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**The changing organization of spatial planning in Vienna:  
learning lessons from the organisation of planning in the UK in  
the context of the shift from government to governance?**

by

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## 1. Introduction

In general, current transformations in the social, economic and spatial structure of the urban arena in Europe, which can be described as a shift from Fordism to Post-Fordism, are accompanied by a change in the way cities are governed. In relevant literature about the political restructuring of cities this shift is often described as a shift from government to governance, whereby governance is not meant to replace government but to broaden it. Broadly speaking, urban governance describes ways of altering top-down structures, in favour of the establishment of network structures within and outside the political-administrative system. It equally describes the partial unlocking of the system to open up for more actors and institutions from private and voluntary sectors, as well as actors from (neo-)corporatist institutions. The organisation of spatial planning traditionally being part of political-administrative systems is also affected by these processes of restructuring.

Although Vienna is still a mainly fordist and social-democratic governed city, the Viennese political-administrative system and the organization of spatial planning experiences some changes. The Viennese political-administrative system, which in this paper is understood as a territorial institution with certain norms, values, working routines, formal and informal organisational structures, political cultures and discourses, is, among other things, challenged by increasing city competition, by the phenomenon of urban sprawl, by environmental challenges and by the task to fight social exclusion and poverty. These processes partially induce a need for reforming and, hence, reconfiguring the political-administrative organisation of spatial planning in line with a shift from government to governance.

Against that general background this paper examines i), if it is possible to observe a shift from government to governance looking closer at the organization of spatial planning in Vienna, ii) which conflicts and problems constrain this shift, and iii), if there are lessons concerning planning in the UK (having a longer tradition and more experiences in dealing with the mentioned challenges from a Viennese perspective), which could be useful for reforming spatial planning in Vienna. In order to answer these questions the results of three research projects will be considered: the EU-project PASTILLE (Promoting Action for Sustainability at the Local Level in Europe), the EU-project URBS PANDENS (Urban Sprawl: European Patterns, Environmental Degradation and Sustainability) and the project "City Strategies against Social exclusion and Poverty". All three projects focused on issues (urban sprawl, sustainable urban development, social-spatial polarization), which challenge the organization of spatial planning in Vienna.

## 2. From Government to Governance- Theoretical remarks

First of all, it is right to highlight the fact that the idea of governance is more extensive, partially encompassing the idea of government. So the ideas seem to be overlapping concerning special issues. One central point of difference lies in the role of the state vis-à-vis the public sphere (cf. Astleithner & Hamedinger 2003: 53). And here government refers particularly to the fordist mode of regulation in which the local welfare state played a central role by: "meeting a variety of needs which the

market failed to provide for, becoming involved in widespread planning and regulatory activity and providing a channel for political conflict." (Davoudi 1997: 226).

The core of the fordist political-administrative system is built by a kind of universalist hierarchical welfare state. Although local political-administrative systems across Europe differ in many ways some common and central elements of these fordist systems are (Astleithner & Hamedinger 2003:53):

- The hierarchical and bureaucratic organization of the political-administrative system, containing a top-down decision making structure; top-down strategies are processes in one direction leaving the control and determination of policy making in the hands of the local state (see Young 2000).
- Governmental institutions providing a "relatively narrow range of services in a fairly inflexible and standard way to a large (homogenous) population" (Painter 1998: 284); strong intervention of the local welfare state concerning the economic and social development of the city
- Corporatist governmental structures in the traditional sense
- Formal dimension of politics, defined by constitution, law and right.

During the crisis of Fordism, which occurred approximately in the 1970ies (with country specific deviances), the respective political-administrative systems were supplemented by elements of 'governance', "which is a term for the flexibilisation of the institutional organisation of the public sector, and the proliferation of diverse, more horizontal bargaining systems" (Astleithner & Hamedinger 2003:53), the political-administrative system being only one of many actors bearing responsibility for the development of the city (see Amin 1994, Lipietz 1993 and 2000, Healy et al 1997, Harvey 1997 etc). In the literature, this shift from government to governance is discussed in various interpretations, for example as a shift from managerialism to entrepreneurialism (Harvey 1989), or a shift from welfare to workfare (Jessop 1994), or as a transformation of the public sector according to the ideas of New Public Management. New governance encompasses

- "a reorganisation of established networks and alliances in the city,
- a reorganisation of the political-administrative system (with a focus on more horizontal and vertical integration of political structures), and
- attempts to supplement the formal dimension of politics by informal rules and non-institutional forms of governing". (Astleithner & Hamedinger 2003:54)
- In contrast to 'government', this idea of "governance involves working across boundaries within the public sector or between the public sector and private or voluntary sectors. It focuses attention on a set of actors that are drawn from but also beyond the formal institutions of government. A key concern is processes of networking and partnership." (Stoker 2000: 3).
- Finally, 'New Public Management' includes two main orientations: 1., the development of institutions ('organisational modernisation') which incorporate management strategies from the private sector, such as contract management, orientation towards cost-efficiency (by the reduction of staff), new styles of communication due to working inter-departmental which involves de-centralized and horizontal steering, the shift of responsibility and resources to the bottom (to the regional/local level - 'subsidiarity') or to the top (supra-national level - 'hollowing out'), evaluation and quality control

(such as benchmarking); and 2., the development of human capital ('staff modernisation') by output- and customer-orientation, motivation, education, training and empowerment strategies, and an increase in participation by both the lower administrative level and 'civil society'. (PASTILLE Consortium 2002)

Broadly speaking therefore, models of governance are characterized by the establishment of network structures within and outside the political-administrative system, by the establishment of more open planning procedures (participation processes), and, hence, by a partial unlocking of this system to make way for more actors and institutions from private and voluntary sectors as well as actors from (neo-)corporatistic institutions. In order to establish these new structures responsibilities and competencies are partially removed from the local government and shifted, for example, to public-private-partnerships or private agencies. "As in the sphere of economic development, in the sphere of social reproduction, too, the public-sector-led forms of provision and management have been scaled down and complemented or replaced by a variety of private, voluntary, and semi-public agencies and initiatives, and parallel needs for coordinating structures have emerged." (Mayer 2000: 235) Hence, governance refers to the need to organize cooperation processes and to establish new bargaining systems, which are non-hierarchical, cooperative, horizontally and vertically more integrated, in accordance with the idea of the implementation of a discursive and communicative model of democracy (Heinelt 2000). "Again, one should bear in mind that governance structures also encompass elements of the above mentioned features of government. In order to identify a clear shift from government to new governance the changing role of the state has to be analysed concerning the performance of collective tasks, decision-making, strategy development and policy implementation." (Astleithner & Hamedinger 2003: 54)

In addition, it has to be pointed out that the concept of 'governance' is on the political agenda of the EU. In the 'Eurocities magazine', in which the EU took the issue of governance on its agenda, governance is described as follows: "a move away from a vertical, hierarchical system of government based on democratic representation towards a horizontal, network-oriented framework with greater emphasis on democratic participation and decentralisation." (Eurocities 2001: 3) In this context the idea of new governance has to be analysed critically. It has to be discussed if this kind of new governance really improves the problem of legitimacy of policy-making occurring on all levels of government. Furthermore, in the new governance model the public is treated rather as a consumer than as a citizen. When the whole new model is underpinned by the idea of consumers control and consumers choice, it should be analysed if this is de facto a down-grading of the role of the public. (cf. Astleithner & Hamedinger 2003: 54)

### **3. Political-administrative features of Vienna and the organisation of planning**

To put it into a nutshell, in Vienna until now, there exists a corporatist form of social-democratic urban governance, concentrating on a still strong „fordist“ local welfare

state which is and was contributing to a minimisation of socio-spatial polarisation within the city. The Social-Democratic party has been dominating the Viennese local government since the 1920's.

Central features of the political-administrative system in short are:

- Vienna is in a unique position as it maintains the status both of a federal province (there are nine in Austria) and a municipality divided into 23 districts. Thus, the Viennese local state, that is to say the Mayor, the City Senate as the Provincial Government and the City Council consisting of 100 elected members, has considerably wider powers than other municipalities.
- The central organisational principles, which were implemented by the Social Democrats, are hierarchies and top-down decision-making. The Vienna City Administration can be seen as an example of classic line-and-staff organisation. The City Councillors (currently 14) – part of the City Senate – are politically responsible for specific areas (planning, environment, traffic, economics etc.), and at the same time are assigned heads of the departments of the City administration<sup>1</sup>. The heads of the departments are chief officers who decide about the internal organisational and communicative structures and the division of work. "The Chief Executive Officer and the mayor are responsible for all departments of the administration. One main characteristic of the city administration as an organisation, is its tendency towards a lack of coordination and communication across the departmental lines. The different departments appear to be organisations within themselves, possessing their own corporate identity and self-understanding. These identities and internalised patterns of interaction can come into conflict with each other when it is necessary to cooperate and coordinate specific tasks across departmental lines." (Astleithner & Hamedinger 2003: 69)
- The control of the local state, its administration, and the implementation of local Keynesian politics enabled the Social-Democrats to establish strong clientelist relationships, e.g. by allocating public housing flats. As a consequence, the relationship between government and civil society was always a mixture of benevolence and co-optation leading to a lack of participatory culture in Vienna (Novy et. al. 2001). Furthermore, in the past very few attempts were made to empower the population. In order to foster social changes mainly top-down strategies were carried out, which were interpreted as efficient instruments by the main policy actors. This attitude towards the civil society is accompanied by a deep lack of faith in popular organisation and in participatory democracy.
- Another central aspect of the political culture in Vienna (and in Austria) is the principle of conflict avoidance, rooted in the establishment of the above mentioned 'social partnership' (the specific Austrian form of corporatism – a network consisting of the state and employees' (unions, chamber of work), as

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<sup>1</sup> For further information on the organisation of the Vienna City administration see: <http://www.magwien.gv.at/english/organisation/> ( August, 1 2001)

well as the employers' associations (chamber of commerce, Federation of Austrian Industry)). So we find a kind of consensus oriented political culture, in which conflicts are avoided or suppressed. Conflicts between the interests of different social groups occurring in different contexts (e.g. planning) were not dealt with productively. Hence, an important aspect of policy making is the clear intention to mediate interventions, via making concessions to groups from opposition parties. (Novy et al 2001)

"In conclusion it can be said that central aspects of the Viennese political-administrative system are orientated towards legitimacy and public accountability, in deference to formal hierarchies and instructions, and equally act in accordance to the vertical structure of departmental competencies and responsibilities, which leaves little room for decisions and horizontal cooperation. The number of stakeholders involved in policy and decision-making is limited; the main stakeholders are part of the political-administrative system and the neo-corporatist network." (Astleithner & Hamedinger 2003: 70)

### *The organisation of planning in Vienna (and Austria)*

The competencies in spatial planning are strongly split between different administrative bodies concerning legislation and application between the federal state, the provinces and the municipalities.

Concerning spatial planning the Federal Constitutional Law (*Bundes-Verfassungsgesetz*) regulates the allocation of rights and duties between the **federal state**, the federal provinces and the local municipalities. There exists no general planning law in Austria on the federal level. Legal regulations concerning spatial development are laid down in many different legal texts. (e.g. Forest Law, Water Right, Federal Transport Network Law, Mining Law). The federal state is intervening concerning spatial developments mainly by sectoral planning: There are certain topics, indirectly concerning spatial planning, that are within the explicit competence of the federal province or the state/ministries. Sectoral planning often causes negative effects on spatial development, as it focuses on one special problem and does not have an integrated view of space.

The **federal provinces** are responsible for the legislation in terms of spatial planning in the strict sense; every province makes its own law (provincial spatial planning law)<sup>2</sup>. The application of these laws lies in topics concerning the supra-local level in the field of functions of the province. In topics concerning planning at a local level, the local municipalities are responsible<sup>3</sup>. Important planning instruments on the level of the federal provinces are the regional development plans which are „comprehensive plans for a region with a(n) (optional) regulation and development policy element“. (Schindegger 1999: 199) These plans can be made for the whole province or for sub-regions only. They may define general guidelines (optional) as well as detailed definitions of environmental protection zones, zones reserved for

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<sup>2</sup> Reference: Bundes-Verfassungsgesetz, Art. 15 Abs.1, (Federal Constitution, Art. 15)  
[http://www.oesterreich.com/deutsch/staat/b-vg\\_4.htm](http://www.oesterreich.com/deutsch/staat/b-vg_4.htm), Access: 27.06.2003

<sup>3</sup> Reference: Bundes-Verfassungsgesetz, Art. 118. (Federal Constitution, Art. 118)  
[http://www.oesterreich.com/deutsch/staat/b-vg\\_4.htm](http://www.oesterreich.com/deutsch/staat/b-vg_4.htm), Access: 27.06.2003

recreation, agricultural use or mining (obligatory). Concerning the application of these plans problems arise in terms of scale. Planning on the supra-local level does not involve the definition of the exact borders of the lots, as the plans are made in a scale of 1:25.000. In the end, local municipalities often have to decide whether a lot is devoted as 'building land' or not. The constitutional court had to deal with various cases of disaccord concerning definitions made by a regional development plan.

Concerning the local level, the implementation of spatial planning lies within the autonomous competence of the **municipal authorities**, like Vienna. The autonomy is restricted by: superior provincial laws concerning planning (regional development plan) and sectoral planning (federal state and province). Spatial plans of local municipalities are controlled by the state government, which is the supervisory authority. The central planning regulation instruments solely in the hands of the municipalities are the land use and building regulation plans. Another important instrument in the case of Vienna is the urban development master plan ('Stadtentwicklungsplan', STEP; see City of Vienna 1994) which is elaborated mainly within the corporatist political-administrative system. In the land use and building regulation plans the specific utilisation of lots is defined (for housing etc.) after political decision making within local parliament. Hence, these plans are crucial elements in the concrete implementation of local and supra-local development plans. And, worth mentioning, considering the decreasing room of financial manoeuvre of the municipalities, mostly a serious tension emerges between the utilisation of land in order to increase the local capital stock and the utilisation of land in order to take care of supra-local interests like 'sustainable development' (as for example counteracting urban sprawl). This conflict between local spatial planning and financial reality is a key issue in the everyday development of the city/municipalities and explains, why the guidelines of supra-local plans (like e.g. the STEP) and provincial development guidelines are one thing and real application of planning is another. (URBS PANDENS 2003)

Furthermore, it has to be mentioned that planning problems have long been interpreted as mainly technical problems (e.g. solving urban regeneration problems by improving only the physical stock of houses); policy actors had the opinion that these problems could only be solved by experts which were mainly recruited from the Vienna University of Technology. Taking this and features of the above mentioned political culture into account, it is no surprise that, for example, the conventional planning instruments, like the urban development master plan (STEP), are listing a broad variety of conflictual objectives without providing any procedural mechanism for dealing with conflicts.

To summarize, Vienna is still characterized by a fordist mode of regulation and a corresponding top-down model of urban planning which has worked for many years and was maintained as a political strategy by the Social Democrats. (Novy et al 2001). Since the end of the 1970ies this model has been challenged by problems especially arising in the context of an increasing fiscal crisis, of urban regeneration, urban sprawl and sustainable urban development. This has led to attempts to restructure the fordist system and the organisation of planning.

## **4. Elements of a shift from government to governance in Vienna particularly considering spatial planning**

Mainly as a reaction to an increasing fiscal and legitimacy crisis Social Democracy tried to modernise and restructure the political-administrative system according to features of governance (see chapter 2).

### *4.1. General elements of this shift*

In order to increase the efficiency of the work of all departments of the administration an organisational analysis of the Vienna city administration was carried out by six international consulting companies. As one result the dominating input-orientation of the work of the administration should be replaced by a more output-oriented approach. The following elements of New Public Management are planned to be implemented:

- "Introduction of business instruments (e.g. cost and performance accounting, controlling, contract management, output oriented budgeting)
- Organisational development towards the introduction of decentralized responsibilities for resources and the establishment of flat hierarchies as well as a clear demarcation of competencies
- Development of human capital (e.g. personnel controlling)
- Strategy development and definition, as well as an evaluation of the performance goals of different departments, by the heads of the political-administrative system, and a reinforcement of the service character of the administration." (Astleithner & Hamedinger 2003: 68-69)

Furthermore, in 1999 a project group was established which should coordinate and manage the modernization of the administration. This group elaborated a specific 'Vienna path' of modernisation which concentrates on the conclusion of contracts ('contract of performance') between the respective City Councillor and the Chief Executive on the one hand and a department on the other hand (as contractor). "General goals are fixed within the contract (output-orientation) and the performance of as well as products of the departments are to be derived from the goals described. Furthermore, the contract is regularly evaluated by a controlling office. Outcome-orientation, decentralized responsibility of financial resources, and controlling, are the main characteristics of this kind of contract management." (Astleithner & Hamedinger 2003: 69) In addition, this modernisation process should be accompanied by attempts to foster further decentralisation steps strengthening the competencies of the districts and by attempts to enhance the role of participation processes in political decision-making. Finally, outsourcing strategies were carried out in order to improve the fiscal situation (e.g. outsourcing of the 'Wiener Stadtwerke', a formerly state-owned energy supply company in 1999) of the city.

### *4.2. Changes in the organisation of spatial planning within this shift*

1. Starting in the 1970ies a model of decentralised urban renewal was established in Vienna, a model which became famous under the heading 'soft urban renewal' implementing urban renewal offices ('Gebietsbetreuungen') in relatively degraded

areas. This model contributed to the establishment of governance structures as it has to be considered in the context of attempts to decentralize some competencies benefiting the district and area level, as it tries to integrate different policy fields in solving 'area problems', and as it aims at direct involvement of citizens in planning procedures and at conflict management between the interests of Austrians, neo-Austrians and foreigners. This last aspect of the work of urban renewal offices became more relevant because improving the physical stock of entire houses was losing in importance. A recent evaluation of the work of urban renewal offices mainly resulted in the recommendation that the strategic orientation of them has to be changed towards ideas of New Public Management.

2. As a consequence of attempts to liberalize rents private capital became more important in real estate development in Vienna in the 1980ies. Planning became more interested in particular forms of engagement of real estate business particularly in assisting specific large scale projects. The development of the DONAU City which is an area covering about 17.4 ha in total situated on the left side of the Danube, reflects the tendency to incorporate the interests of real estate business and to establish new forms of partnerships between the local state and the private economic sector. The WED (Viennese development society for the Danubian micro-region) was founded by the city administration in order to develop this area and to deal with the interests of private capital. The WED was a public-private partnership contributing to the imposition of a new form of governance on the statutory planning system.

3. A new form of governance was required both for dealing with this new public-private mix. Concrete nodal forms of this new form of governance are decentralized planning institutions like the WWFF (Vienna Business Agency) and the WBSF (Vienna Land Procurement and Urban Renewal Fund), which were both founded in the 1980ies; furthermore, recently the social agendas of the local state were given over to the 'Fonds Soziales Wien'. The mission of the WWFF and the WBSF is to manage the rapid utilization of land and to organize cooperation between the actors of urban planning, especially between private investors, urban planners and citizens. (cf. Novy et al 2001).

4. Attempts to reorganize the planning system can also be reconstructed by looking closer at the process of elaborating a strategic plan for Vienna aiming to lay down a general outline of the cities future development. The plan, which was developed by internal and external experts, combines general visions of Vienna with specific strategic projects. The first draft of the plan was discussed in so called 'city talks' and in an international symposium with a wider public. So, new actors and their interests were partially incorporated in the plan. A first glance at the elaboration of the strategic plan may lead to the conclusion that planning procedures have changed towards a more open planning approach.

5. Another example for changing planning procedures towards the establishment of governance structures is the implementation of 'local area management' in two relatively degraded districts in Vienna in 2002. This can be interpreted as the implementation of some integrative bottom up planning processes involving various actors, from individuals to investors, municipalities and other organisations. Its

organizational structure is also new because for the first time the Vienna Business Agency (WWFF) managed and implemented the project. Furthermore, a neighborhood advisory council was established as a supervisory board consisting of representatives from the municipal departments, the City Planning Bureau, the district chairman, local area managers and elected citizens (up to 50% of the full members).

6. Finally, concerning the fight against urban sprawl it is also possible to identify some changes in the organisation of spatial planning towards the establishment of governance structures. Vienna and its surrounding provinces of Lower Austria and Burgenland, therefore decided to initiate co-operations in various fields. The *Planungsgemeinschaft Ost* (Planning Co-operation East) was established in 1978. It is an organisation founded to take joint measures to improve the infrastructure in the eastern part of Austria. It is mainly concerned with issues of traffic planning, infrastructure and spatial planning. Further steps towards a common strategy of Vienna, Lower Austria and Burgenland to stop urban suburbanisation and urban sprawl in the region of Vienna were made in 1994. The result, the 'Settlement-Policy Plan' intends to promote the peripheral concentration within the region of Vienna.

Founded in 1982 regional management in Lower Austria is an important tool of development in regions of conflict today. The regional associations, (founded at the accession to the EU) were at the same time 'target regions' of the EU-regional programs. (*Mostviertel-Eisenwurzen, NÖ-Süd, Waldviertel, Weinviertel*). This new mode of regional co-operation was very successful and was 1998 also applied for Vienna and its surroundings. In 1998 the Regional Management Vienna-Hinterland was founded. One important issue for this organisation is to put the 'Settlement-Policy Plan' (SKO) within the regional development schemes into concrete terms and to found local associations to promote cooperation. The 'Regional management Vienna-Hinterland' has at central aim, the direct co-operation between districts of Vienna and municipalities in the surroundings of the city. The responsibility for the co-operation lies within the competence of the departments for spatial planning in Vienna and Lower Austria. Vienna fosters the idea of regional management and installed 2001 its own 'regional management' for the North-Eastern Region (Regional Management Vienna North East).

Another central innovation was the establishment of KREKs. Originally, 'regional development concepts on a small level' (KREKs) were founded and subsidized by the government of Lower Austria to establish closer links between municipalities which feel a kind of 'belonging together' because of economic, social, historical, ecological or cultural reasons. These concepts for the development of small regions are mainly elaborated by carrying out participation processes involving all important actors in the relevant municipalities.

Particularly important for the future regulation of the relationship between Vienna and its surrounding municipalities are the following KREKs:

1. 'regional development concepts on a small level Vienna North – *Marchfeld West*' (Kleinregionales Entwicklungskonzept *Wien Nord - Marchfeld West*)

## 2. 'regional development concepts on a small level Vienna-*Donaustadt – Marchfeld South*' (Kleinregionales Entwicklungskonzept *Donaustadt - Marchfeld-Süd*)<sup>4</sup>

Today, induced by the transformation of the former socialist and communist middle and eastern European countries and their successive integration into the EU the strategic position of Vienna was up-graded and the city had the opportunity to be a 'gateway to the east'. The connections across borders of the 'Vienna Region' with the close cities Bratislava and Győr are a challenge for Vienna in terms of strengthening Vienna's position concerning the international competition between cities (see the projects JORDES and PREPARITY, [www.magwien.gv.at](http://www.magwien.gv.at)). Cooperation efforts in this direction are mainly made under the heading 'Vienna Region' which was originally and especially created by the business development agencies of the provinces of Lower Austria, Vienna and Burgenland in order to strengthen the economic position of Vienna and to develop a kind of trademark for international city marketing.

## 5. Conflicts and challenges within the shift from government to governance

Obviously, these processes of institutional restructuring represent a clear rupture with the past. But they are also shaped by some continuities, which have their roots in the traditional political culture in Vienna, in cooperation and communication patterns within the political-administrative system, which were internalised by policy actors. In this context of recent ruptures and continuities in urban governance conflicts and challenges arise which have to be faced by all involved policy actors:

1. Concerning the decentralization of planning institutions it have to be pointed out that their concrete organizational structure (e.g. of the WWFF) stills reflect their roots in statist corporatism. "Decision-making competence lies in the hands of the board of trustees consisting of members of the public administration and of the chambers of commerce and labour, while it is dominated by the city councillors for housing and finance." (Novy et al 2001: 138)
2. The development of large scale projects via establishing public-private-partnerships reflects also in Vienna the idea of offering attractive sites for the settlement of international companies. But with regard to planning procedures it have to be considered that especially the development of the DONAU City seems to be a paradigmatic case of a novel privatised and fragmented network bypassing formal planning procedures, local parliament and civil society. (Novy et al 2001)
3. With regard to participation approaches in the context of the development of the strategic plan it is clear that the new planning procedures did not lead to a more democratic participatory way of planning. The participants of the 'new planning procedure' were mainly chosen by the planning department and new actors as experts, key professionals and business representatives were only partially involved. So this process was no bottom-up planning approach and no broader public was included in planning procedures.

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<sup>4</sup> Reference: <http://www.magwien.gv.at/stadtentwicklung/04/01/33/index.htm> (20.3.2003)

4. The establishment and the changing tasks of the urban renewal offices only partially show elements of urban governance and of more open planning procedures because these offices are dominated by the interests of the district chairman and by actors of the political-administrative system leading to a lack of autonomy concerning their work. Urban renewal offices can be seen as 'municipality sponsored district level advocacy', which aim at the establishment of a 'conflict-free-life' on the local level.
5. The organizational structure of 'local area management' in Vienna is a combination of top-down oriented new public management measures with bottom-up approaches. Particularly because of the inclusion of the district chairman in the advisory council and because of the fact that local area managers are no real 'intermediary organizations' (being part of urban renewal offices) traditional political and bureaucratic practices of the fordist mode of regulation are renewed at local level.
6. Concerning organisational changes in planning with respect to fight urban sprawl, it should be noted that there is a lack of cooperation and a mostly conflictive relationship between authorities having different territorial logic. This occurs because, 1. differences in legislation between the provinces do not mainly arise in terms of planning instruments but in terms of legal details, as well as terminology and the ways of applications. As a consequence, it is quite complicated to carry out cooperative planning between different provinces. Recent planning regulations (e.g. how to handle the negative effects of large scale projects, e.g. shopping centres) are made individually and are hardly coordinated with other provinces. 2. Spatial planning is on the one hand carried out on the municipal level and on the other hand on the level of the federal provinces or on sectoral plans produced by the federal state. Nevertheless, most conflicts in terms of spatial planning arise on the local level, where strategic plans are implemented or not. Planning affects private property and changes its values, hence, giving much weight to the decisions made by the local parliament. 3. On a more abstract level, cooperation problems occur because different understandings of planning are put forward by different actors with their specific interests on each political scale. Different planning philosophies – e.g. from giving more weight to the bottom-up development of plans via implementing participation processes to emphasise 'classical' top-down planning – are burdening cooperation attempts trying to bring together different departments within political-administrative systems, territorially different authorities and different actors (e.g. from the civil society and different political parties). 4. Co-operation between municipalities is often constrained because of the competitive situation that is caused by the existing fiscal compensation system, which produces a "prisoner's dilemma".
7. The establishment of a more integrated approach concerning planning trying to foster horizontal and vertical integration was not possible, neither in the context of combating poverty and social exclusion, nor in the context of fighting urban sprawl.
8. In all mentioned policy fields, it was regretted that the political backing was missing leading to problems with regard to the equipment with resources (personal, financial). One reason for this is the lack of strategic concepts and of the will to implement strategies by the Social Democrats. It is not considered that strategic planning is an essential characteristic of governance,

whereby the planning process, which is a process involving more actors than representatives of the administration, is as important as the final product.

To summarize, the establishment of governance structures, particularly in the context of planning, is a difficult and complex process, which is determined by the characteristics of the fordist Viennese political-administrative system and the traditional relationship between local state, market interests and local citizens. The changes are mainly shaped by the strategic interests of the Social Democratic Party, which has tried to modernise its image since the 1980ies. In order to deal with the mentioned conflicts and challenges within the intended shift from government to governance the question arises, if there are lessons, which could be learned from the organisation of planning in the UK, especially looking closer at the implementation of the 'third way' in the field of planning.

## **6. Learning from the organisation of planning in the UK – the perspective from Vienna**

Planning is currently subject to changes in the UK. Challenged by spatial developments, which economically separates the North from the South and which is characterized by socio-spatial polarization in cities, the planning system is intended to change by a reorientation towards the strategic goals of sustainable development and of 'urban renaissance'. The central documents for a reform of the planning system are the 'Urban White Paper' (DETR 2001a) and the 'Planning Green Paper' (DETR 2001b) summarizing the most important reform ideas.

The planning system is still dominated by the interests of the 'Office of the Deputy Prime Minister' (ODPM) being in charge for planning policy on the national level. National legal fundamentals of urban and regional planning are the 'Town and Country Planning Acts' and the 'Local Government Planning and Land Acts'.

In the 'Town and Country Planning Act' from 1990 a first change was induced by establishing a kind of plan-led system. This meant that formal plans had to be elaborated by the authorities building a basis for decision-making. Furthermore, the local planning authorities were asked to develop 'local plans', which were broad land use plans. These plans were shaped by the guidelines of the Planning Policy Guides, which were developed by the ODPM. Conflicts between the national and the local planning authorities emerged in the context of the local interpretation and execution of Planning Policy Guides (Ganser & Rumberg 2002). Besides these conflicts the planning system was criticized mainly because of a lack of transparency and the multitude of Planning Policy Guidance Notes, because of the negligence of local interests concerning urban development and because of the high complexity of the planning system encompassing four policy levels (national, county, regional, local).

The 'Planning Green Paper', which was developed in December 2001 by ODPM and followed by a broad discussion process, is an attempt to react to this critic and to solve the above mentioned conflicts. The high complexity of the planning system should mainly be reduced by upgrading the role of the regional level. 'Regional Planning Guidance' and 'Regional Spatial Strategy' are getting more important as instruments for steering urban and regional development, whereby particularly the 'Regional Spatial Strategy' is interesting as it should contribute to the development of

more regionally specific strategies. It has to be considered as a contribution to improvement of the position of regions in the national political-administrative system. "The RSS will be given statutory status for the purposes of s54 of the Town and Country Planning Act and will provide that spatial framework for the region over a fifteen to twenty year period with the aim of an integrated, strategic approach in which regional and sub-regional priorities...are formulated.... RSS should also provide the longer term planning framework for the Regional Development Agencies' strategies." (Crow 2003: 4). Nevertheless, the room of manoeuvre concerning the development of regional strategies is constrained by national policies.

Furthermore, the 'Local Plans' should be substituted by 'Local Development Frameworks', which should encompass strategies and visions for the long term development of the city region as well as 'Action Plans' for the exact planning and development of so called 'areas of change'. In addition, the possibility to establish 'Business Planning Zones' was introduced in order to carry out specific projects bypassing long planning procedures.

To summarize, these reforms should contribute to a flexibilisation, simplification and strategic reorientation of the planning system as well as to the modernisation of the political-administrative systems. Furthermore, these reform attempts should signalise that the interests of representatives of the economy and of the civil society will be better incorporated in planning procedures in the future. "The customers of planning departments have a right to an efficient and user-friendly service. Business in particular, needs to know that their planning applications will be dealt with efficiently and predictably. Time delays caused by bureaucracy, lack of skilled staff or over-complex systems are bad for business and do little good for anyone else..... We propose a system that better engages communities. We propose real community participation in the preparation of our new Local Development Frameworks and especially in drawing up action plans which bear on local areas and may result in the regeneration or conservation of particular neighbourhoods." (DETR 2001: 6)

Concerning urban policy and the fight against the spatial concentration of poor people in specific urban areas, the UK approach is of particular interest for the Viennese situation. The implementation of governance structures within this context is very important for the strategic orientation of spatial planning in Vienna.

'City Challenge', 'Single Regeneration Budget' and 'New Deal for Communities' are national strategies trying to combat poverty and social exclusion in cities. Although these programs differ in many respects, for the Viennese situation interesting elements of these national initiatives are (cf. Breitfusss et al 2004):

- their reference to areas, this means that they have a focus on deprived urban areas, which pushes vertical and horizontal integration within political administrative systems;
- the attempt to establish a kind of 'area logic' especially with regards to the actions of representatives of the political-administrative system in these areas (e.g. 'area logic' concerning the use of financial resources);

- the combination of measures within these city strategies with measures to modernise the political-administrative system (‘new public management’);
- the high level of formalisation of ‘partnerships’ as the institutional basis for regeneration projects and as a platform for the involvement of multi-sectoral actors and organisations concerning the development of areas;
- the exact identification and analysis of deprived urban areas as well as their embedding in broader strategies of urban and regional development.

## 7. Conclusions

Vienna is still a ‘red’ and mainly fordist city. But challenges occurring in the economic, social and spatial development of the city induce attempts by the Social Democrats to modernise the city administration and the organisation of planning according to features of governance. The ‘old’ fordist regime resolved conflicts or problems by policies of redistribution, but recent strategies try to oppress social conflicts, whereby facilitation and mediation of conflicts at the local level is getting more important as a task of urban planners.

The shift from government to governance is a complex and contradictory process because of the existence of deeply rooted habits and practices (in the case of Vienna e.g. conflict avoidance and clientelism). Concerning planning this means that simultaneously forms of ‘old’ government and new governance can be detected as top-down planning approaches are interwoven with bottom-up integrated area development. Especially with regard to the establishment of local area management it is right to highlight the changing mode of regulation as a more flexible form of urban governance arises. But planning procedures are very selective and fragmented and they still do not use the full progressive and creative potential of participation.

So, what find is a state-centred form of governance, which has also its strength, which should be considered in comparison with the UK model of organisation of planning. This partial shift from government to governance has its strength because new liberal modes of governance generally deepen democratic deficits, a lack of accountability and transparency and are detrimental to the interests of socially excluded people. The results of the implementation of governance structures should be looked at carefully concerning its impacts on the social structure and social cohesion in the city. The consequences of the blurring off of the boundaries between state, market and civil society have to be taken into account with regard to the question of control by the parliament.

In all policy fields, in which planning is a key for finding solutions (e.g. urban sprawl, sustainable development, combating the spatial concentration of poor households), and in the broader field of modernising the political-administrative system, the Viennese approach towards reforming can be called ‘controlled modernisation’ (Novy 2004). The Social Democrats are avoiding more open planning procedures and the unlocking of the system for the participation of more actors, as this could mean, that

they would partially lose control over the development of the city. The attempt to implement the vision of an open, decentralized and participatory state, via e.g. local area management, will always be very contradictory and difficult as the above mentioned habits and structures are challenged. (cf. Novy 2004)

Considering the different political, economic, spatial and social backgrounds of Austria, Vienna and the UK, it is also very difficult to say that something could be learned from the UK with regard to the challenges occurring in the shift from government to governance. But particularly concerning spatial planning two ideas are useful for the Viennese context:

1. Approaches to combat special socio-spatial problems should be part of broader strategic concepts considering the future development of the city region.
2. These problems could only be dealt with successfully, when more integrated models of governance are established, which are embedded in strategic concepts to modernise the political-administrative systems.

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