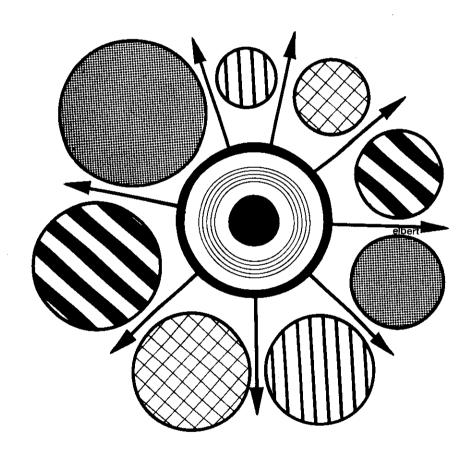


# EUROPEAN REGIONAL PLANNING STUDY SERIES

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# Socio-political instruments of land use in urban regions

Report of the European seminar Falun (Sweden), 29 June-1 July 1989

Strasbourg 1989

# EUROPEAN CONFERENCE OF MINISTERS RESPONSIBLE FOR REGIONAL PLANNING (CEMAT)

#### EUROPEAN SEMINAR

"SOCIO-POLITICAL INSTRUMENTS OF LAND USE IN URBAN REGIONS"

Falun (Sweden), 29 June - 1 July 1989

REPORT OF THE SEMINAR

#### INTRODUCTORY NOTE

#### LAND USE INSTRUMENTS IN REGIONS OF TRADITIONAL INDUSTRY

From 29th June to 1 July 1989, the European Conference of Ministers responsible for Regional Planning organised in Falun, Sweden a Seminar on "Socio-political instruments for economic development and rational use of land in urban regions". The seminar was organised at the invitation of Swedish authorities (Ministry of Housing and Physical Planning and the Board of Kopparbergs Län or County of Darlana, the County of old mining and steel industry, about 200 km northwest of Stockholm).

The seminar's objective was to illustrate the specific objective No. 6 appended to the European Regional/Spatial Planning Charter, adopted by the Ministers responsible for Regional Planning at their 6th Session (Torremolinos (Spain), May 1983). This objective called "regions in decline" requested specific policies for such regions.

The seminar in Falun also followed previous Council of Europe action such as, the Conference held in Lille (France) on "Urban regeneration in European regions of old industry" (1) and the Recommendation of the Committee of Ministers of the Council of Europe to member States on European industrial towns (2). In that Recommendation the Committee of Ministers considered "that the regeneration of old industrial towns is an important element in the improvement of the urban environment as a whole in Europe." The Recommendation proposes policy guidelines concerning, e.g., public sector management, a need for innovators, community involvement, re-use of existing resources, decentralisation and the role of local and regional authorities, as well as a contribution to local employment.

The Falun seminar was a direct consequence of the 8th Ministerial Session (Lausanne, Switzerland, October 1988) and its Resolution No. 1 on rational use of land: basis and limiting factor of our development (3). About 60 representatives of 15 European countries participated in this seminar. Numerous case studies were submitted by the participants, reflecting the situation in their specific countries and reacting to a basic working paper prepared by the Swedish delegation describing the situation that had been encountered in the County of Dalarna with its 280,000 inhabitants, and mainly in its biggest cities, Avesta, Borlänge and Falun.

<sup>(1)</sup> See the "Lille Declaration", adopted on 2nd December 1983 (cf. Appendix III, page 60)

<sup>(2)</sup> Recommendation No. R (87) 24, adopted by the Committee of Ministers on 22nd October 1987 (see Appendix IV, page 65)

<sup>(3)</sup> see Appendix II, page 54

From the following countries (Finland, see page 13; France, see page 14; Federal Republic of Germany, see page 17; Netherlands, see page 19; Norway, see page 22; Spain, see page 24; Sweden, see page 29; Switzerland, see page 34; Turkey, see page 37; United Kingdom, see page 40), replies were submitted.

Starting from the Swedish examples, which the participants were able to visit on the first day and from the contributions submitted by other countries, the participants discussed, under the chairmanship of Mr Ferdinando Albanese, the various instruments in the following order:

- A. Standard regional economic development measures
- 1. Stimulate companies to establish and expand
  - (a) territorial measures
    - creation of industrial sites
    - creation of touristic sites
  - (b) tax benefits
    - special tax arrangements to stimulate investment
  - (c) financial incentives
    - loans
    - grants
    - aid for interest repayment
    - guarantees
    - aid for research and development projects
    - funding of exports
  - (d) social contributions
    - geographically differentiated employers' contributions (N)
  - (e) administrative
    - advisory and information service
    - re-location of national boards from the capital to the regions
    - joint action
  - (f) others
    - aid for sewage treatment, clear air measures and waste disposal.
- 2. Strengthen the infrastructure
- 3. Educate and train the labour force
  - aid for in-service training
  - better vocational education
  - creation of universities

#### В. Special measures to handle a large and fast industrial structural change

Stimulate establishment and expansion

- (a) financial
  - special grants special loans

  - tax arrangements
  - creation of a fund of adequate size for financing projects
  - joint ventures and financing (governments, private, semi-government)
  - reduce export risks
- (b) infrastructure = improve access to depressed regions and their links with the national network
- (c) administrative
  - guidance from the state
  - major public social works (social housing, high schools, hospitals)
  - establishment of state monopolies and factories
  - creation of a special body to study specific problems
- (d) social
  - temporary jobs on allowances received
  - special guidance to people losing their jobs
- (e) vocational training
  - supplementary assistance
- (f) psychological measures in order to create a culture of development (NL)

The conclusions were drawn by the main rapporteur, Michael Melzer, Senior Official in the Federal Ministry for Regional Planning Building and Urban Development in the Federal Republic of Germany (see page 44).

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#### **PRESENTATION**

The 8th Ministerial Session of the European Conference of Ministers responsible for Regional Planning was held at Lausanne (Switzerland) on 20 and 21 October 1988.

At this conference, the Ministers adopted Resolution No.1 on rational use of land: basis and limiting factor of our development (1). This resolution contains, in an appendix, the "Principles of a new land-use policy".

In Resolution No. 2, adopted on the same occasion, the Ministers decided to hold their 9th session in Turkey in 1991, on the following theme: "Instruments for achieving rational use of land". It is planned to hold the 10th session in Norway.

The Committee of Senior Officials decided to undertake the preparation of the 9th session by organising three seminars on the various aspects of the main theme, such as:

- information and monitoring instruments.
- instruments of regulatory character and incentives.

- socio-political instruments.

These instruments have been defined in Item V of the Lausanne Resolution No.1

It is planned to hold the seminar on the first subject in 1990. Preparatory work is at present being carried out by the Dutch Delegation.

The seminar on the second subject is scheduled for November 1989 and will be held in Strasbourg. The preparation is being carried out in close co-operation with the Standing Conference of Local and Regional Authorities of Europe.

For the seminar concerning the third theme, the Committee of Senior Officials decided to accept an invitation by the Swedish authorities, i.e. the Kopparbergs Läns Länsting and the Ministry of Housing and Physical Planning.

The seminar's aim was to illustrate the specific objective No. 6 appended to the European Regional/Spatial Planning Charter "Regions in Decline", that reads as follows:

"Specific policies should be developed in favour of regions where economic activity has strongly slowed down following industrial restructuring and ageing of the infrastructure and of their industrial equipment, very often monostructured. This situation is accelerated by the worldwide competition resulting from the new international division of labour."

Furthermore, participants were asked to bear in mind the Lille Declaration, adopted at the Conference on "Urban regeneration in European regions of old industry" organised jointly by the Steering Committee for Urban Policies and the Architectural Heritage (CDUP) and the Standing Conference of Local and Regional Authorities of Europe in November/December 1983.

<sup>(1)</sup> see Appendix II, page 54

However, the main emphasis of the conference's debates was laid on illustrating with practical examples the use made of socio-political instruments of land-use.

To this end, the Swedish authorities presented a case study (see page 9) in which many or all land-use instruments could be applied, in the framework of a regional planning approach, to contribute to the development of a medium-sized town (1), either in a declining industrial area or in an area in which development has been inefficient. These instruments could then be evaluated, in the light of the principles set out in the Lausanne Resolution No. 1 (Appendix II).

National delegations, but also other interested participants, were expected to submit short reply papers.

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<sup>(1)</sup> in the Swedish case, 30-50 000 inhabitants

#### PROGRAMME OF THE SEMINAR

| Wednesday          |                       |                                                                                                                                                                      |
|--------------------|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 28 June            | 8.00 pm               | Reception in the County Governor's House                                                                                                                             |
|                    | 10.15 pm              | Sightseeing tour aroung the city of Falun<br>and its surroundings, including a visit<br>to the Lilltorpet, a typical Swedish open<br>air dance-floor                 |
| Thursday           |                       |                                                                                                                                                                      |
| 29 June            | 10.00 am              | Opening of the Seminar                                                                                                                                               |
|                    |                       | - Mrs Lilly HANSSON, County Governor, Kopparberg County                                                                                                              |
|                    |                       | - Mrs Feral EKE, Chairperson of the Committee of Senior Officials                                                                                                    |
|                    |                       | Working Session                                                                                                                                                      |
|                    |                       | In the Chair: Mr Charles F. KOHLER, Deputy Director of Environment and Local Authorities, Council of Europe                                                          |
|                    |                       | Presentation of the basic report and of the<br>study visit by: Leif SVENSSON, County<br>Director, Kopparberg County                                                  |
|                    | 11.45 am              | Study visit to Avesta                                                                                                                                                |
|                    | 12.45 am              | Lunch in Avesta by courtesy of<br>Avesta AB (Avesta Steel Company)                                                                                                   |
|                    | 3.00 pm               | Study visit to Borlänge                                                                                                                                              |
|                    | 8.00 pm               | Dinner by courtesy of the Savings-Bank of Dalarna (Sparbanken Dalarna)                                                                                               |
| Friday<br>30 June  | 9.00 am               | Discussions                                                                                                                                                          |
|                    |                       | In the Chair: Mr Ferdinando ALBANESE, Director of Environment and Local Authorities, Council of Europe                                                               |
|                    | 12.30 pm              | Lunch                                                                                                                                                                |
|                    | 2.00 pm<br>to 6.00 pm | Discussions (continued)                                                                                                                                              |
|                    | 7.30 pm               | Dinner by courtesy of the City of Falun                                                                                                                              |
| Saturday<br>1 July | 9.00 am               | Discussions (continued)                                                                                                                                              |
|                    |                       | <ul> <li>Presentation of the draft Conclusions<br/>of the Seminar by Dr Michael MELZER<br/>(Federal Republic of Germany)</li> <li>Discussion and approval</li> </ul> |

12.00 pm End of Seminar

## BASIC WORKING PAPER ON SOCIO-POLITICAL INSTRUMENTS FOR ECONOMIC DEVELOPMENT AND RATIONAL USE OF LAND IN URBAN REGIONS

## prepared by the Swedish delegation

- 1. The theme for the 9th European Conference of Ministers responsible for Regional Planning (CEMAT) in Turkey in 1991 will be "instruments for achieving rational use of land". Three major groups of instruments will be discussed: information and monitoring instruments, regulating and incentive instruments, and socio-political instruments.
- 2. At the seminar in Falun this summer, emphasis will be laid on socio-political instruments. The intention is to study and discuss how various instruments function in practice within a region. In order to get a common background and a platform for the discussions at the seminar we invite all delegations to write reply papers to this basic working paper. We will describe below two cities close to Falun, which both have had large and fast negative structural changes in their steel industry in recent years. We will do so in terms of location, population, employment, structural change etc. We ask each delegation to describe how they would meet and handle such structural changes in their country and what kind of instruments they would use.
- 3. We think that most of the countries have examples and experiences of similar regional structural changes. While they might not be of the same scope and nature as those mentioned here, the point is to get a picture of different instruments and ways to achieve economic development and rational use of land in regions with weak or threatened employment. We have in this paper chosen as examples two medium sized cities which have been affected by big employment reductions in industry. These examples show a pronounced crisis situation together with measures used to handle the problems, and therefore they present us with the opportunity to follow up and evaluate the efforts made and the instruments used.

It is of course also possible - if some delegations so prefer - to choose to describe activities and instruments used in order to strengthen economic development and to achieve rational use of land in a region with a generally weak economy and employment. It is, however, important that all delegations choose their examples from urban regions and not from purely rural areas, in order to achieve the same basis for the discussions at the seminar.

4. In order to complement the case-studies outlined in this basic working paper, we plan to start the seminar with a study tour of the two cities concerned, to get further information on experiences from local authorities, trade unions, employers' unions, companies, etc.

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- 5. In the following section, we will first give a description of the county of Dalarna and of the two cities Avesta and Borlänge and the structural changes that have occurred there. After that, we will ask delegates how and with what kind of instruments they would handle such regional structural changes.
- 6. The county of Dalarna is situated north-west of Stockholm, with its administrative centre Falun at a distance of 200 km from the national capital. The county has 280 000 inhabitants, living in 15 municipalities. The distance south-north is about 350 km and west-east about 150 km.
- 7. Structural changes with declining employment in agriculture and forestry as well as in mining, steel and the wood industry have led to problems of balance in the region during the past decades, particularly unemployment and outmigration. In order to meet these problems, sizable government grants and loans have been given to the industrial and tourist sectors which have been seeking to establish or develop in the region since the modern active regional development policy started in Sweden 20 years ago. There are also regional imbalances within the county. Public support is therefore distributed proportionately between different areas in the county. In addition to standard regional development measures, special support has been given to the county in recent years because of the closing down of mines and contraction in the steel industry.
- 8. At present the population is stable without any net migration movements. Both the economy and employment are strong, the unemployment rate being about 2.2 % for the county on average (national average 1.7 %).
- 9. The city of Avesta situated 45 km south-east of Falun has today 24 700 inhabitants to compare with 27 200 in 1975. The total employment decreased from 12 300 to 11 500 persons during the period 1975-1985 or by 6 %, to compare with the average for the rest of of the country which saw an increase of 13 %. These job losses are the result of large reductions in the operations of Avesta Steel Company (AVESTA AB) dropping from 3 500 employed in 1975 to 2 600 in 1982 and down to about 1 800 employed today.
- 10. When these reductions began in 1982 the city as mentioned had already been through a hard period of declining population and employment since 1975. About 5 % of the population between the ages of 16 and 64 were unemployed (the national average being 3 %), and in addition to that, many people were placed in temporary jobs or labour-orientated education and training. The unemployment rate was for men equal to the national average and for women about 10 % below. A forecast made by the County Administrative Board predicted further considerable falls in both the total employment and the population up until 1990. Also, the surrounding municipalities were in a similar situation, so that possibilities for more people to commute to jobs in the neighbouring region were limited.

- 11. As a further background we can also mention that the number of persons working in manufacturing industries besides AVESTA AB was about 1 500 in 1985, spread among many small and medium-sized companies. The city of Avesta is to a great extent self-supporting in different services such as senior high schools, hospitals etc. However, it does not serve an important function as a service centre for its surroundings.
- 12. The city of Borlänge sutuated 20 km south-west of Falun has today 46 300 inhabitants, the same as in 1975. Total employment increased from 22 700 to 25 100 persons during the period 1975-1985 or by 10 %. During this period the Swedish Steel Company (SSAB) in Borlänge reduced its staff from 6 300 to 4 300 persons. In 1987 SSAB took a decision on a further reduction of 1 300 persons, in order to bring the total down to about 3 000 persons employed in 1990.
- 13. During the years of employment reductions at SSAB the city has had a higher rate of unemployment than the national average. The unemployment rate for men is equal to the national average and for women a few percentage points below. The population has remained stable over the whole period since 1975, but there were some negative years between 1981 and 1985 with considerable outmigration. Further reductions at SSAB announced in 1987, will in the absence of special measures to deal with them result in new balance problems for the city of Borlänge.
- 14. Borlänge is a city like Avesta but has the character of a service centre for a large region in terms of transportation, wholesale-trade and higher education, etc. Besides SSAB, there are a number of small and medium sized industries located there. Facilities for commuting to surrounding regions are better than in Avesta, but nevertheless limited.
- 15. The structural changes in the steel industry of Avesta and Borlänge have created balance problems in these cities which have been dealt with by using various instruments both standard instruments and specially devised measures.

We shall describe these later in a separate paper which will be distributed together with the reply papers we now invite you to write.

16. Describe how you would meet and handle such regional structural changes in your country and what kind of instruments you would use. (As mentioned before you may instead, if you prefer, describe how to promote economic development and rational use of land in a region with a generally weak economy and low employment.) In order to get a good comparison between the reply papers, we want you to structure your reply following the schema below:

- A. Standard regional economic development measures for a region/city situated in a declining area of the country in order to:
  - A1 stimulate companies to establish and expand,
  - A2 strengthen the infrastructure.
  - A3 educate and train the labour force.
- B. Special measures to handle a large and fast industrial structural change in a region/city in order to:
  - B1 stimulate companies to establish and expand,
  - B2 strengthen the infrastructure,
  - B3 especially help people who are losing their jobs.
- C. Physical planning initiatives to achieve rational use of land even in a situation of large and fast structural change in a region/city, for the rejuvenation of old industrial areas, for the improvement of infrastructure etc.
- D. The roles of and the relations between :
  - D1 the local authorities,
  - D2 the regional authorities,
  - D3 the national authorities.
- E. Participation at local level in mobilisation and planning to deal with a large and fast structural change in a region/city from:
  - E1 the public.
  - E2 the trade unions,
  - E3 the employers' unions,
  - E4 the companies.
  - E5 others.

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 $\underline{\underline{\text{Note}}}$ : it is important to keep the reply papers brief, not longer than 2-3 pages.

#### REPLY BY THE FINNISH DELEGATION

#### A. Standard regional economic development measures

- A1. Investment support, starting support and development support through regional policy grants; special budgetary provisions foresee grants for counties (provinces).
- A2. Infrastructure investments, financed by the budgets of the State and municipalities.
- A3. Vocational training and adult education financed by the budgets of the State and municipalities

#### B. Special measures

- B1. To establish a special body to study specific problems, and
- B3. to solve them (for example Kymi-consultative committee). As a result one can offer useful plans in order to solve the problems. This can be put into practice together with regional legislation, State and municipality budgets and by parternship with the private sector. It is important to organise the follow-up of the proposals.

#### C. Physical planning initiatives

The task of physical planning is to establish the preconditions of land use for development purposes. This means initiatives must be taken in order to carry out an active land-use policy. Another task of physical planning is to preserve and improve the quality of the environment.

#### D. The roles of different administrative levels

Local government (municipalities) is very important. Without active and innovative contributions by the municipalities, development cannot succeed. The task of the regional level (administration at the intermediate level) is to promote co-operation between municipalities, to encourage innovation and to channel state investments at regional level.

National authorities can effectively support regional development efforts. At national level the task is to encourage and develop co-operation of different areas by budgetary measures and to take into account the international development prospects.

#### E. Participation at local level

To organise a possibility for various town quarters to participate in the development projects of the municipalities and at local level, among which are those mentioned in items B1 and B3.

#### REPLY BY THE FRENCH DELEGATION

#### 1. GENERAL REMARKS

Industrial development on French territory has been very uneven, with heavy concentrations in some regions (particularly the North-East axis) and scattered development over many small, local basins. With a few exceptions (Paris region, Lyons region) these local or regional industrial networks have been dominated by one or two activities, making them extremely fragile when it comes to adapting to industrial change.

Industrial redeployment problems existed in France well before the recession, therefore, but they were relatively limited in scope. The recession had a massive effect on numerous industrial regions and sites, the redeployment of which is still often difficult today.

The history of intervention measures can be summarised as follows:

- from 1954 onwards, the first measures of aid to zones in difficulty were set up, mainly in the form of financial incentives (grants etc) for the creation of new activities;
- in the late 60s, more specific instruments were created in the regions worst hit by the slump in the mining and iron and steel industries (Lorraine, Pas-de-Calais): industrial redeployment commissioners were appointed, and industrial redeployment agencies were set up by major national concerns having to launch out into new activities;
- in the 80s, the various forms of aid were boosted substantially in order to promote both redeployment of the labour force (social plan for companies etc) and site conversion (in 1984, 15 redeployment poles, business zones etc were created);
- nowadays, these efforts are being pursued in an attempt to tailor them more closely to each local situation and with emphasis on an overall development policy involving all partners (companies, local authorities, etc).

#### 2. REPLIES TO THE SPECIFIC QUESTIONS

## A. Standard regional economic development measures for a declining city or area

#### A1. Aids to create businesses:

- regional planning grant (the state), reserved for major investments;
- temporary exemption from local business tax (local authorities);
- regional subsidies for employment or the creation of businesses (regions);

#### A2. Strengthening the infrastructure:

 national plans for communications (motorways, high-speed trains) designed to redress the new balance throughout the territory;

#### A3. Vocational training:

 many forms of aid (the state + regions) to individuals or companies.

#### B. Special measures for coping with major structural changes

Two kinds of measures may be taken, which complement each other:

#### B1. Human redeployment

- firms which have to dismiss large numbers of employees are required to set up and negotiate a social plan;
- miscellaneous measures: early retirement, redeployment leave, encouraging geographical mobility, training/requalification, aid to employees setting up their own businesses.

#### B2. Reconverting sites, developing activities

- creation of industrial redeployment agencies by large national concerns which have to reduce their activities locally (22 agencies created): diversification of local activities, looking for investors, buying stakes in businesses, loans;
- blanket approaches: creation of redeployment poles (15), preparing development plans etc;
- in the most critical cases, creation of "enterprise zones" with exceptional fiscal status (temporary exemption from corporation tax)(three zones currently created in sites affected by the closure of shipyards);
- role played by the industrialisation commissioners in orchestrating these various measures and putting them into operation.

#### C. Physical planning initiatives

Cf. above, blanket approaches designed to improve overall conditions of local development, including the habitat and environment.

Special forms of aid are also available for making derelict industrial land re-usable (2,500 hectares are being made usable again, particularly in former mining or steel industry areas).

#### D. The role of the different levels of administration

For a long time the state appeared to be the only body which could intervene in an attempt to solve local crises - which may be explained both by the centralised structure of the country and the high degree of dependency of the zones concerned.

The state's role is still paramount, particularly in financing the various assistance measures. The drive to encourage industrial redeployment is in fact deemed necessary for the sake of national solidarity. However, mobilising the various forms of aid depends largely on forceful action at local level involving the various regional and local partners, such as local authorities, businesses, management and labour, proposers of projects, etc.

The government's current policy is therefore based on a continued effort of solidarity by the state without neglecting the mobilisation of local partners. The procedure of "State regions plan contracts" is one of the instruments enabling efforts at various administrative levels to be co-ordinated.

REPLY BY THE GERMAN DELEGATION

### <u>Instruments</u> and measures provided for in structural policy concerning the Rhineland Palatinate

#### 1. GENERAL REMARKS

The Rhineland Palatinate is one of the eleven Bundesländer of the Federal Republic of Germany, and has a population of 3,630,000 for an area of 19,848 km2 (1987 \*), in other words, 183 inhabitants/km2 (Federal Republic of Germany - 246 inhabitants/km2). The Rhineland Palatinate is the sixth largest Land in the Federal Republic of Germany in terms of both area and population.

Since its creation 42 years ago, in 1946, the Rhineland Palatinate has experienced continuous growth thanks to a particularly successful regional policy, whose main aim, broadly speaking, has been to establish similar living standards in all the Federal Republic of Germany's regions and its Länder, and hence in the Rhineland Palatinate. The Rhineland Palatinate Government's own regional development policy adheres to the rules of a social market economy. The free movement of persons, goods, services and capital, both at national level and beyond the country's borders, form the basis of this policy. European integration has placed the Rhineland Palatinate, which has borders with France, Luxembourg and Belgium, at the centre of the European markets, giving development in the region a decisive boost, and advantages as regards sites, resolutely exploited through a structural policy centred around a forward-looking market economy.

The regional development policy's objectives concern incomes as well as employment. Eradicating regional disparities in per capita income contributes considerably to ensuring similar living standards throughout the whole of the Federal Republic (the objective being to establish a balance). Bringing down the high unemployment rate in regions with weak economies is a fundamental aspect of regional development policy (objective to promote employment).

#### 2. REPLIES TO THE SPECIFIC QUESTIONS

Against this background, the following answers to questions A to E in the questionnaire can be given for the Rhineland Palatinate:

<sup>\*</sup> Census of 25.5.1987.

#### Questions A and B

Aid in the form of instruments and measures playing a vital role in the Rhineland Palatinate's regional structural policy:

- 1. Regional aid for joint action ("improving the regional economic structure") and as part of the Land's regional aid programme;
- 2. Programme of aid for interest repayment;
- Guarantees, share participation and aid, in the form of guarantees from the Land, guarantee programmes for exports, and funding for setting up new businesses;
- 4. European Recovery Programme concerning, inter alia, new businesses, aid for in-service training, funding of exports, sewage treatment, clean air measures and waste disposal;

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- 5. Aid for advisory and information services for SME/SMI, and the Rhineland Palatinate hotel and restaurant trade;
- 6. Aid for research and development projects.

#### Question C

Contributions can be given for regional planning through the area's regional development projects, and at a local level through town planning projects, or through urban aid programmes and the village renovation scheme.

#### Question D

Local authorities and groups thereof are responsible for town planning, which forms the legal basis for the setting up of new firms and the implementation of infrastructure measures.

Moreover, local authorities are involved in implementing infrastructure measures and can apply for and receive funds from the aid programmes.

The Land's technical departments are responsible for giving town planning authorisation and, at the same time, act as an aid body within the various programmes.

In this context, the Bund acts as a lending body and works with the Land in planning activities for joint action.

Relations between the Bund, Länder and local authorities are not subject to a strict hierarchy. Local authorities are free to shift the emphasis of, or make fine adjustments to, their development plans, with regard to federal and regional objectives, which lay down the general direction for spatial development and planning.

#### Question E

Participation by the various groups concerned is provided for by legislation on town planning, and is also encouraged within specific aid programmes.

#### REPLY BY THE NETHERLANDS DELEGATION

#### GENERAL PHILOSOPHY IN THE NETHERLANDS

At the basis of present regional/spatial policies are the following two points of departure:

- strengthen the economically strong elements of a region: at a national level, these are the internationally strong elements; at a regional level, they are the regionally strong elements;
- link new economic initiatives to the existing economic structure and capacity of a region: ensure that the existing regional economy can support new inititives; "imported" regional successes are seldom of a permanent nature.

#### 2. REPLIES TO THE SPECIFIC QUESTIONS

#### A. Standard regional economic development measures

A1. <u>Investment subsidies</u>: work well if investment costs in the region, such as transport costs, are structurally higher than in the other regions.

Higher investment subsidies have more disadvantages than advantages:

- labour is replaced by cheap capital;
- high subsidies attract companies which have difficulty in getting their investments financed, i.e. weak companies;
- much investment would be made anyway without subsidies, i.e. subsidies in this case are a waste of money.
- A2. <u>Infrastructure</u>: improving infrastructure is very important. In the Netherlands, the peripheral regions now have a certain advantage for attracting footloose companies compared to the central regions. They have the infrastructure, but not the congestion. What, however, can also play a role is the fact that good accessibility to a region can mean it can be served "at a distance". The establishment of a company branch in the region would then be superfluous. This possibility must be taken into consideration in the overall planning.
- A3. Education is the most important structural factor.

  Secondary and further, especially technical, education must be organised and financed as decentrally as possible, because of the importance of directing it towards the regional economic and market needs. Co-operation with local companies is therefore essential.

The establishment of higher and scientific education in a region undergoing restructuring, such as Twente (Enschede/Hengelo) and Limburg in the Netherlands, has been proved to be an important pull-factor for further economic development.

#### B. Special measures in the case of Limburg, South Netherlands

Situation: Closure of coal mines; loss of 45,000 direct jobs (indirect losses far greater); restructuring process 1970-1990.

Central point is psychological. Ensure that the general lethargy resulting from job losses is replaced by a belief in better times in the future and in the ability of one's own region to pull itself out of the crisis.

To achieve this, the regional and local authorities must implement policies that achieve both fast successes in attracting new sources of employment and long-term structural improvements.

B1. Connect up, where possible, with local enterprise activities which enjoy interregional competitive advantages (in the Limburg case-study: tourism, business tourism/congresses, medical technology, airport-related activities).

Start a development company that can participate from close at hand in regional politics and can be a risk-bearing partner in business enterprises. Such a company would make it more attractive for commercial banks to finance firms in the area and would provide an acquisition advantage for attracting new firms from home and abroad.

Form a pool of interim managers, who could bring useful experience to firms in the area. Stimulate technological improvement and modernisation by offering know-how, especially supplementary know-how to existing industrial and commercial activities.

B2. Create a fund of an adequate size (in the Netherlands approx. NLG 45 mil. p.a. for a region of some 700,000 inhabitants). From this fund, projects can be financed which strengthen the economic structure preferably the market sector. The subsidies can be in addition to those applied to the country as a whole.

Collect a pool of experts for the most important sectors of the central government, who can combine the central with the regional flow of money and therefore have an extra effect on the reconstruction region (the so-called "lever-effect").

B3. Priority 1.: jobs in the market sector (see B1 & B2).

Priority 2.: jobs through combined initiatives (government, private, semi-government) from joint financing (see B2), or with counselling and support for starting entrepreneurs.

Priority 3.: temporary jobs by means of supplements on allowances received, thereby enabling the unemployed to do socially useful work and at the same time to gain experience which makes them more attractive on the labour market.

#### C. The role of physical planning is above all a long term one:

a. Prevention is better than cure. Prevent dereliction of the residential and working environment. Timely intervention is cheaper than later intervention and can, in the case of industrial estates, be financed by the market.

#### b. Strengthen the differences within a region:

- . create a diversity of industrial estates, offer the customer more and at less risk to yourself:
- . strengthen the urban hierarchy; ensure that there is at least one town in each region with the highest level of facilities;
- . offer a diversity of residential areas.
- c. Improvement of the quality of life and housing conditions is (also) a structural economic factor.

#### D. The roles of and relations between authorities

<u>General</u>: In addition to the formal constitutional relations between authorities, more and more use is being made of covenants, i.e. agreements between authorities to undertake certain initiatives together.

- D1. <u>Local authorities</u> implement the policies. They influence, together with the regional authorities, the psychological side of things. They provide the example! The readiness to collaborate with the private sector is important. Business risks can then be shared.
- D2. Regional authorities are responsible for gearing regional and local initiatives to each other, and form the link to the national authorities. Above all, priorities are established at this level.
- D3. <u>National authorities' main tasks are setting out the basic strategy of reconstruction and the distribution of means.</u>

#### E. Participation

General: The regional/spatial planning system of the Netherlands involves strongly decentralised and democratic processes. Every social group can influence that process if they so desire.

Specific: At the present time, public/private partnerships between authorities and private enterprise are being developed. The fund mentioned in B2 can be used for this purpose, but it does at the same time mean the loss of a measure of democratic control.

#### REPLY BY THE NORWEGIAN DELEGATION

#### A. Standard measures to:

#### A1. Stimulate companies to establish and expand

- Special tax arrangements to stimulate investments in the regions (the District Tax Act).
- Geographically differentiated employer's contribution. Applies to all types of companies within the areas where the arrangement functions.
- Support for concrete projects, either as investment grants or company development grants. Given on application either as a direct grant, loan or security for a loan.
- Easy terms for companies in the North of Norway to obtain support from the Industrial Fund for technological innovations etc.

#### A2. Strengthen the infrastructure

- Grants for local infrastructure investments for the organising of areas for trade and industry, waterworks development and quays.
- Grants for improvement of the physical surroundings. This only applies to smaller towns in the northern parts of the country.
- Support for development work in the municipality and county municipality.
- Grants for local trade and industry foundations.
- Support for regional research establishments.
- Research programme for the north of Norway.

#### A3. Educate and train the labour force

- Grant for company development from the Regional Development Fund.
- Training opportunities offered by the Labour Market Service.

## B. Special measures to handle large industrial structural change in order to:

- B1 stimulate companies to establish and expand
- B2 strengthen the infrastructure
- B3 unemployment measures
- Special grant arrangements for readjustment in municipalities where the main company is under reduction or phasing out. Can be used for measures within company development, development work and real capital.
- Guidance from the state.

#### The case of Mo i Rana (approx. 25,000 inhabitants):

The following measures have been put into effect in connection with the closing down of Norsk Koksverk and reductions at Norsk Jernverk, both state managed companies:

- 500 mill. NOK for readjustment funds
- cheap power
- temporarily reduced employer's contribution
- early retirement.

The strengthening of the local apparatus for development work/measures has been emphasised. A separate development company has been established whose task is to contribute to preparing projects that will promote the development of trade and industry in the municipality. A local investment company has also been established whose main task is to contribute to venture capital on the establishment of small and medium sized companies.

#### C. Physical planning initiative

- No particular national initiative, but will often be included as a part of the measures under A and B.

#### D. The roles of different administration levels

- Financial support under A1. is prepared by the county municipality and decided at a national level for larger cases. For smaller cases, the authority is delegated to the county municipality.
- Use of measures under A1. and A2. is decided by the central authorities on application by the municipality.
- Support under B is given from central authorities and administered by the municipalities.

## E. Participation at local level in dealing with fast structurel changes

#### The case of Mo i Rana:

The local system of development measures is considered very important. The Trade Union is represented on the board of the statemanaged companies Norsk Jernverk and Norsk Koksverk, and contributes, through this, to the readjustment. The Trade Union's contribution is also to a large extent directed towards labour market measures in Rana. A separate project organisation has, among other things, been established - the Readjustment Organisation for the Labour Market Service in Rana - where two of the positions have been earmarked for representatives from the labourers at Norsk Koksverk and Norsk Jernverk respectively. A local contact forum has also been established whose task is to follow the development of the labour market in Rana.

#### REPLY BY THE SPANISH DELEGATION

#### 1. GENERAL REMARKS

The measures and instruments of economic nature for the development of backward or declining regions are basically gathered in the Regional Development Plan (PDR) for 1989-1993, recently prepared by the Spanish Ministry of Economy and Finance for the regions pertaining to Objective 1 of the EEC Structural Funds (characterised, among other factors, by a per capita income level under 75 % of the Community average).

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The PDR - 1989-93 presents the set of investment programmes and projects of the State as well as of the Territorial entities and the public sector companies, whose fundamental objective is economic development and the reduction of the territorial imbalances. The scope of the PDR (76 % of the national territory comprising 58 % of the Spanish population) includes regions that have been backward for centuries (Andalusia, New and Old Castille, Extremadura, etc.) and regions that are affected by the crisis in several production sectors (iron and steel, shipbuilding, mining, textiles, etc.), such as Asturias or the Valencia region.

For the areas pertaining to objective 2 of the EEC Structural Funds (declining industrial areas), which involve another 9 % of the national territory comprising 21 % of the population, the Ministry of Economy and Finance is completing a Regional Reconversion Plan as a complement to the PDR.

Together with the economic measures included in these plans, consideration must be given to other general measures of fiscal nature (tax relief for productive investment and for the creation of employment), at the State as well as at the regional and local levels, and measures involving physical planning (regional guidelines, urban development plans, etc.) prepared to create the required territorial frame to permit the development and rational use of the land.

#### 2. REPLY TO THE SPECIFIC QUESTIONS

- A1. General measures designed to promote the installation and development of companies are regulated by Act 50/85 on regional incentives, which provides various levels of State aid depending on the specific features of each geographical area and the various sectors of production.
- A2. The PDR 1989-93 considers infrastructures to be determining elements for the development of regions, programming specific investments in the sectors of communications, roads, railway transport, hydraulic resources, ports and airports, which comprise about 50 % of the total investments in the period.
- A3. Measures concerning employment and professional training contemplated in the PDR, range from specific programmes designed for the occupational recycling of the workers affected by industrial reconversion processes, to the education designed for people seeking their first job.

B1. Act 50/85 on Regional Incentives provides three categories of areas eligible for possible aids, including the ZID (Declining Industrial Areas), and for each category it determines the municipalities involved, the promotable economic sectors and the maximum limit of investment aid (between 45 % and 75 %).

In addition to these incentives, there are those of regional and local nature designed to promote endogenous development through the implementation of services for companies by simplifying their access to the capital market, technology transfers, communications, etc.

- B2. The improvement of regional infrastructures, when it involves the State road network (General Road Plan 1984-91), hydraulic resources, railway transport, communications, ports and airports of general interest, is the competence of the Central Administration, while the Regional Bodies are responsible for the investments intended to improve the networks of exclusively regional or local interest, according to specific Sectorial Plans. The local bodies, through their annual budgets, also carry out programmes on the improvement of local infrastructures (urban development, endowment of services) to promote the establishment of companies.
- B3. Measures designed to assist people who have lost their job owing to industrial restructuring processes exist at State level, through specific programmes for the sectors under reconversion, and at regional and local levels: these aids include, on the one hand, those intended for the occupational recycling of the unemployed, and on the other, those permitting the temporary hiring of workers for the performance of non-productive projects by public administrations (social services, defence of the environment, etc.).
- C. Industrial restructuring entails significant land reclassifications with the consequent change in fundamental elements of the urban structure for the purpose of simplifying the process of establishment of new activities and achieving a rational use of the land. Physical planning (territorial and urban planning) is a basic instrument for promotion of the reconversion processes and it permits maximum advantage to be taken of the future opportunities for development. The competence for the preparation and amendment of these local plans is held by the Town Councils, although their final approval corresponds to the Regional Bodies.
- D. The Urban Development Plans form the frame of co-ordination of the investments in urban infrastructure on the state, regional and local levels, and they must conciliate the interests of all three in the process established for their preparation and approval. Competences in matters of territorial and urban development have been transferred to the Regional Bodies (Autonomous Communities) although the State maintains exclusive or concurrent competences in sectorial matters affecting the territory, such as public works of general interest, roads, railway transport, ports and airports, etc.
- E. The participation of both individuals and social bodies (labour unions, companies, associations, etc.) in the preparation and modification of the Urban Development Plans is regulated by the urban development laws and takes place in various stages and times within the process involved.

Reply by Mrs Antonia RIPOLL MARTINEZ, Professor of geography at the University of Mallorca

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I shall try to outline the geographical situation of Palma de Mallorca and briefly describe the population's involvement in the life of the city.

Palma is situated in the western bay of Mallorca, the largest of the Balearic Islands, which lie in the north west Mediterranean.

Palma officially had a population of 321,104 in 1986, representing 51.8% of Mallorca's total population. However, in order to understand Palma's problems we should look at population trends over the last 20 years:

| YEAR | POPULATION OF PALMA | POPULATION OF MALLORCA | %    |
|------|---------------------|------------------------|------|
| 1960 | 159,084             | 363,199                | 43.8 |
| 1965 | 190,877             | 406,007                | 47.0 |
| 1970 | 234,089             | 460,030                | 50.9 |
| 1975 | 282,050             | 524,976                | 53.7 |
| 1981 | 304,422             | 561,976                | 54.2 |
| 1986 | 321,102             | 620,515                | 51.8 |

Source: Picornell i Segui (1989): Geografia Humana de las Islas Baleares

The most outstanding characteristic is the growth in population, which has doubled in 26 years. This sharp increase is the result of heavy immigration from the rest of the island as well as from more deprived areas elsewhere in Spain. Since the 1960s, Mallorca and its capital, Palma, have been experiencing a tourist boom.

There is no doubt that the growth in mass tourism in Mallorca has been the economic driving force that has brought about structural changes in the island's society as well as in the characteristics of its capital, be they demographic, economic, sociological or morphological.

Palma's present situation is a result of the process we have described as well as of the problems it has encountered in adapting to these sudden and rapid major changes. There are numerous contradictions: a contrast exists between the city's historic districts and the areas recently built to cater for the large number of immigrants, where living conditions are not always of an acceptable standard. Housing is often fairly cheap, built with poor quality materials, situated far from both the town centre and the seafront and served by inadequate transport links. Indeed, it might be said that housing policy was inspired by the most rudimentary capitalist principle of making an immediate profit. Property speculation is a good means to this end.

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This urban context, with its social, economic and town-planning contradictions, provides the setting for the citizens' movements of people that have played important but diverse roles in the principal political phases of recent years, namely dictatorship, transition and democracy.

I cannot give an exhaustive account here of these movements' activities over these periods, but it should be explained briefly that after a long period of gestation an instrument was produced that to some extent enabled the local population to take part on a daily basis in the city's construction schemes.

During the campaign for the first democratic elections in 1979, the citizens' associations presented several political groups with some demands which included a demand for an undertaking to draw up a set of rules guaranteeing the people's participation.

Some time later, in January 1984, these rules were approved. Despite some areas of disagreement between the local authority and the citizens' associations, the rules are viewed constructively as providing a valuable instrument and guaranteeing a certain level of participation.

As regards the rules' structure and principal ideas, they comprise an introduction and four chapters.

The introduction states that, in addition to institutionalised political representation, there are other representative bodies which interact with the population. These detect, indicate and define social and urban problems and, at the same time, play an important part in the organisation of everyday life. This justifies making provision for the representation of the local population so as to give them the possibility of effectively expressing their ideas to the local authority.

The first chapter, entitled "Register of Associations of Local Interest", sets out the requirements for inclusion in the register.

The second chapter, "Disseminating information and sounding out public opinion", refers to a local authority's duty to inform the public of its plans and proclaims the right of any registered association to request information on local affairs and to express its opinions at public information meetings organised by the local authority, for which the agenda must have been announced 24 hours in advance. The local authority undertakes to consider the opinions of citizens and their associations.

The third chapter is entitled "Participation in information committees and other local bodies". It entitles certain citizens' associations to present their opinions to the local authority in writing and requests the associations' participation in the following information committees in an advisory capacity:

- a. traffic and transport
- b. cultural affairs
- c. education
- d. health, environment and consumer affairs
- e. town planning and housing
- f. highways and public works.

The approval or disapproval of association representatives has to be recorded in the committee meeting minutes. Their participation in the running of cultural and social services under local authority responsibility is now an accepted fact.

The fourth chapter is entitled "Consultative bodies". Such bodies are information and working groups responsible for guiding, drawing up and implementing municipal policy. They comprise a chairman, town councillors, representatives of each municipal department's information committees and a representative of every registered citizens' association. Consultative bodies are provided in the following fields:

- a. town planning, highways and public works, traffic and transport,
- b. social services, health, environment and consumer protection,
- c. cultural affairs, education, youth and sport,
- d. water, refuse collection and street cleaning,
- e. internal affairs, finance, fire brigade and economic services.

The demands of local associations concerning town planning have been a permanent feature in recent years. They are aimed at a better environment and improved infrastructures and facilities. It should not be forgotten that local associations were responsible for launching the first initiatives for the rehabilitation of certain districts.

Participation by a representative of the citizens' associations in the revision of Palma's General Plan (1985) reflected a concern for town-planning matters. Even so, speculators have managed in various ways (through concerted town planning, for example) to defeat several proposals by local associations and make speculation the basis of urban development.

#### REPLY BY THE SWEDISH DELEGATION

#### A. Standard regional economic development measures

#### A1. Stimulating companies to establish and expand

Regions with weak economy and employment can get economic support for companies which are willing to invest and expand. There are three categories of regions: A-C, A standing for the highest level support. The city of Avesta has been permanently classed in category C for about ten years and the city of Borlänge has been in this category temporarily for two years.

Support can be received by companies in the following sectors: industry, industrial services, industrial consulting, technical centres and industrial buildings for hire.

The economic support can take the form of grants and/or loans. The purpose of the support is to promote fast expansion, stimulate riskful investments and strengthen the economy by new investments. The major concern of the authorities is that grants and loans shall increase employment in the companies.

The maximum limit is, in category C, 20 % for grants and 50 % for loans to the investment of a company. The loans carry an interest from the beginning. The interest is in accordance with that of the banks. Risks taken are naturally higher.

Each planned investment is given an individual feasibility study. Decisions on economic support are based upon an estimation whether the enterprise in question will have reasonable economic success in the future. The support is intended to function as a kind of "kick-off".

The companies here mentioned can also be granted non-selective support if they increase their labour force. In category C the support is 50 000 Swedish crowns (SEK) per new job created (1 SEK equal to 1 FF).

#### A2. Strengthening of the infrastructure

Over the last years great emphasis has been laid on infrastructure improvements in higher education, technical research and development, transport and communications. These sectors are all nationally financed and can therefore be used as active instruments for regional equalisation. For sectors managed by regional and local authorities - primary and secondary schools, medical and social services etc - a tax equalisation system provides possibilities for all regions - including with limited economic resources - to maintain a good standard of service.

The re-location of national boards from the capital of Stockholm has proved to be an efficient way of strengthening the infrastructure in weak regions. In Borlänge, a city whose development during the twentieth century has depended on heavy industry, the effects are quite substantial. Two national boards - of traffic

security and of roads - were re-located from Stockholm to Borlänge ten years ago. The requirements of these national boards for qualified external consultants and other kinds of hired services have become a platform for the development of new commercial fields. Thus the one-sided dependence in Borlänge upon heavy industry has been broken.

#### A3. Education and training of the labour force

Locating university education to weak regions is another efficient method of strengthening the infrastructure. The university in Falun/Borlänge has made it possible for young people to continue their studies near home and thus increase the chances that they will remain in the region. The technical branch of the university in Borlänge played an important role when "Teknikdalen" (a science park) and the technical centre "Daltek" were established.

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Also high-schools and labour-orientated education and training play an important role in the regional development policy. Great emphasis is laid on obtaining a good regional distribution of this education and training down to all parts of the counties.

#### B. Special measures to handle large and fast structural changes

#### B1. Stimulating companies to establish and expand

The region of Bergslagen (1) has called for exceptional measures. The Swedish National Industrial Board and the Board for Technical Development were in 1984 given instructions by Parliament to locate and make use of such measures. A special delegation, the "Bergslagsdelegationen", was formed. It was given a budget of 25 000 000 SEK for the initiation of development projects.

In 1986 Parliament adopted a second development programme for Bergslagen to be carried out during a period of three years, with a budget of  $425\ 000\ 000$  SEK structured as follows :

| Special development projects (Bergslagsdelegationen) | 53 000 000  |
|------------------------------------------------------|-------------|
| Establishing and developing industries               | 68 000 000  |
| Education and research                               | 84 000 000  |
| Labour-market measures                               | 65 000 000  |
| Roads and railways                                   | 155 000 000 |

A total of 23 municipalities and cities in 7 counties of central Sweden are included in the project. Five of them, among them Avesta and Borlänge, belong to the county of Dalarna.

In 1988 the Parliament extended the budget for extraordinary measures in Bergslagen by another 350 000 000 SEK. As mentioned before Borlänge at this time became included in the "category C support region" for a period of two years.

The support to developing industries is channelled via the Regional Development Fund, through investment companies established for this purpose, and via the Bergslagsdelegationen. The money is granted to companies for both technical and business development. The range of support includes grants for initial studies, investments in risky operations and, in some cases, partnership.

<sup>(1)</sup> The Swedish word means "mining region".

#### B2. Strengthening of the infrastructure

Education is important. money is granted for the renewal of the technical equipment in high-schools, adult education is promoted, and the university receives extras for organising long-distance courses and for strengthening its contact network and basic organisation. Financial support is given for founding technical centres in both Avesta and Borlänge and also for an advanced material engineering laboratory located to the technical centre Teknikdalen in Borlänge. Teknikdalen is a very throughly planned centre for the establishment and consolidation of different "High-Tech" operations. The major inspiration has been so called "Science Parks". Teknikdalen exemplifies how international growth models can be adjusted to a relatively small-scale "High-Tech" market of a region.

The National Board of Railways is now relocated to Borlänge.

#### B3. Special assistance to people losing their jobs

The local employment exchange office is strengthened. For a period there was a special office set up at the restructuring company. Assistance is given to find new jobs, to additional education and vocational training etc. There is a number of different instruments to take immediate care of people losing their jobs.

## C. Physical planning to achieve rational use of land in a situation with large and fast structural changes

Avesta has made good use of old industrial buildings and sites. Avesta Industristad AB (Avesta Industrial Centre Ltd) can offer 270 000 m of floor space to interested small industries. According to request buildings are renovated. Today a total of 85 000 m is occupied and 600 persons at work in the area.

Avesta Industristad AB bought the site from Avesta AB when the steel plant was declining and the company restructured. Avesta AB brought 10 000 000 SEK as a contribution into Avesta Industristad AB.

This is an interesting example of how an old industrial site can be transformed into a very attractive area for small industries and other business.

In Borlänge, on the other hand, it has not been possible to use any land of the restructuring steel company for new activities. Borlänge has therefore been forced to build new premises for small industries. There is no real physical shortage of land for creating new industrial areas. A problem, however, can be the time necessary to get the new areas ready. The planning process can be complicated and long, especially if appeals are entered against the plans.

As a rule Swedish cities and municipalities can offer a good range of prepared industrial sites. But in a situation of large and fast structural change in a city, there is a need for extraordinary planning efforts. Both in Avesta and Borlänge the local authorities have strengthened their planning activities to handle the structural changes.

#### D. Roles and relations

#### D1. Local authorities

Rational physical planning is the most important of the demands put upon the local authorities. Attractive areas for industry, for service functions and for living must be created. Housing, environment, education and day-care are, in addition to industrial sites, important matters for the local authorities in a situation of large and fast structural change.

The local authorities do not engage themselves as owners or financiers of business companies, but they are often the first to receive contacts from companies and individuals and are, through their secretaries for industrial development, able to help their clients to make useful contacts and to find adequate solutions to their problems.

#### D2. Regional authorities

Above all the regional authorities are engaged in general regional co-ordination of standard instruments and specially devised measures in a dialogue with cities and companies involved. Investments and development projects are supported financially and with know-how.

Regional authorities actively support projects and requests for financial support, presented to the Government and different national boards by, for example, municipalities and companies, if the projects are in accordance with the regional priorities. The regional authorities - the County Administrative Board (Länsstyrelsen) and others - play a very important role in the preparation of special development programmes for regions - such as the one mentioned above for Bergslagen - both in the description of the problems and in presenting proposals for measures and instruments to handle the problems.

#### D3. National authorities

National authorities are responsible for interregional measures and projects of major economic size. The authorities are also responsible for the long term regional priorities. In the case of structural changes, such as those in Avesta and Borlänge, the Government and various national boards take a very active part in the work, both in the preparation and the implementation of the special development programmes.

## E. <u>Participation in mobilisation and planning during fast</u> structural changes

#### E1. The public

Most of the public's taking part is also in these situations channelled via the local authorities and the political parties. Meetings are organised for information and discussions about the problems and the possibilities to deal with them. Newspapers, radio and also regional television networks pay great attention to these matters.

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#### E2. Trade unions

The trade unions take a very active part in decision making and handling of large structural changes in companies and also in their employees who are losing their jobs. The trade unions are also active in their efforts to create new activities and companies. By a special agreement with Trygghetsrådet (the Board of Employment Security) SSAB has decided to pay wages for one year to superfluous employees if they decide to quit for other positions or enterprises.

#### E3. Employers' unions

Via Trygghetsrådet (owned partly by SAF, the Swedish Employers' Confederation) funds for wide projects of education and development for small industry etc are established. Local employers' unions are also active in general in the same field.

#### E4. Companies

Avesta AB has, after negotiations with the Government, agreed to invest money in "Bruksinvest Ltd", an investment company for the development of enterprises in Bergslagen. SSAB has, with emphasis on technical development, invested in Bergslagsinvest Ltd. The two companies have also in other ways supported the efforts to handle the changes and create new activities and jobs in the regions.

#### E5. Others

In situations like those in Avesta and Borlänge many different parts in society are affected including various groups and organisations. Local environment groups for example are very active in the discussions about physical planning.

#### REPLY BY THE SWISS DELEGATION

#### 1. GENERAL REMARKS

One of the constant features of Swiss policy during the last 20-30 years has been a concern to sustain and promote the social, economic and cultural development of the various regions of the country and to encourage a judicious decentralisation of urban growth and the economy. Various types of measures have been adopted. We refer below to the most important ones.

#### a. Political structure

Switzerland is a federal state. The 26 cantons have extensive powers, their own constitution, their own legislation, their own government and financial autonomy. This structure indubitably helps to ensure that regional particularities and specific needs are taken into account in national policy.

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#### b. Financial equalisation

Financial equalisation is one of the keystones of federal financial policy. Financial equalisation means the granting of subsidies to reduce disparities in the cantons' financial resources and the regulation of the flow of funds between the federal government and the cantons so that responsibilities and sources of revenue may be shared.

#### c. Large-scale infrastructures

The large-scale infrastructures for which the federal government is responsible (national roads and federal railways) are planned in such a way as to preserve and promote a carefully balanced decentralisation of urban growth and the economy. The cantons contribute towards the establishment, maintenance and running of these infrastructures according to their means. Thus the cantons' share of the costs of building and maintaining of national roads ranges from 0 to 50%.

#### d. Aid to regional investments in infrastructure

Mountain regions also receive special assistance from the federal government for the provision of their own infrastructures if the latter furthers regional development. This assistance is granted on the basis of development programmes worked out by the regions.

#### e. Regional planning

Swiss regional planning basically sets out to co-ordinate the measures listed under points (c) and (d) above, as well as any other measures which the federal government and cantons might need to take to secure a judicious use of land, having regard to natural features and the needs of the population and economy.

#### 2. REPLIES TO THE SPECIFIC QUESTIONS

- A. The above mentioned federal measures must be regarded as complements to the measures taken by the cantons to foster regional economic development. The latter include:
  - A1. Measures to boost the economy, like the offering of industrial sites and tax benefits in order to attract new industries;
  - A2. Infrastructure measures (laying-on of utilities, rail links, provision of services) the cantons may request federal assistance for these measures;
  - A3. Vocational training the cantons co-ordinate their efforts in this sphere with the support of the federal government.
- B. Big structural changes have occurred at a rapid pace especially in regions which were traditionally given over to watch and clock-making and the textile industry. Under an emergency federal order, the federal government is stepping up the above-mentioned measures to give these regions assistance with regional infrastructures and vocational training. Other federal measures include:
  - B1. Aid to industry to reduce export risks;
  - B2. The provision of major infrastructures to improve access to depressed regions and their links with the national network (eg in the Jura, the trans-Jura highway, the road between La Chaux-de-Fonds and Neuchâtel and the railway running along the foothills of the Jura, etc);
  - B3. Supplementary assistance for vocational training that is particularly aimed at promoting further training.
- C. Swiss regional planning policy has introduced development plans at all levels:
  - federal concepts and plans for sectors
  - cantonal statutory plans
  - communal land use plans.

The cantons' statutory plans are approved by the federal government. The latter lays down the general principles which must be observed (restrictions on the size of areas where building is permitted, minimum requirements concerning agricultural areas which must be preserved and general requirements regarding protected sites, etc) and it co-ordinates its own responsibilities with those of the cantons.

D. Existing planning instruments are designed to ensure continuous, close collaboration between authorities and services at various levels. Any conflicts about the way in which duties are carried out which may have repercussions on regional planning are settled in arbitration proceedings headed by a member of the federal government.

- E. The general public must be informed about and allowed to participate in the drawing up of all regional development plans. The methods for this vary according to the contents of the plans and the level of planning.
  - at local level, it generally takes the form of public hearings, round tables or standing committees on which the various sections concerned are well-represented;
  - at cantonal level the public is informed by newspaper articles, travelling exhibitions and brochures sent to all households and each person has the possibility of submitting his or her comments;
  - <u>at federal level</u> information is supplied in publications, newspaper articles and television programmes and organisations representing all those concerned (parties, trade unions and users' associations) participate in consultation procedures.

#### REPLY BY THE TURKISH DELEGATION

## A. Standard measures for promoting economic development and rational use of land in a region with a generally weak economy and low employment

#### A1. Stimulate companies to establish and expand

a. Industrial estates and industrial sites: industrial estates, serving the middle sized manufacturing industry, aim at promoting the orderly development of industries through supplying serviced land at a reasonable price to industrial establishments. Industrial companies located in these estates are extended credits on favourable terms.

Industrial sites serve small craftsmen and minor industrial companies. These areas are developed through cooperatives which are extended credits by the Ministry of Industry and Commerce for site planning and construction of workshops. Infrastructure in industrial estates and sites is usually provided by the related public authority with the contribution of entrepreneurs. The financial incentives offered in these areas are the integral element of the instruments designed for promoting the allocation of resources to backward regions and avoiding scattered industrial development in order to achieve economies of scale and to preserve the productive agricultural land.

#### b. Tourism zones and centers

Tourism zones and centers designated by the Ministry of Tourism within the framework of the law on the promotion of tourism of 1982, aim at promoting and guiding the investments in the tourism sector. Tourism zones and centers are developed on public land which is leased on a long term basis (49 years) to potential investors. The infrastructure in these areas is provided by the public sector. Furthermore, establishments in these areas enjoy reduced rates of electricity, water and gas, and are eligible to credits extended by the Tourism Bank, an affiliate of the Ministry of Tourism, and by the Ministry itself.

#### A2. Strengthen the infrastructure

As the major bodies responsible for the provision of infrastructure, the local authorities are provided with new financial resources and equipped with mechanisms to tap local resources such as cost recovery for infrastructural investments. Furthermore, they enjoy financial support from the central authority. A central fund (Development and Support Fund) has been established to extend credits to local authorities for expropriation of land and construction of infrastructure. Moreover, the Ministry of Public works and Settlement extends financial support to infrastructural development, particularly to local authorities with a high tourism potential. Loans are also extended by the public bodies to such municipalities for the preparation of their master plans, sewerage and water supply projects, as well as low-interest credits, for their implementation.

#### A3. Educate and train labour force

Several central authority institutions organise training courses to help solve the increasing unemployment in cities. Examples of these are courses to train personnel to work in.

- touristic establishments
- construction sector
- manufacturing industry
- handicrafts
- planning (rules and regulations for better land use planning).

## B. Special measures to promote economic development and rational use of land in a region with a generally weak economy

- B1. Stimulate companies to establish and expand: special instruments include several incentives pertaining to the development of backward regions. With the objective of promoting industrial development in these regions, various financial incentives (in terms of credits and of taxation) have been redefined by the annual programmes based on five year development plans. These incentives include exemptions or reductions from income and corporation taxes of varying amounts and extension of credits on favourable terms to priority areas proclaimed annually. These measures apply not only to industrial investments but to investments in the housing sector.
- B2. Strengthen the infrastructure: directing major public social works, such as social housing, high schools, hospitals or power plants, and state monopolies and factories to backward regions is sometimes used as an instrument for the revival of local economy and generating new employment in these areas. Since one of the main reasons for migration from such areas to developed centers is both lack of employment and social services, public investments in the form of social amenities, and public enterprise have a positive effect on curbing outward migration.

#### C. Physical planning initiatives

A new approach in regional planning in Turkey is the preparation of package projects for certain regions with the aim of achieving balanced socio-economic development. The package projects comprise an integral approach for the promotion of the regional economy and provision of infrastructure and other urban services, as well as developing an efficient urban administrative and financial management.

The most important example of the package project approach, is the South-East Anatolia Project (GAP) which is an integrated regional development project comprising urban and rural dimensions. The project has implications on production patterns in the region as well as on energy production, transportation, education, health and other sectors.

## D. The roles of and the relations between the local and national authorities

Recent legislative and organisational measures undertaken in Turkey to ensure a transformation from a highly centralised decision-making system to a more decentralised structure has resulted in a new division of responsibilities between central government and local authorities in human settlement issues. Within this context the government's role is that of a regulatory nature in the sense that the active involvement of the private sector in construction activities is supported and guided by the government.

The local authorities, having acquired more physical planning powers are now fully responsible for the planning and management of their settlements as well as implementing the projects envisaged by the plan, whereas the central government retains overall responsibility for major infrastructural investments having national and regional significance.

#### REPLY BY THE UNITED KINGDOM DELEGATION

## A. Standard regional economic development measures for a region/city situated in a declining area of the country

- 1. "Regional Policies" were formerly pursued through two kinds of instruments: incentives to invest in the "Assisted Areas" (including those of "traditional industry"); and restriction of industrial development in more prosperous regions through a system of industrial development certificates (IDCs). IDCs were abolished in 1982.
- 2. In the Assisted Areas, government provides:
- regional development grants towards the establishment of manufacturing and some service industries;
- factory and workshop premises when not provided by the private sector:
- special grants towards the cost of improvement of the physical infrastructure and clearance and preparation of derelict land.

## B. Special measures to handle a large and fast industrial structural change in a region/city

- 3. "Regional policies" (A. above) were originally designed to stem the "drift to the south" of capital, jobs and people from the once prosperous manufacturing regions of the north and west. They have been adjusted to counter the impacts of industrial restructuring and "de-urbanisation" migration or diversion of firms and households from major cities and conurbations in all parts of the country to small towns and villages in their rural hinterlands, producing, in the extreme, the phenomenon of the declining "inner city". Regional policies have therefore become increasingly related to inner-city policies.
- 4. A number of specific urban initiatives has been developed throughout the United Kingdom to concentrate assistance in the areas of greatest need. In March 1988 the government launched "Action for Cities" integrating the initiatives of all central government departments with particular responsibilities in the "Inner cities" in England (similar action is being taken in Scotland, Wales and Northern Ireland). There are two main elements:
  - The City Grant, amalgamating the urban development grant, the urban regeneration grant, the derelict land grant and related programmes in the 57 priority areas covered by the Department of the Environment's Urban Programme. The aim is to facilitate development and attract private sector investment into the inner cities.

- Nine new Urban Development Corporations, following those of London and Liverpool docklands set up in 1981. Modelled on the New Town Development Corporations, these have been established to deal with the particular problems of regenerating areas of large-scale socio-economic and environmental deterioration. The Corporations are appointed by central government for a limited number of years, after which responsibilities are handed back to the local authorities.
- C. Physical planning initiatives to achieve rational use of land even in a situation of fast structural change in a region/city, for the rejuvenation of old industrial areas, the improvement of infrastructure, etc.
- 5. The instrument for regulating and therefore rationalising the use of land (in all urban and rural areas) in the United Kingdom is the land use planning system encapsulated in the Town and Country Planning Act 1971 (as amended) for England and Wales and in separate but similar laws in Scotland and Northern Ireland. The system was first introduced in the TIP Act of 1947. In the Act, most building, other works and "material changes of use" are precisely defined as "development" and require individual "planning permission" from the planning authority, normally the district council. In deciding whether to grant planning permission, with or without "conditions", the planning authority is required by law "to have regard to the development plan for the area and any other material considerations". For all areas except London and the six other metropolitan areas in England the development plan comprises the obligatory county structure plan approved by central government and the more detailed but optional local plan made and adopted by the district council within the guidelines of the structure plan. The London Boroughs and metropolitan districts prepare and adopt unitary development plans. Projects of more than local significance and departures from the development plan may be decided directly at central government level.
- 6. By these means all development projects are located in accordance with the policies of central government and county and district councils. One general policy of central government which is particularly relevant to the rational use of land is that of encouraging industrial and other development on reclaimed industrial and other urban land rather than on "green field" sites. It is complemented by Green Belt policies under which virtually no development is normally permitted in defined Green Belts around major cities and towns. Specific instruments to achieve these objectives and encourage economic regeneration of disadvantages areas include the following.
- Enterprise Zones (EZs). These are set up for a limited period, normally 10 years, during which occupiers are exempt from local taxes (rates) and enjoy other fiscal and administrative advantages, eg simplified "planning permission" procedures.
- Simplified planning zones (SPZs). These are designed to encourage investment in inner city locations. Specific applications for planning permission are not required when the projected development accords with the SPZ scheme.
- The government's register of unused and under-used publicly-owned land. This was introduced in 1981 to publicise its availability and encourage its development.

## D. The roles of and relations between local, national and regional authorities

- 7. Prime responsibility for the socio-economic well-being of towns and cities rests with elected local authorities whose powers and obligations are prescribed by Act of Parliament. About half of the required funds are raised by the District Councils through a local property tax known as the "rates". Most of the remainder is provided by central government in the form of a rate support grant (RSG). RSG is allocated in pursuit of the government's sectoral programmes taking into account the particular needs of particular urban areas. Various partnership arrangements are made between all three levels of government and the private and voluntary sectors to tackle the problems of particular areas.
- 8. Land use planning responsibilities and relationships are, in brief, as follows. Parliament passes town and country planning Acts and amendments and subordinate legislation (eg development plan regulations, use classes orders, general development orders) drafted by central government separately for England and Wales, for Scotland and for Northern Ireland. These, inter alia, distribute responsibilities and define procedures.
- 9. In England the Secretary of State for the Environment is required by the Act (inter alia): to approve (county) structure plans; at his discretion, to "call in" for his own decision planning applications for development projects of more than local significance; decide appeals against local planning authorities' adverse planning decisions (delegated to inspectors in minor cases); intervene at various points in the planning process through the exercise of various reserve powers, eg in the (rare) case of default by a local planning authority. His Department issues frequent advice and guidelines to county and district planning authorities regarding government's sectoral and spatial policies and how they should be applied.
- 10. County Councils are required to prepare structure plans in consultation with central government, the District Councils, neighbouring Counties, various public and quasi-public agencies and the general public; to decide planning applications for certain categories of project (eg mineral extraction and "departures" from the structure plan unless the Secretary of State decides to "call in" the application).
- 11. District Councils may, at their own discretion prepare and adopt local plans, within the framework of the structure plan. Government encourages their preparation wherever significant development is envisaged. They are required to decide all applications for planning permission (except as indicated above).
- 12. By these means the special measures referred to in A. to C. above for assisting economically disadvantaged areas in regions are translated into changes in the use of the land.

- E. Participation at local level in mobilisation and planning to deal with a large and fast structural change in a region/city by the public, trade unions, employers' unions, companies and others
- 13. Town and country planning law requires local planning authorities to take the views of the general public fully into account at all stages of the planning process, and to inform central government of how this has been done. Any individual or interest-group may put forward objections to any part of the structure plan at central government's Examination In Public, and these must be taken into account when the Secretary of State considers any amendments to the plan. Any person or body, public or private, may give evidence to the Secretary of State's inspector at a public inquiry (hearing) into a planning application, usually when "called in" or on appeal (see D. above).

Finally, under the Urban Programme, local authorities and partnerships in the 57 priority areas (4 above) are encouraged to liaise closely with local Chambers of Commerce (representing the private sector) and voluntary organisations.

#### CONCLUSIONS OF THE SEMINAR

presented by
Dr Michael MELZER (Federal Republic of Germany)

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We have all had quite a few problems in defining together the framework of our discussion.

I trust therefore that you will understand that I too had problems in devising the outline of my report. Finally I chose a 3-part solution.

Firstly I shall succinctly outline the discussion. I am sure that the Secretariat and the Committee of Senior Officials will be able to complete this task very soon, meaning that I do not want at this point to list all the instruments presented and discussed, but simply to list the categories of instruments selected as useful for our purpose.

Secondly I shall comment in general on the interaction between regional planning and the rational development of land.

Thirdly I shall present 10 propositions. I do not claim that they summarise all our discussions, nor that they define the instruments of persuasion presented. They are propositions which I personally deemed important at the end of this interesting seminar.

 $\underline{\text{First point}}$ , corresponding to questions A and B of our framework:

- I. We discussed the general and particular measures designed to promote the economic development of a region grappling with problems of development:
- a. There was broad agreement that the measures designed to encourage firms to set up and expand in the region included either the preparation of available space or financial aid to investment, which was practised in all member countries, investment being indispensable to development.
- b. It was also agreed that such measures had a direct influence on land use and could contribute to the rational use of land because the administration was able to decide where to direct aid and whether to link such aid to conditions of rational land use.
- c. Moreover, the prevailing opinion of the seminar was that the inter-regional balance envisaged in respect of all such measures ensured more rational use of the land. This did not mean that we failed to realise that all such measures might contribute to rational land use, but that this also depended on other influences.
- d. You, the participants in this seminar, added that in parallel to such measures it was indispensable to reinforce regional infrastructure and to improve vocational training, since Man, with his abilities, played a crucial role in each type of development.

It was also clear that the best form of development was that which used each region's potential, thus encouraging those in charge of the region to make the best use of its potential and not to expect outside aid.

Second point, corresponding to question C of our framework:

The key to rational land use remained as always a system of spatial planning with guaranteed installation, i.e. a system integrated into an overall strategy formulated and put into practice at the three administrative levels, especially local level. This implied that local authorities were legally and financially empowered to take decisions. Without such a system all other measures would be ineffective.

Third point, correponding to question D:

There was no doubt that the development of each underprivileged region and each rational use of land required action at all administrative levels, although involving close co-operation between these levels and if possible the search for a joint solution, since it would otherwise be impossible to secure the motivation of people in charge at local level, which was indispensable.

Fourth point, corresponding to question E:

All administrative measures could merely encourage private measures. Yet the investment with the best yield was the motivation, conviction and will of a region's population, without which no result would be possible. This being said it was clear that participation by the public had to be one of the fundamental elements of our work.

#### II. Three fundamental, seemingly indispensable, general remarks

1. The theme of this seminar was based on the resolutions adopted by the 8th European Conference of Ministers responsible for Regional Planning held in Lausanne, and therefore on the conviction that land the irreplaceable, non-renewable foundation of our existence and our future - should be used prudently and thriftily in the interests of future generations.

The purpose of the seminar was to prepare the 9th Ministerial session, to be devoted to analysing the instruments of such rational use of land.

- 2. One incontrovertible fact emerged: the issue of land use cannot be tackled exclusively from the point of view of protecting the environment. For one thing, this was not possible within the framework of the European Conference of Ministers responsible for Regional Planning. For another, we could not take this course once we had experienced, in a striking manner, the practical example of a region with its manifold problems. On the contrary, the basic working paper submitted by the Swedish delegation showed that the basic issues of regional planning were still paramount, as did the replies submitted by national delegations and the discussions during the seminar:
- what could happen in a region and had to happen to set the best course for the region's development in the interests of its inhabitants?
- how could a balance be struck between different regions and their specific potentials?

It was only once such questions had been answered, and possible measures revealed, that it would be possible to tackle the problem of putting them into practice by using the resource represented by land in as thrifty a manner as possible.

3. I do not know whether the following statement will be valid for everybody and for ever, but it seems to me to stand out clearly at the end of this seminar.

It would be a political and human illusion to imagine that we could determine the requirements of rational land use in the abstract. They can be defined only in the light of actual observation of a region with its specific problems and potential. The instruments used must therefore be tangible and open to the interests of the inhabitants concerned, who have to be able to play a role in a decision-making process.

III. I would like to present 10 propositions to you. They are propositions which I personally found important in relation to rational land use at the end of this seminar.

#### Proposition 1:

All member States have regions with problems of development, which need a specific reaction and outside aid.

Such interaction is inevitable, partly because of historical or geographical conditions, and partly because of structural changes in the economy or in agriculture.

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The current trend towards increasing concentration yet further, first and foremost the European Community's internal market, is reinforcing such problems.

#### Proposition 2:

It would not merely be socially unjust, it would be a waste of human resources, economic values and lastly of environmental resources if we were to accept this evolution without taking any steps to preserve the maximum potential of each region and thus make the most rational use of the land available for men and women to work and live.

#### Proposition 3:

The steps taken to boost a region or municipality's possibilities of expansion inevitably have repercussions on social stability, infrastructure facilities and environmental resources, especially the resource represented by land. Consequently all these instruments can be used to act on land use.

#### Proposition 4:

In general, and particularly today, neither chronology, nor the instruments supporting development are defined in relation to the rational use of land. Rather, chronology and instruments are defined in relation to the needs and possibilities of support. The questions of the rational use of land - like the (other) questions of environmental protection - only appear in second place and, in a way, as a limit to the possibilities of development.

#### Proposition 5:

In most cases the available instruments are adequate for matters of development and land use at local and regional levels only. This implies that we can only judge whether a use of land is rational in relation to a concrete situation at local level. It is necessary however that local authorities have the financial and administrative resources to take a decision.

Knowing whether such a use of the land is rational on a broader spatial scale is quite a different matter. In other words, it is conceivable that a given use could be implemented more easily in another regional country, owing to greater availability or larger facilities. However this is inoperative if the need does not exist in that country or region or if there are no inhabitants who could benefit from such use of the land.

#### Proposition 6:

Independently of concrete instruments, two basic ideas in regional planning contribute to the rational use of land:

- 1. the balance between different regions means, or at least tends to mean, a better use of available resources. At least this view seemed to underline discussions at the seminar;
- 2. support for the potential of a weak region promotes a more rational use of land. In any event this seems undeniable for the region concerned, since its inhabitants gain an improvement in their quality of life thanks to such use of the land.

The problem finally occurs only in cases where the use reaches a point where it handicaps future evolution, restricts the blossoming of human potential or damages the ecological balance.

Such a situation however is rarely the result of a single measure in a single place, but of a series of measures taken in a given space.

#### Proposition 7:

Supportive measures allow the most rational use of land when they make use of existing possibilities or establishments.

In the same way that modern technology generally takes up less space, extension demands less space than an entirely new approach or a new creation.

#### Proposition 8:

A clear distinction must be made between instruments which keep some spaces free or which forbid some types of use, and instruments which are supposed to allow available space to be used rationally.

By definition, supportive measures can only be applied to areas which are in principle available.

This seemed to me to be one of the difficulties arising during discussions at the seminar. If areas or land are made available in order to be used, the sole consideration will be to achieve as effective a use of the area as possible, but not to use less space. In such a case, support for a successful development is at the same time a rational use of land.

#### Proposition 9:

In the spirit of proposition 8, supportive measures meet the requirements of the rational use of land all the more if they are crowned with success. However this means that the decision as to which areas may be used or what limits to use must be set must be prepared and taken on the basis of other instruments.

#### Proposition 10:

In addition to instruments promoting regional development, with their consequences for the rational use of land, other instruments must be developed to protect the land on a large scale. This might consist in designating vast free spaces, where any use is forbidden, or in adopting legal rules which restrict some kinds of use in principle.

#### APPENDIX I

#### LIST OF PARTICIPANTS

#### BELGIUM / BELGIQUE

M. Philippe DEBAISIEUX - Membre du Cabinet du Ministre A. Lienard, Ministre de l'Aménagement du Territoire pour la Région wallonne - 52, rue des Colonies - Boîte 5 - B - 1000 BRUXELLES.

Mme Catty LIENARD - Membre du Cabinet du Ministre A. Lienard, Ministre de l'Aménagement du Territoire pour la Région wallonne -52, rue des Colonies - Boîte 5 - B - 1000 BRUXELLES.

#### DENMARK / DANEMARK

MI Finn TOFTE - Head of Section for International Affairs - Ministry of the Environment - National Agency for Physical Planning - Haraldsgade 53 - DK-2100 COPENHAGEN  $\emptyset$ .

#### FINLAND / FINLANDE

Mr Juhani MALJONEN - Deputy Director - Ministry of the Environment - Hämeentie 3-5 - SF - 00530 HELSINKI.

#### FRANCE

- M. Patrick BESSEAU Professeur d'Economie Urbaine Ecole d'Architecture de Nantes Rue Massenet F 44000 NANTES
- M. Vincent CLAUSTRE Service d'Etude du SGAR 4, rue Joseph Massol BP 421/R4 F 67004 STRASBOURG Cedex.

#### FEDERAL REPUBLIC OF GERMANY / REPUBLIQUE FEDERALE D'ALLEMAGNE

Dr. Dietmar EISENHAMMER - Chargé de Mission - Staatskanzlei Rheinland-Pfalz - Abteilung 4 - Peter-Altmeier-Allee 1 - D-6500 MAINZ.

Dr Michael MELZER - Ministerialrat - Bundesministerium für Raumordnung, Bauwesen und Städtebau - Deichmanns Aue - D - 5300 BONN 2

#### ITALY / ITALIE

- M. Vincenzo ALAIMO Capo Gruppo Democristiano Amministrazione Provinciale Agrigento - Viale Regina Elena n° 11 - I - 92024 CANICATTI (AG)
- M. Domenico ALOISI Conseiller Régional Conseil Régional de la Vallée d'Aoste Place A. Deffeyes, 1 I 11100 AOSTE.
- M. Antonio BARALDO Assessore Provinciale Amministrazione Provinciale di Padova - Piazza Antenore n° 3 - I - 35121 PADOVA

- M. Ignazio CANTONE Presidente Provincia Regionale Agrigento Via E. Duse I 92100 AGRIGENTO
- M. Giacomo DI BENEDETTO Consigliere Provinciale I 92100 AGRIGENTO
- M. Vito DI MAIDA Assessore Provinciale Provincia Agrigento Piazza del Vespro 1 Villagio Mosé I 92100 AGRIGENTO
- M. Salvo DI PUMA Consigliere Provincia Agrigento Via Cirillo 9 I CANICATTI (AG)
- M. Armando DUGHETTI Assessore Amministrazione Provinciale Padova Piazza Antenore n° 3 I 35121 PADOVA.
- M. Franco FIORELLI Expert Ministero Bilancio Via della Ferratella in Laterano, 33 I 00184 ROMA.
- M. Mariano GABRIELE Directeur Général Ministère du Budget et de la Programmation Economique Via XX Settembre 97 I 00187 ROMA.
- M. GAMBINO Provincia Regionale Agrigento I 92100 AGRIGENTO
- M. Bruno MILANESIO Conseiller Régional Conseil Régional de la Vallée d'Aoste Place A. Deffeyes, 1 I 11100 AOSTE.
- M. Calogero NINOTTA Assessore Provinciale Via Moro I RAVANUSA (AG)
- M. Liborio PASCALE Conseiller Régional Conseil Régional de la Vallée d'Aoste Place A. Deffeyes, 1 I -11100 AOSTE.
- M. Pier Carlo RUSCI Conseiller Régional Conseil Régional de la Vallée d'Aoste Place A. Deffeyes, 1 I 11100 AOSTE.
- M. Bruno SANGALLI Consigliere Amministrazione Provinciale Corso Vittorio Emanuele 17 I 26100 CREMONA.

#### LUXEMBOURG

M. Nicolas MOMPER - Secrétaire à l'Aménagement du Territoire - Secrétariat à l'Aménagement du Territoire - 13, avenue Gaston Diderich - L - LUXEMBOURG

#### NETHERLANDS / PAYS-BAS

Mr Derek MARTIN - Coordinator International Affairs - National Physical Planning Agency - Willem Witsenplein 6 - NL - 2596 BK DEN HAAG

Mr Joost MENGER - Head Department Economics and Finance - National Physical Planning Agency - Postbox 90618 - NL - 2509 LP DEN HAAG

#### NORWAY / NORVEGE

Mr Hans Jacob NEUMANN - Head of Section - Ministry of Environment - P.B. 8013 Dep - N - 0030 OSLO 1

Ms Elin RØNNINGEN - Ministry of Environment - PB 8013 Dep - N - 0030 OSLO 1

#### PORTUGAL

M. Jose SANTOS MOTA - Director General do Ordenamento do Territorio - Campo Grande 50 - P - 1700 LISBOA

#### SPAIN / ESPAGNE

M. Sebastià SERRA BUSQUETS - Professeur d'Histoire contemporaine - Université des Iles Baléares - Tranvia, 29 1er B - E - 07015 PALMA DE MALLORCA

Mme Antònia RIPOLL MARTINEZ - Professeur de Géographie - Département des Sciences de la Terre - Université des Iles Baléares - Tranvia. 29 1er B - E - 07015 PALMA DE MALLORCA

M. Rodolfo SEGURA - Conseiller technique - Ministerio de Obras Públicas y Urbanismo (Instituto del Territorio y Urbanismo) -Paseo de la Castellana, 67 - E - 28071 MADRID

#### SUEDE / SWEDEN

Mr Goeran ALDSKOGIUS - Assistant Under-Secretary - Ministry of Labour (Arbetsmarknadsdepartement) - S - 103 33 STOCKHOLM

Mr Leif SVENSSON - County Director - The County Administrative Board -Länsstyrelsen i Kopparbergs Län - S - 791 84 FALUN

Mr Gunnar BLOMKVIST - Deputy Assistant Under-Secretary of State - Ministry of Labour - S - 103 36 STOCKHOLM

Mr Kjell SVENSSON - Assistant Under-Secretary - Ministry of Housing and Physical Planning - S - 10 333 STOCKHOLM

Other Swedish participânts taking part in the study tour and the seminar:

Mrs Lilly HANSSON - County Governor of Dalecarlia - The County Administrative Board - Länsstyrelsen i Kopparbergs Län - S - 791 84 FALUN

Mr Mats-Gunnar SVENNUNG - Senior Legal Secretary - County Administrative Board - FALUN

Mr Arne JONS - Director of Regional Planning - County Administrative Board - FALUN

Mr Leif WIKSTRÖM - Deputy County Architect - County Administrative Board - FALUN

Mr Olle BERGFORS - Deputy Division Director for Environment - County Administrative Board - FALUN

Mr Ulf LÖFWALL - Director of Regional Preservation of Monuments and Sites - County Administrative Board - FALUN

Mr Birger HAGLAND - Deputy County Architect - County Administrative Board - FALUN

Mrs Ellen SUNDELL - Administrative Officer - County Administrative Board - FALUN

Mr Bertil HELLDIN - Chairman of the Community Council - City of Falun - 791 83 FALUN

 $\mbox{Mr}$  Ulf ELGEMYR - Councillor in Chief of the Municipal Board - City of Falun

Mr Per-Olof BLAD - Municipal Secretary - City of Falun

Mr Bengt LINDSTRÖM - Municipal Director - City of Borlänge - S - 791 81 BORLÄNGE

Mr Hans-Gunnar JONSSON - Manager Trade and Industry - City of Borlänge

Mr Jan LÖVGREN - Councillor in Chief of the Municipal Board - City of Avesta

Mr Lars ENOKSSON - Manager Trade and Industry - Box 54 - S - 774 01 AVESTA

Mrs Ewa LÖVGREN - Managing Director Avesta Industristad AB - Box 40 - S - 774 01 AVESTA

Mr Jan EIVINSON - Director of the Savings-Bank of Dalarna - Box 717 - S - 791 29 FALUN

Mr Erik WENNBERG - Manager for the Foreign Division - Savings-Bank of Dalarna - Box 717 - S - 791 29 FALUN

.

j.

Mr Sverker LINDBLAD - Senior Administrative Officer - Regional Development and Financial Support, SIND - S - 117 86 STOCKHOLM

#### SWITZERLAND / SUISSE

M. Michel MATTHEY - Chef de Section - Office fédéral de l'Aménagement du Territoire - Eigerstrasse 65 - CH - 3003 BERNE

#### TURKEY / TURQUIE

Mrs Feral EKE - Deputy General Director - Ministry of Public Works and Settlement - Bayindirlik ve Iskan Bakanligi - TAU Gn. Mdlügü - Necatibey 63 - TR - ANKARA

#### ROYAUME-UNI / UNITED KINGDOM

Mr David BALL - Principal Planning Officer - Department of the Environment - Room C15/11 - 2 Marsham Str. - GB - LONDON SW1 3EB

## COMMISSION DES COMMUNAUTES EUROPEENNES / COMMISSION OF THE EUROPEAN COMMUNITIES

M. Anastasios NYCHAS - Administrateur à la Direction Générale de l'Environnement, de la Protection des Consommateurs et de la Sécurité Nucléaire - DG XI - 10, rue Guimard - B - 1049 BRUXELLES

#### CONFERENCE PERMANENTE DES POUVOIRS LOCAUX ET REGIONAUX DE L'EUROPE/ STANDING CONFERENCE OF LOCAL AND REGIONAL AUTHORITIES OF EUROPE

Herrn Hans-Georg LANGE - Member of the Committee on Regional Problems and Regional Planning - Deutscher Städtetag Postfach 51 06 20 - D - 5000 KÖLN 51

## PARLIAMENTARY ASSEMBLY OF THE COUNCIL OF EUROPE / ASSEMBLEE PARLEMENTAIRE DU CONSEIL DE L'EUROPE

M. Victor RUFFY - Membre de la Commission de l'environnement, de l'aménagement du territoire et des pouvoirs locaux - Sur la Place - CH - 1054 MORRENS VD

#### COUNCIL OF EUROPE SECRETARIAT / SECRETARIAT DU CONSEIL DE L'EUROPE

Mr Ferdinando ALBANESE - Director of Environment and Local Authorities

Mr Charles F. KOHLER - Deputy Director of Environment and Local Authorities

Mr Ulrich BOHNER - Principal Administrator - Territorial Authorities, Transfrontier Co-operation and Regional Planning Division

#### APPENDIX II

#### RESOLUTION No. 1 ADOPTED BY THE 8th CEMAT

on rational use of land: basis and limiting factor of our development

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The Ministers participating in the 8th European Conference of Ministers responsible for Regional Planning, at Lausanne (Switzerland) on 20 and 21 October 1988;

After considering the reports from the Swiss, Austrian, German, Netherlands, Swedish and United Kingdom delegations and taking into account the discussion which followed them;

- Considering land like air and water, the other natural resources to be a <u>vital</u> and limited factor in human activity;
- Considering that soil/land performs a number of functions some of which are mutually incompatible since it is:
  - a) part of the cycle of natural exchange, acting as a filter, a buffer and a transformer of harmful substances:
  - b) a genetic reservoir of organisms;
  - c) a source of raw materials and water;
  - d) productive (of biomass and food);
  - e) the spatial base on which socio-economic structures rest;
  - f) support for our historical and cultural heritage:
- Considering land to be a <a href="limited">limited</a>, non-increasable resource, which could be difficult and costly to recover, and therefore deserving protection which should however be balanced against demands for developments, <a href="which should be ecologically sustainable">which should be ecologically sustainable</a>;
- Concerned about the increasing tendency in recent years to use land for immediate needs without sufficient regard to the needs of posterity or of nature, and fearing that this could result in the exhaustion of certain resources, the local or global disappearance of some species and deterioration of recreation areas;
- Recognising that land object also of capital investment is quantitatively under threat, from:
  - a) urban expansion due to concentration of population regionally and the tendency to move out of town to detached houses in and beyond the suburbs;

- b) movement of economic activity from declining regions to more thriving regions and, within these regions, to disperse to the suburbs and to rural areas, resulting in more extensive land-use liable to add to industrial fallow;
- c) building large infrastructure installations on farmland and in natural areas in order to meet, in particular, increased transport needs due, among other things, to growing use of the private car and site major energy, water - purification and waste - processing installations outside towns;
- d) intensive development of tourism in order to meet greater leisure needs resulting from shorter working hours and longer life expectancy;

and considering that these quantitative threats have qualitative impact;

- Believing that land needs also <u>qualitative protection</u>, by appropriate regulations, from:
  - deterioration of soil structure and soil erosion;
  - pollution of various origins;
  - ecological and landscape deterioration;
- Having regard to Resolution (72) 19 of the Committee of Ministers of the Council of Europe on the European Soil Charter;
- Aware that the Council of Europe is carrying out a study to find out what action is needed at European level to protect soil quality;
- Convinced that quantitative and qualitative protection of soil/land and therefore spatial (land-use) planning policy and environment policy are interlinked.
- I. Reaffirm the importance of regional and spatial planning as the means of regulating land-use, giving as it does geographical expression to the economic, social, cultural and ecological policies of society, as pointed out in the European Regional/Spatial Planning Charter;
- II. Believe that ecologically sustainable development of land, source of economic growth, would subsequently make possible a better protection of land as mentioned in the United Nations report on the environment and development;
- III. Draw attention to the urgent need for quantitative land protection, which, while retaining the possibility of long term management, gives priority to systematic but regulated re-use of existing urban and industrial areas, including preservation of buildings and urban environments and appropriately monitor the development of touristic installations and equipment in rural areas;

- IV. In this connection, consider the principles appended hereto to be the basis of any local regional, national or international action; in particular, request:
  - the Council of Europe to study the possibility of inviting the United Nations to undertake appropriate action at world level in order to prevent risks caused by soil deterioration;
  - The Senior Officials to propose a specific work programme on rational use of land;
- V. Believe that the first priority is to develop, on the basis of the above mentioned principles, instruments for promoting, implementing and managing a policy of judicious and restrained use of land, particularly:
  - a) information instruments (such as cartography, remote-sensing and databanks) and monitoring instruments:
  - b) instruments of regulatory character and incentives, such as:
    - development and planning-permission procedure;
    - financial instruments (such as fiscal measures);
    - new tools such as extension of environment-impact studies to the "use" of soil aspect, and possible compensatory measures/allowances;
  - c) socio-political instruments such as:
    - cooperation between public authorities and the private sector;
    - information and participation of the public;
    - integrated policy of local and regional development;
    - development of declining regions and rehabilitation of redundant urban and industrial areas;
    - rural development policy;
    - training;

VI. Recommend that the Committee of Ministers of the Council of Europe extend the feasibility study which is being made of qualitative soil/land protection to include quantitative aspects - that is, of regional and spatial planning - by involving in the study the Committee of Senior Officials in charge of preparations for European Conferences of Ministers responsible for Regional Planning.

#### Appendix to Resolution No. 1 adopted by the 8th CEMAT

#### Principles of a new land-use policy

- I. GENERAL: Towards a new relationship between people and their environment
- 1. We need to move to a more general view of the environment heedful of such requirements as nature conservation and ecological balance.
- 2. Land is not an inexhaustable resource and must be used thriftily;
- 3. Local, regional, national and international land-use policy should pay more heed to all the interests at stake, viewed in the long term, instead of looking for short-term solutions.
- 4. Such a land-management approach, based on the long view rather than short-term speculation, must leave future generations some "room for manoeuvre".
- 5. Land-use must be based on coordination of the various interests so as to maintain diversity of land function.
- 6. In the striking of this balance of interests, the "weaker" interests need protecting against the stronger interests.
- 7. At the national or regional level machinery should be set up for monitoring and controlling land-use, with such components as:
  - a. periodic monitoring, by a standard method, of the area and area per inhabitant of built-up land (particularly in towns of over 10,000 inhabitants);
  - b. monitoring of population trends population structure with a view to a possible decentralisation - and employment trends in respresentative rural and peripheral areas;
  - designation of agricultural zones, periodical assessment of such protected areas and measurement of the area of land used for other purposes in representative regions;
  - d. measurement of networks of natural and near-natural areas in representative regions;
  - e. periodic progress reviews of law promoting or safeguarding the aims of the present resolution.

#### II. BUILT-UP AREAS

#### A. Urban development and housing

- 8. With a view to balanced development taking account of environmental factors re-use and reorganisation of urban land should be treated as fundamental to urban land-use policy. In particular, the aims should be to:
  - a) keep, as far as possible, urban areas to their present size:
  - b) reduce the pressure on green space;
  - c) divert pressure towards other, less developed, areas.
- 9. In housing, the planning approach should place more emphasis on inner-city and village-centre renewal so as to:
  - a) improve the quality of urban life, particularly in densely populated districts;
  - b) help rehabilitate existing housing;
  - c) make better use of suburban areas;
  - d) develop innovatory urban housing of good quality which uses land sparingly;
  - e) site home, workplace, as well as leisure and shopping facilities closer together, by avoiding, however, any undesirable interferences, in particular, nuisances from road traffic;
  - f) promote internal dynamism of housing developments (commerce, culture, recreation, etc) and their over-spill effect.

#### B. Industry and work

- 10. Land-use policy in this sphere should promote economic development "from within", by means of planning measures and instruments designed, inter alia, to:
  - a) keep economic activity, wherever possible, on its present site;
  - b) help re-use disused sites and buildings;
  - c) restructure former industrial sites, possibly by using them for new purposes;
  - d) make optimum use of land and buildings;
  - e) develop and disseminate (particularly through use of new technologies) innovatory models of construction, production and organisation that are sparing of land.

#### C. Tourism

- 11. Policy here should put more emphasis on qualitative development through measures aimed, in particular, at:
  - a) using existing facilities to best advantage;
  - b) upgrading existing facilities;
  - c) actively maintaining a balance between areas where facilities are provided and those where they are not;

- d) restricting tourist activity in areas that merit protection;
- e) encouraging new forms of accommodation (as alternatives to holiday homes, inter alia, by promoting new forms of ownership such as time-sharing);
- f) investigating ways of shaping demand (by staggering of holidays, etc.).

#### D. Infrastructure

- 12. The role and place of infrastructure should be reconsidered, consumption reduced at source and changes made to the process of public-authority decision-making.
- 13. The aims should be to:
  - a) promote new habits of production and consumption;
  - b) help site home, place of work, as well as recreation and shopping facilities closer together;
  - c) take into account the uses for which land is suitable and all the types of users;
  - d) bear in mind the secondary effects of infrastructure;
  - e) revise planning requirements;
  - f) encourage the modes of transport that take up less land;
  - g) strengthen public transport and new communication technologies that do not use up land.

#### III. AGRICULTURE

- 14. For planning purposes, the aims of agriculture and the role of the countryside need redefining with a view, in particular, to:
  - a) reorganising the countryside, taking into account all the potential uses of the land;
  - b) encourage rural local development by appropriately integrating agricultural, tourist and handicraft activities;
  - adjust services to the needs in order to ensure an agreable environment;
  - d) combating the adverse effects of intensification and extensification of agriculture;
  - e) conserving and developing natural areas (for leisure or other purposes) in regions with intensive production.
  - f) maintaining cultural and historical landscape values.

#### IV. NATURE

- 15. Conservation and re-establishment of natural areas should be a major aim of land-use policy. For these purposes, steps should be taken to:
  - a) protect and manage natural or semi-natural areas in urban, intensively farmed or sparsely populated areas;
  - b) designate minimum protected areas for natural species, forming a coherent network of biotopes;
  - c) re-establish for the necessary interconnections between natural areas;
  - d) ensure that natural areas are properly maintained (by farmers, for instance).

### APPENDIX III

STEERING COMMITTEE FOR URBAN POLICIES
AND THE ARCHITECTURAL HERITAGE (CDUP)
STANDING CONFERENCE OF LOCAL AND REGIONAL AUTHORITIES OF EUROPE

Conference at Lille on "Urban regeneration in European regions of old industry"

30 November - 2 December 1983

**DECLARATION** 

Meeting in LILLE from 30 November to 2 December 1983 for the international conference on "Urban regeneration in European regions of old industry", approximately 300 participants, comprising local, regional, national and European elected representatives, technical advisors, university and research staff and representatives of both sides of industry, together with delegates from the European Communities, the United Nations Economic Commission for Europe and the Organisation for Economic Co-operation and Development:

- 1.1 Thank the Council of Europe, the Region of Nord Pas de Calais, the city of Lille and the French Ministry of Town Planning and Housing for having taken the initiative in organising the Conference, thus expressing their concern about the problems of regions of traditional industry, which necessitate a joint effort of reflection and a common search for solutions:
- 1.2 Noting that this conference is one of the principal events in the work programme of the Council of Europe's Steering Committee for Urban Policies and the Architectural Heritage (CDUP);
- 1.3 Convinced that this initiative, carried out with the collaboration of the Standing Conference of Local and Regional Authorities of Europe (CLRAE) follows on directly from the European Campaign for Urban Renaissance and constitutes an important step in international work on urban and regional problems;
- 2.1 Alarmed by the unprecedented crisis affecting a large number of regions and towns of traditional industry, a crisis created often by economic forces, including multinational corporations, outside the control of those regions;
- 2.2 Believing that it would be intolerable if some of these regions were doomed to die in the near future;
- 2.3 Seriously concerned at the dramatic increase in unemployment in once-prosperous regions of traditional industry, which secured the economic development of their respective countries;
- 2.4 Convinced that the concentration of these different factors in towns and regions of traditional industry raises dramatically the issue of their survival;
- 3.1 Underlining the fundamental importance in this context of the human factor, beginning with the improvement in young people's education and vocational training which is essential if they are to find their place in post-industrial society;
- 3.2 Convinced that the right to be different must be respected as an essential element in a multi-ethnic society and that segregation must not be allowed to fragment society in our industrial regions;
- 3.3 Insisting on the need for the whole of the population to participate in the development and the implementation of strategies for the conversion of industrial regions;
- 4. Recalling that the conference's discussions were based on the following themes:
- 4.1 "Impact of regional economic change on towns within the region and future prospects"
- 4.2 "Methods of co-operation in urban policy between public authorities"

- 4.3 "The scope and limits of social and environmental policies in urban economic regeneration".
- 5. Draw attention to the following considerations:
- 5.1 Impact of regional economic change on towns within the region and future prospects;
- 5.1.1 In the past, the role of local and regional authorities was confined to accommodating businesses and exercising control over their siting, but this approach is no longer valid today. Local and regional authorities must firmly grasp the possibilities open to them for acting in economic matters; it is no longer enough merely to provide opportunities for industry; local and regional authorities, which alone bear legitimate responsibility for the future of the regions, must determine the conditions of industrial location and must take their full part in the economic process and in working out and implementing development strategies;
- 5.1.2 This constitutes a major challenge for local and regional administrations. They must rapidly acquire the necessary powers and management skills in order to respond quickly and efficiently to requirements as they arise; they must develop swifter and more flexible means of intervening;
- 5.1.3 They must develop new planning techniques and acquire the capacity to engage in dialogue and to co-operate closely with economic and social partners in order to launch fresh development;
- 5.1.4 They must also quickly master new technology, particularly in the field of communication, in order to avail themselves of all opportunities and exercise a promotional role. They must become specialists in applied urban economics;
- 5.1.5 Public authorities must formulate an overall development strategy; within the framework, policies for housing and the urban environment play an important part but should not be treated as a sectoral concern; they must provide the key for economic, social and cultural innovation and for the take-off of towns;
- 5.1.6 The local authorities must take the lead in efforts to prevent social segregation and fragmentation that could jeopardise the regeneration of our cities, by taking practical measures to foster fellowship and community.
- 5.1.7 Generally speaking, preference over the establishment of new industrial areas should be given to re-utilising derelict industrial land, making better use of under-used industrial estates and reclaiming disused industrial buildings.

Reclamation of such derelict industrial property should enable the local authorities to preserve collective memories, to provide new housing or commercial facilities and, in general, to initiate urban redevelopment schemes.

- 5.2 Methods of co-operation in urban policy between public authorities
- 5.2.1 Decentralisation is an important element in enabling the democratically elected representatives of local and regional authorities to take responsibility for their own future and to gain control over their development, which must no longer be decided from outside;
- 5.2.2 It is important that they gain the power to reconcile diverging sectional interests which might otherwise cause a split in our society. Particularly by organising space in such a way as to foster communication they must become the stimulus and catalyst for bringing together the various elements in the economic, social and cultural life of towns;
- 5.2.3 This entails a change in the relationship between central government and regional authorities, including full acceptance of local autonomy;
- 5.2.4 In this context, it is a cause for concern that central government does not always consult and co-operate closely with regional and local authorities before taking decisions which may seriously compromise the future of older industrial regions;

- 5.2.5 Exchanges between regions must continue on subjects of technical, economic, social, environmental, and infrastructural interest in order to help find solutions to common problems and to profit from experience elsewhere;
- 5.2.6 Concerted and integrated action already undertaken in a positive manner within the regional policy of the European Communities, in order to deal with the problems of regions of old industry, must be further developed;
- 5.3 The scope and limits of social and environmental policies in urban economic regeneration;
- 5.3.1 The decline of single industries which had previously dominated a town or a region can enable local and regional authorities, if they have the necessary means, to recover control of land and hence enable them to lay the foundations for urban regeneration.

A key element in local government control of land is fair assessment of the price of land, which should take into account its "negative value", i.e. the expenditure involved in making land which may be encumbered with unusable buildings or toxic waste fit for reuse. Local and regional authorities should enjoy facilities for the acquisition of such land;

5.3.2 Whilst economic measures are crucial to the future of towns and regions, they should not be pursued exclusively or predominantly, to the detriment of social, environmental and spatial improvements and policies.

Regeneration of the environment is a prerequisite of a region's economic development and of the drive and vitality of its population.

A town's image is important in economic revival, which is why towns in these regions must regain a more attractive appearance, environment and surroundings.

Special attention to ecological considerations and to the use of new information and communication methods can play an important part in this connection;

- 5.3.3 Experience in several European countries shows that the renovation of towns and the built environment in general can generate employment.
- 5.3.4 Towns and regions of older industry have amassed a wealth of experience in urban organisation and functioning of towns: they possess a fund of *industrial experience* accumulated by successive generations after leaving the land and they have the necessary basic infrastructure for promoting fresh, more diversified industrial growth. In many cases they are in the forefront of social, urban and cultural innovation and so provide an excellent setting for economic and social experiment. They can be pioneers of technological development;
- 5.3.5 Many factors militate in favour of the rehabilitation of the *industrial heritage* and the recovery of *derelict industrial areas*. The industrial heritage can often be put to fresh use at less social cost than systematic recourse to new construction;
- 5.3.6 It is important to develop the *local community's awareness* of the older industrial regions' cultural and architectural heritage which can provide a starting point for renewed growth.

  It is important to involve the public directly in stimulating such awareness and in regeneration of the urban environment in general, particularly by encouraging direct

action:

- 5.3.7 The increasing complexity of the *relationship* between the urban and rural environments entails establishing a new and better balance between town and country;
- 6. In the light of the foregoing, participants at the conference request States
- 6.1 to increase their efforts on behalf of towns and regions of older industry, as a measure of solidarity in recognition of the positive role they have played so far in the general development of their respective countries;
- 6.2 to treat regional and local authorities as responsible partners in seeking to promote the development of such regions, without imposing unilateral decisions which might jeopardise their social and economic balance;

- 7. Request the Council of Europe to ensure that
- 7.1 The Committee of Ministers asks:
- 7.1.1 the Streeting Committee for Urban Policies and the Architectural Heritage to contribute to seeking solutions for towns in regions of old industry;
- 7.1.2 the Steering Committee for Regional Planning, within the context of the implementation of the European Charter for Regional Planning, and the preparation of a European regional planning strategy, to give particular consideration to the problems of such regions;
- 7.1.3 other steering Committees to take into consideration the particular problems of regions of older industry;
- 7.2 The Parliamentary Assembly keeps a close watch on developments in regions of older indicates;
- The Standing Conference of Local and Regional Authorities of Europe seeks through its activities to promote:
  - 100 regeneration and balanced redevelopment of regions of older industry,
  - offerts by local and regional authorities to combat unemployment, particularly among the young,
  - --- interregional co-operation between regions of old industry;
- 8. Request the institutions of the European Communities to grant decisive support to regions of old industry going through a period of difficulty or adjustment, particularly by means of financial instruments such as the European Regional Development Fund and the European Social Fund;
- 9. Request OECD to increase the exchange of experience and ideas between regions of older industry in developed western countries;
- 10. Request the United Nations Economic Commission for Europe to increase the exchange of experience and ideas between regions of old industry in eastern and western Europe;
- 11. Appeal to other intergovernmental and non-governmental organisations to give more sustained attention to the problems of regions of older industry;
- 12. Reaffirm their conviction that the balanced development of European regions depends to a large extent on the regeneration of towns in regions of old industry and consequently express their determination to pursue their action through interregional and international co-operation.

#### APPENDIX IV

# COUNCIL OF EUROPE COMMITTEE OF MINISTERS

RECOMMENDATION No. R (87) 24

# OF THE COMMITTEE OF MINISTERS TO MEMBER STATES ON EUROPEAN INDUSTRIAL TOWNS

(Adopted by the Committee of Ministers on 22 October 1987 at the 411th meeting of the Ministers' Deputies)

The Committee of Ministers, under the terms of Article 15.b of the Statute of the Council of Europe,

Considering that the aim of the Council of Europe is to achieve a greater unity between its members for the purpose of facilitating their economic and social progress;

Considering that this aim may be pursued by exchanging information and experience amongst member states on topics of common interest;

Considering that the Council of Europe has established, through its European Campaign for Urban Renaissance and subsequent work programme on urban policies, a valid platform facilitating such a discussion between the urban administrations of its member states;

Noting that the urban policies work programme, currently conducted by the Standing Conference of Local and Regional Authorities of Europe, concentrates above all on the illustration of strategies and policies that help to afford a broader human experience and dimension in towns;

Bearing in mind the reports presented at and the results of the conferences held at Lille (30 November-2 December 1983) and at Dortmund (17-19 September 1985) devoted to a discussion of the regeneration of old industrial towns;

Considering that, for decades, industrial towns have been the cradle of economic growth from which all Europe has benefited;

Believing therefore that a particular effort at their regeneration by public authorities is called for;

Believing furthermore that the regeneration of old industrial towns is an important element in the improvement of the urban environment as a whole in Europe;

Considering therefore that it would be opportune to draw up a recommendation to governments on this subject, in the belief that it will pave the way for positive tangible results, of use and value for the inhabitants of European industrial towns;

Considering that towns of traditional industry need to create new reasons for their citizens and enterprises to want to live and work in them as well as to invest in and demonstrate a commitment to the locality;

Noting that this concern about problems of towns and regions of traditional industry has been reflected by the creation of the Association of Traditional Industrial Regions of Europe,

Recommends that the governments of member states:

A. Recognise and take into account the following considerations concerning the particular situation of industrial towns:

- 1. The traditional industrial town has undergone decline through a combination of exhausted resources, technological obsolescence of products and production processes, loss of markets and over-dependence on a limited number of basic industries, such as coal, steel, textiles and shipbuilding;
- 2. To reverse this decline, which affects a large number of towns and regions of traditional industry, requires remedial measures for the high level and long-term nature of unemployment, low per capita income, poor housing, a damaged physical environment, derelict land, social polarisation, demographic imbalance and lack of business investment;
- 3. The problems of industrial towns should be tackled by policies which do not focus almost exclusively on unemployment and on the attraction of investment from more prosperous regions or from abroad. The net effect of such policies in stemming structural decline has been modest, and the cost of jobs created in such towns and regions by regional economic incentives has tended to be high;
- 4. There should therefore be improved co-operation between the public, private and voluntary sectors in order to bring about innovation and new methods of dealing with the decline;
- 5. However, in a time of scarce resources, the apparent disadvantages of industrial towns and regions should be turned into assets and opportunities, particularly through the re-use and redevelopment of public services and infrastructure and the mobilisation of existing human resources;
- 6. Furthermore, industrial towns, given their social, cultural and historic development, have amassed a wealth of experience and have the potential to promote and respond to innovation and new challenges;
- 7. The wealth of historic and architectural heritage of industrial towns and regions, particularly from the late nineteenth and early twentieth centuries, should, where necessary, be rehabilitated, so as to constitute a considerable source and potential for future development;
- B. Propose the following policy guidelines and strategies to the various bodies concerned:
- 1. The economic and social value of environmental improvement

Regeneration of the environment is certainly a prior condition of a region's economic and social redevelopment, and the creation or re-creation of the population's confidence in themselves and their region;

In practice, emphasis should be placed on qualitative improvement of the existing fabric and resources rather than the stimulation of growth as such;

#### 2. Policy co-ordination

In the field of urban regeneration, an integrated approach should be adopted towards the mobilisation of physical and human resources. Such a co-ordinated view, identifying and responding to the particular characteristics of industrial towns and regions, is best taken at local or regional level;

#### 3. New approaches

In the task of urban regeneration, new planning mechanisms, financial instruments and implementing agencies should be established, including new forms of partnership within and between the public and private sectors;

#### 4. Public sector management

The public sector should acquire, where necessary, the management skills which are needed to respond effectively to the economic and social challenges of urban regeneration;

#### 5. Need for innovators

In new forms of partnership between the public and private sectors, innovators and entrepreneurs should be encouraged to take initiatives in industrial and commercial development, and in social and cultural fields as well;

#### 6. Community involvement

The engagement of community resources and interest groups in the task of regeneration should be encouraged and made possible by all levels of government;

#### 7. Re-use of existing resources

Policies for the regeneration of industrial towns and areas should be based whenever possible on the re-use of derelict land, the conservation and revitalisation of existing buildings, facilities and amenities;

#### 8. Contribution to local employment

The renovation of buildings, environmental improvement and provision of open spaces are often labour-intensive and should be used to contribute towards the reduction of unemployment and the development of new local skills:

#### 9. New products and techniques

Local industries and scientific institutions should develop new products and techniques to deal with the major challenge of extensive ecological and environmental damage in industrial regions;

#### 10. Decentralisation and the role of local and regional authorities

Such co-operation can indeed accelerate the pace at which regeneration occurs as well as create a clearer political awareness of the need to develop new policies;

#### 11. International and interregional co-operation

International co-operation between towns, regions and countries should be encouraged since exchanges of information and experience about the regeneration of industrial towns in Europe may be of considerable value.