stakeholders who were not involved in imagining the strategy feel that their only option is to mobilise resistance to a policy they are uncomfortable with. This in turn reinforces a conflictual political culture in the territorial *milieux*. Finally, understanding and ownership of strategies must reach the 'field staff' of organisations. Unless they are enrolled in the strategy, they are likely to continue to use approaches and criteria embedded in their established routines and practices.

In conclusion, the changes needed in spatial development policy systems are those which will help to build new governance relations and policy cultures, to allow more horizontal relations rather than hierarchical ones, more collaborative ones rather than maintaining sharp divides between government and the society, and ones in which new knowledge and integrating conceptions can be understood and absorbed. This is not an easy challenge. Some places already have such relations and cultures. For others, they will only happen as part of general transformations in politics and public administration. But the places and territories which are able to produce effective spatial development frameworks, relevant to the contemporary territorial dynamics and policy pressures, are likely to achieve considerable "added value" to the quality of their area and its position in the globalising world.

Notes

10. My thanks to Atsushi Koresawa and Josef Konvitz of OECD for their thoughtful comments on drafts of this paper.
11. Note that the terminology used to describe this area of planning within Europe is very varied -- from German "*Raumplanung*" (spatial planning), to French "*aménagement du territoire*" (territorial management) and British "town and country planning" (Williams, 1996). Peter Hall suggested the use of "spatial planning" as a generic term in 1975 (Hall, 1975). The revival of the term "spatial development" in Europe by the ESDP (Committee for Spatial Planning, 1999) draws on German inspiration.
12. See the National Spatial Development Strategies produced by the Netherlands, Denmark and Ireland.
13. It has been argued that such ideas become so firmly embedded in planning systems and planning practices that they take on the qualities of a taken-for-granted "doctrine".
14. For example, the IBA Emscher Park programme in NordRhein Westphalen, Germany.
15. See Study Programme in European Spatial Planning, Website www.nordregio.a.se, report on Main Trends Shaping the European Territory 2000.
16. See CSD, 1999 and European policy development generally.
17. These dimensions of the relations between policy and action are derived from Giddens' Structuration theory, which emphasises the way resource flows, rule structures and discourses connect the activities of agency to more abstract structural forces (Giddens, 1984).

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