

## STRATEGIES OF REGIONAL DEVELOPMENT PLANNING IN AUSTRIA

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**Abstract:** Regional development planning cannot look back to as long a tradition in Austria as in other Western European democracies. In a contemporary sense it had developed not before the fifties of the past century. Besides its rather short history regional development planning is characterized by its interdisciplinary aspect. Regional planning policy goals and the way how they are implemented into planning reality sometimes may differ quite substantially. This results from the fact that planning is not only a rational but an emotional process too. Many forces, sincere and less sincere interests, personal and common desires, expectations and ambitions exert pressures on various stages of the development planning procedure.

Regional development planning should be looked at as a strategy of systematically anticipating and achieving adjustment to the physical environment of a given region. It should be designed to fulfil regional objectives of economic, cultural, social, and political development considering immediate as well as future needs.

Analyzing the problem fields connected with the planning processes special emphasis should be put on spatial structures, interrelations among spatial objects, interdependencies between certain locations and spatial functions including their vertical and horizontal integration. Furthermore the development of structures and the dynamics of their interlockings need to be investigated.

Space as the main object of regional science is the primary level of reference for all human and societal basic functions (housing, working, education, consumption, etc.). Decisions on how to utilize space for optimally serving the fundamental human societal requirements as mentioned above are primarily made by public administration policy. Therefore also the legal principles of regional development planning have to be viewed at.

By some examples from concrete planning activities planning goals and reality are compared to each other. Providing the necessary spatial preconditions for regional economic development is a planning goal generally acknowledged. Nevertheless there is hardly any other topic that causes deeper controversy on how to achieve this goal in practice. Competitive communal activities which can effect the economic structure of a whole region can be observed not only in commerce and industry but also in tourism. The conflict potential resting in a spatial combination of these activities needs no further explanation.

Finally a comparison between the regional development programmes of 1977 and 2003 of the Austrian province of Styria is being made.

**Keywords:** Regional development planning, Styria, European Union, spatial structures, planning policy guidelines, regional disparity balance, regional-goal-programs, regional promotion areas.

# 1. INTRODUCTION

Regional Development Planning has not got as long a tradition as in other Western European democracies. Apart from pioneers of regional science like W. CHRISTALLER, H. WEIGMANNNS in the early thirties of the past century, or still earlier, J. H. von THÜNEN in 1875 regional studies in a contemporary sense had developed in Austria not before the fifties of the twentieth century. So, what we are talking about is a relatively young discipline. Besides its „juvenile“ status it is characterized by its strong multidisciplinary background. That makes regional development planning interesting and challenging but also difficult in its implementation.

Much of the difficulty stems from the strong integration of politics in the broadest sense, of various interest groups, public of private, and last but not least of the population affected.

Regional development planning deals with a complex part of a certain spatial entity, the region. To analyse its problems before disputing about possible and effective steering tools and mechanisms there should be clarity about the following subjects.:

- ♦ regional spatial structures (spatial array as to types and amount)
- ♦ spatial functional connections (inter- and intraregional interdependencies among spatial objects and their location factors)
- ♦ regional structural development (interrelations between spatial structures and their dynamics)

Space as the primary level of relationships to all basic human-societal functions like housing, working, education, communication, recreation, consumption, etc. needs to be investigated with reference to the necessary measures for its best possible usage and/or the abatement of obstacles to its development. In this respect (regional) planners should focus among others on the demographic situation (biological structure and composition of the population, productivity, demodynamic evolution, etc.) The societal requirements for a regional development analysis focus in the existence, distribution and role of social groups, their activities, preferences and transformations (quantitative and qualitative). Settlement structure, urban development and housing problems including the necessary communications and transportation networks demand as close investigation as do the regional economic conditions.

Special emphasis however has to be laid on the political levels reaching from the local (communal) to the national and even European levels. Being a member state of the European Union (EU) superimposes European, regional planning shall concentrate in this paper on some legal principles of development planning in the Austrian province of Styria weighing planning expectations as compared with planning reality by some practical examples from the general regional planning policy guidelines (cf. Steiermärkisches Raumordnungsgesetz (ROG) 1974).

Regional planning in the sense of this law is defined as „planned, anticipating shaping of a region to secure the best possible and sustainable usage of living space in the interest of general welfare“. It is not subject matter of regional development planning to define and execute single planning goals but to secure a coordinated spatial evolution.

## 2. REGIONAL PLANNING POLICY GUIDELINES OF STYRIA/AUSTRIA

The Styrian regional planning policy guidelines of 1974 following the amendments of 1988 define fifteen planning principles. They include all regional planning goals which are expected to be reached in practice. They are listed as follows:

1. Regulations for sub-regions must be integrated into those valid for the region as a whole. Structuring of the whole region must consider the shape and needs of its sub-regions. Neighbouring regions have to coordinate their planning goals.
2. Planning measures of local, regional and provincial planning authorities affecting space should strive for a highest possible accordance.
3. Planning measures affecting space include all projects of the province that either need larger amounts of space, or influence the spatial structure, development or the image of the landscape.
4. Healthy living and working conditions for the population require the preservation and restoration of a well-balanced household of nature including soils, water, air, climate, and biotic components. Environmental protection, therefore, plays a special role.
5. Measures to secure energy supply must be taken with regard to the state of the art of technology and the possibilities of energy-saving.
6. The goals of a balanced economic, social, and cultural development must take into account the number of inhabitants considering the population capacity of a region.
7. Regions especially suitable for living due to their site and climatic conditions should be reserved for this purpose.
8. The spatial preconditions for an efficient economy must be provided. Areas especially suitable for industrial and commercial development must be excluded from activities that could impede industry and commerce or make such usages impossible. This is also keeping with the exploitation of mineral resources. Private commerce and services shall be enabled to fulfil their supplier duties through the disposal of proper local conditions and measures of development. Special sites for covering supra-local demands can be additionally provided under the premises of a sufficiently large catchment area, a coordinate equipment of central places and their settlement structure aimed at a suitable transport infrastructure, an avoidance of threats to the neighbourhood, and the provision of a sufficient short-distance-supply.
9. The spatial prerequisites for a productive agriculture and forestry must be warranted. Especially soils of extraordinary quality are to be used for other purposes only if they do not conflict with agricultural or forestall interests.
10. The communications and supply networks must be adapted to future spatial development in order to achieve most favourable connections among central places and make structural amendments possible.
11. Recreational areas must be protected and further developed.
12. Landscapes must be kept in an orderly fashion for the benefit the population. They have to be protected, shaped, and cultivated namely in those cases that represent typical specimen of cultural landscapes. Over-fragmentation and unplanned settlement development should be prevented.
13. Development zones must be used economically as to form, size, and function.

14. Old and insufficiently equipped building zones should be reconstructed and revitalized. Historically and architectonically settlements or parts of them should be conserved.
15. Regional planning also requires consideration of measurements and needs of national defense and civil protection.

### **3. REGIONAL DEVELOPMENT POLICY OF AUSTRIA AS A MEMBER OF EUROPEAN UNION (EU)**

Austrian regional development today must be seen in the light of the existing regional planning law and development, perspectives of the Union. Similar to the situation there also Austria's regional differentiation is characterized by very dissimilar natural and hence cultural landscape features. These manifold spatial and structural preconditions alone generate substantial regional disparities and expectations for development.

Despite big efforts of the European Commission and the Austrian government to reduce and balance regional disparities the differences between progressive central regions and stagnant or even retrogressive backward peripheral regions are still prevailing. Nevertheless it's the less developed regions that in the recent past benefited to a high degree from financial subsidies in combination with structural programs of the EU. With regard to Austria there should be mentioned the Burgenland in the first place as the only national province which as a whole has been declared a „Goal 1“-area. Other regions of a high promotional priority are situated close to the former iron curtain in Upper and Lower Austria, in Styria and Carinthia or they represent old industrial regions (heavy industry textile industry) in the Styrian Mur-Mürz Valleys or in the Vienna Basin.

Until the end of the past century regional development policy was directed towards compensation of regional disparities. The main goal of this policy was the provision of the national economic and social – in a broader European sense also of the political-stability and consistency. As will be demonstrated later this policy of „regional disparity balance“ has only partly reached its goals. This, however, must not distort our glance at hitherto Austrian and European regional development policy. Resulting activities from the policy were the installations of EFRE (European Regional Fund), ESF (European Social Fund), EAGFL (European Alignment- and Guarantee Fund for Agriculture), or FIAF (Financing Instrument for the Alignment of Fishery).

Since 1989 the European Commission in cooperation with the national governments allocates financial means to support regional goals of structural development with a multi-annual perspective. The regional goals concentrate in specific areas of underdevelopment (goal 1-areas), in weak, backward industrial regions (goal 2-areas) and in agrarian regions (goal 5b-areas).

European as well as Austrian regional policies are based on a system of multi-annual development plans as the result of a broad, institutionalized discussion process. The economic and social consequences of these policies are subject to a multi-phase evaluation by the European Commission, thus making necessary corrections possible and guaranteeing the operational target.

Starting with the third period of the European Structural Fund covering the period from the year 2000 till 2006 special emphasis is being laid on fostering the cooperation of the territorial authorities to promote partnership in the conversion of regional policy.

According to EU-contract art. 158 and 160 the promotion of economically disadvantaged regions is as important a goal as is the internal Community market or the monetary and economic union. Some 30 % of the total budget of the EU are devoted to support measures of structural policy especially within the framework of regional goal-programs.

In Austria between 1995 and 1999 regional-goal-programs (Österreichische Raumordnungskonferenz ÖROK, 1999) following goal-1 (Ziel-1) could be realized in the Burgenland, as to goal-2 in Lower- and Upper Austria, Styria and Vorarlberg, as to goal-5b in Carinthia, Lower- and Upper Austria, Salzburg, Styria, Tyrol and Vorarlberg. By these programs roughly 40,8 % of the Austrian population could be supported. The total amount of Austria's supports from the European Union in this context was 1.46 mill EUR (Tab. 1).

**Table 1** Financial supports from the EU for Austrian regional-goal-programs 1995 – 1999

Goal 1	166 mil. €
Goal 2	101 mil. €
Goals 3 + 4*	395 mil. €
Goal 5a*	388 mil. €
Goal 5b	411 mil. €
<b>Total</b>	<b>1461 mil. €</b>

Source: Österreichische Raumordnungskonferenz ÖROK 2002: Zehnter Raumordnungsbericht. Wien, p. 61

\* Goals 3, 4 and 5a are not bound to regions. Goal-6 regions have been implemented in 1995 to support regions of extremely low population densities like in northern Scandinavia.

By initiating the „Agenda 2000“-program in 1997 the European Commission intended to prepare the EU for future challenges in connection with her enlargement in the year 2004 and the expanding economic globalization process. Thus the promotional objectives for European regional policy were newly defined aiming at a further concentration of financial subsidies and an new definition of regional development goals. The priority goals were reduced from seven to three.

1. Promotion of the development and structural adaptation of less developed regions (goal-1)
2. Support of the economic and social reorganization of structurally weak regions (goal-2), and
3. Support of adaptation and modernisation of educational and employment policies and systems (goal-3). There is no further regional differentiation provided.

Apart from a thematic concentration also a geographic one should be achieved by the newly defined goals leading to a measurable reduction of the population worthy of promotion in the remaining development areas. Also the number of joint initiatives for the period from 2000 to 2006 has been reduced to four only receiving 5.35 % of the total budget of the structural fund. The remaining joint initiatives are: INTERREG III, LEADER, EQUAL and URBAN II.

Austria has fulfilled her engagements with the EU to install clear rules for the allocation of functions and responsibilities when implementing the programs of goal-1 and -2 projects or joint initiatives. By the agreement of the federal government (Bund)

and the nine provinces (Länder) to act as partners in realizing regional programs of the EU-structural fund 2000-2006 the institutions mentioned decided to guarantee to follow the rules of the EU concerning correct program execution as to organisational structures, rules of procedure, financial management and control, liability claims, etc. (tab. 2).

**Table 2** EU-Regional-Goal-Programs 2000 – 2006 in Austria (mill. EUR)

Program	Total costs	National public means	EU-structural fund means	Private means
Ziel 1 - Burgenland	857	90	271	496
Ziel 2				
2 – Kärnten (EFRE + ESF)	465	32	85	348
davon Übergangsunterstützung	68	3	8	57
2 – Niederösterreich (EFRE)	876	153	177	546
davon Übergangsunterstützung	139	25	28	86
2 – Oberösterreich (EFRE)	718	62	121	535
davon Übergangsunterstützung	217	18	31	168
2 – Salzburg (EFRE)	88	8	18	62
davon Übergangsunterstützung	26	2	5	20
2 – Steiermark (EFRE + ESF)	1139	175	216	748
davon Übergangsunterstützung	93	7	17	69
2 – Tirol (EFRE)	221	34	45	142
davon Übergangsunterstützung	44	6	8	31
2 – Vorarlberg (EFRE)	154	7	23	124
davon Übergangsunterstützung	50	2	7	41
2 – Wien (EFRE + ESF)	47	20	18	9
<b>Ziel 2 insgesamt</b>	<b>3708</b>	<b>491</b>	<b>703</b>	<b>2514</b>
Davon Übergangsunterst. insgesamt	639	63	104	472
<b>Zielprogramme (1+2) insgesamt</b>	<b>4565</b>	<b>581</b>	<b>974</b>	<b>3010</b>

Source: Österreichische Raumordnungskonferenz ÖROK 2002: Zehnter Raumordnungsbereich. Wien, p. 68.

#### 4. EU-REGIONAL-PROMOTION AREAS 2000 – 2006

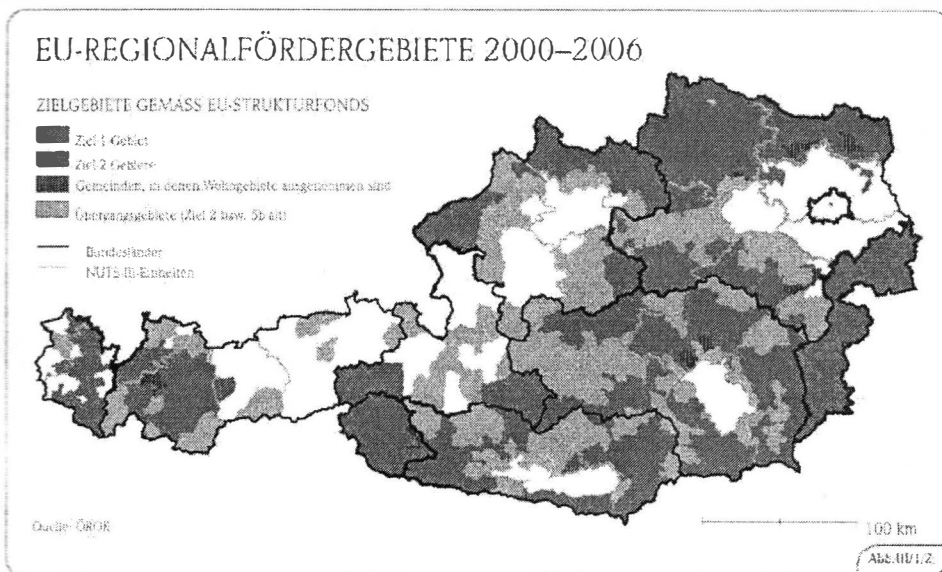
The current period of the EU-structure fund includes 27 % of Austria's total population in goal-1 and -2 (except from goal 2 Vienna) areas which are situated predominantly in rural areas. Sectors of priority, like in the previous period are: industry, research and new technologies, infrastructure and sustainable regional development. In the Burgenland (goal-1) agriculture, forestry and nature protection have been awarded additional priority. Some goal-2 areas in Styria, Carinthia, and Vienna have been granted a further priority status concerning „human resources“ (Fig. 1).

The largest amount of financial subsidies during the recent period of the structure fund is being allotted to industrial development (56 % of the total means) followed by entrepreneurial infrastructure and tourism.

The most important consequences from the new program-planning-period 2000 – 2006 of the EU will be demonstrated quite shortly by the example of Styria. The new measures for regional development follow the operational program of an integrated regional development (goal-2 new) as well as the new regulations for joint initiatives (LEADER+ and INTERREG III A and III B).

The Styrian provincial government has edited new regulations for promoting integrative regional development, elaborating development guiding principles and

concepts, regional management and maintenance. Measures necessary for integrative regional development within the goal 2-program are being elaborated and coordinated by the Styrian executive office of provincial and regional planning. This institution together with other specialized departments is also responsible for checking the applications for promotion.



**Figure 1** EU-Regional-Promotion Areas 2000 – 2006 in Austria. Source: Österreichische Raumordnungskonferenz ÖROK 2002: Zehnter Raumordnungsbereich. Wien, p. 69.

Greatest priority in distributing financial subsidies deserved those projects from the 1995 to 1999 period that have been adopted by the regional planning advisory board. Moreover financial aid for regional development projects must be reviewed and confirmed by the regional management. This bestows regional management an extraordinary role in the regional project coordination and development process.

## 5. REGIONAL DEVELOPMENT PROGRAMS

Regional development programs (Regionale Entwicklungsprogramme) other than the provincial development program (Landesentwicklungsprogramm) are provided to portray the desired ecological, social, economic and cultural development of a planning region. They include the following planning goals:

1. Provision of the natural household and a natural environment. That does not mean a demand for nature conservation but its usage in a sustainable way.
2. Provision of energy supply.

3. Keeping areas clear which could be used for mineral production (e.g. gravel pits, quarries).
4. Definition of the future settlement development, transportation network and distribution of central places, and
5. Long-term population development in accordance with the provincial development program.
6. Distribution of means of earning a living in different economic sectors.
7. Sufficient supply with cultural and health institutions.
8. Considerations of an expedient distribution of commerce and services for regional consumption. This includes also regulations for the spatial arrangement of shopping centers, reflecting the state of the art of the existing economic and natural structure of a region.

Regional development programs should weigh the pros and cons of the planning region and they should help decision makers to avoid planning mistakes.

The definition of planning regions for the first time became a constituent component of the Styrian provincial development program in 1977. Planning regions enclose spatial units which for the regional population dispose of excellent conditions for living, working, recreation, consumption, transportation, and waste and sewage disposal (A. OSWALD, 1986, p.26).

## **6. A COMPARISON BETWEEN THE STYRIAN REGIONAL DEVELOPMENT PROGRAM OF 1977 AND ITS RE-ENACTMENT OF 2003**

The Styrian provincial legislation is on the way since 2002 to elaborate regional development programs following the 1977 regulations. The first generation of programs suffered from their general aspect and postulations notably where a more legally binding character for the communities was demanded. Compared to this concrete regulations had been formulated in the non-legally binding areas of interest. The programs moreover dealt with a great number of problems which primarily touched the provincial instead of the communal development.

It makes only sense to integrate those topics into a development program which offer the specific region means for their implementation. Therefore the new programs are less extensive and only comprise of space-regulating principles and those topics which can be integrated into statutory rules and orders like determinations of different spatial usages (green areas, built use zones, mining areas, water protection areas, commercial zones, etc.). Further contents are special specifications of communities (e.g. central place functions, centers of industrial or touristic development, priority zones for agriculture and forestry).

What limits the efficiency of a regional development plan?

First of all we have to know that other than in Germany Austria does not comprise of a federal planning program for the regions. There exists, however, a federal regional studies and planning research institute in Austria, the ÖROK (Österreichische Raumordnungskonferenz) which supports and coordinates the provincial and regional planning activities without touching their territorial domain. It publishes regularly



regional planning reports and provides an overview of current sectoral and regional trends in development in Austria and forecasts regional trends of population, employment, labour market and households' development. Planning with regional relevance is discussed according to the different areas of government competence (ÖROK, 1990).

The Austrian federal government disposes of sectoral but not of national planning competences. Sectoral federal competences are: national security, public health, higher education, highway construction, water management, monument protection, etc. In the recent past the federal government increasingly set off for privatisation e.g. in the fields of former nationalized industries, public transportation, forestry, energy supply, etc. The federal government can transfer some of its competences to the provinces, nevertheless it substantially limits provincial planning authorities. A coordinative function in this context falls to the provincial governor (Landeshauptmann). Another important area of provincial spatial planning competence is that of nature and environmental protection.

We must also reckon with the fact that not everything what regional planners, officials, or legislators would like to implement finally can be prevailed upon the authorities to do. Politically motivated interferences or those of interest or pressure groups (burgers' initiatives) have always to be calculated with. In any case political consensus must be brought about if planning measures are expected to show sustainable efficiency.

Participation is the clue for well functioning planning programs. That demands the integration of regional decision and public opinion makers into the planning process at the earliest possible preparatory stage.

The regional planning boards are composed of all communities of a region and the regional agents of special interest groups (chambers of commerce, of agriculture and forestry, labour unions, members of the local parliaments). NGO's are not involved directly into regional planning processes.

The decisions of the planning boards are, of course, steered by the general planning philosophy and policy directives of the timely background proper. In the second half of the twentieth century „regional disparity balance“ was the keyword. It was still a basic goal in the Styrian provincial development program of 1977. Peripheral underdeveloped and disadvantaged regions experienced high financial, infrastructural, and logistic subsidies to strengthen their economic attractiveness. Potential investors were enticed by the regional communities with attractive offers of development sites, tax relief or even exemption to a set time limit, provisions for the necessary technical and communal infrastructure desired, and above all, entrepreneurs were most efficiently attracted by cheap and weakly organized labour force.

This „watering-can“ method of public grants has failed. Yet, economic policy has learned from its former mistakes. Spatial planning in the strict sense of the word can only provide necessary spaces for future uses but does not award promotional subsidies. The Styrian provincial government is just entering a new path of economic promotional policy. It has determined the twenty most important strategic locations of the country as seen from the viewpoint of economic policy following EU directives of INTERREG II C. INTERREG II C is intended to contribute to a well-balanced regional development of the EU providing means and strategies for an optimally organized allocation of measures to promote spatial development, reduce regional disparities, optimize transportation systems and advance sustainable economic and social cooperation (cf. Europäische Kommission, 1999, p. 82).

The real decisions which regions to which extent should get financial support are not made by planning boards and planning divisions but by the financial authorities of the European Commission, the federal and the provincial bureaucracies. The new planning philosophy seems to follow the principle „back the winner“. This does not necessarily mean solely strengthening central places and regions. It demonstrates, however, the strong will towards a spatially differentiated distribution of promotional subsidies in the European Union.

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## Stratégia plánovania regionálneho rozvoja v Rakúsku

### Resumé

Pri plánovaní regionálneho rozvoja treba analyzovať priestorovú štruktúru, funkčnú previazanosť a štruktúrny rozvoj. Osobitná pozornosť sa musí venovať politickým kontextom vrátane komunálnych, národných a dokonca aj európskych kompetencií. Na príklade rakúskeho Štajerska sú v analýze poukázane niektoré predpokladané zmeny v regionálnom plánovaní a sú porovnané s realitou prostredníctvom všeobecných smerníc regionálneho plánovania.

Plánovanie v rámci regionálneho rozvoja sa v Rakúsku zakladá na princípoch viacročných rozvojových plánov ako výsledku širokého, inštitucionalizovaného diskusného procesu. Rozhodnutia o využití priestoru v zmysle optimálneho naplnenia požiadaviek ľudskej spoločnosti sú prijímané v prvom rade na základe administratívnej politiky. Z tohto dôvodu je teda samozrejme analyzovať zákonné podmienky možnosti regionálneho rozvoja.

Najvýznamnejšie závery Cieľových programov EÚ pre regióny 2000 – 2006 boli zhrnuté v sérii vydaní nových normatív na zvýšenie integrujúceho efektu regionálneho rozvoja a na základe nich boli vypracované základných princípov regionálneho menežmentu a zabezpečenia. V závere analýzy sa hodnotí štajerský model regionálneho rozvoja a jeho celkové programy na úrovni cieľov v období rokov 1977 – 2002. Skutočné rozhodnutia, ktoré regióny a v akej výške dostanú finančnú podporu nie sú uskutočňované plánovacími komisiami ale finančnými orgánmi Európskej komisie, federálnymi a regionálnymi administrátormi.