Volume 18
 2011
 Number 1

# **CONTENTS**

# **PART I**

# ENTERPRISES AND URBAN POLICIES Guest editor: Solange MONTAGNÉ-VILLETTE

Solange MONTAGNE-VILLETTE – Introduction	5
INVITED ARTICLES	
Solange MONTAGNÉ-VILLETTE – Company Presence as a Marker of Urban Development in France	7 19 41
PART II	
ARTICLES	
Mona HEDFELDT, Gun HEDLUND – A Clash between the Business and Political Climates in Sweden – Gender in the European Structural Fund Partnerships Anton MICHÁLEK, Peter PODOLÁK – Impact of Key Socio-Economic Disparities on	53
Migration in Slovakia: Economic Diversification vs. Traditional Pattern	71
REVIEW ARTICLES AND REPORTS	
Anna WOJNAROWSKA – Revitalisation of Potsdam's Central Area: Regaining the Identity of the City	89
BOOK REVIEWS	
Jörg KNIELING and Frank OTHENGRAFEN, (eds), (2009), Planning Cultures in Europe: Decoding Cultural Phenomena in Urban and Regional Planning (Paul BENNEWORTH)	101
Christine MILLIGAN, <i>There's No Place Like Home: Place and Care in an Ageing Society</i> (Aleid E. BROUWER)	103
Joseph HERRIGES and Catherine L. KLING, <i>Revealed Preference Approaches to Environmental Valuation</i> , Volume I and II (Frans J. SIJTSMA and Aleid E. BROUWER).	105
Vera CHOUINARD, Edward HALL, and Robert WILTON (eds), Towards Enabling Geographies: 'Disabled' Bodies and Minds in Society and Space (Vandana WADHWA)	106

# **PART I**

# **ENTERPRISES AND URBAN POLICIES Guest editor: Solange Montagné-Villette**

# INTRODUCTION

The first part of this issue of *European Spatial Research and Policy* focuses on the economic determinants of urban development. Theoretically, in capitalist economies companies are not directly involved in urban policy. This is especially so in France where the central, regional and local government are in charge of urban development. With three different examples it is shown that businesses do play a huge role in the design of cities.

Solange Montagné-Villette, in her article 'Company Presence as a Marker of Urban Development in France', recalls that already in the 19th century many cities were created or developed in France around companies such as Schneider, Dollfuss, Michelin... After presenting a historical background of the business presence in cities, the author analyses different aspects of its influence on urban space and policies, more or less affecting its features. Special attention is paid to spatial planning, as well as to housing issues and social policy.

At a different scale Boris Lebeau in 'Urban Authorities and Economic Sectors' shows that currently local authorities encounter huge difficulties in controlling the adverse nuisance effects of settlements and businesses. Referring to the *communauté d'agglomération* Plaine Commune in the Parisian metropolis, he shows the joint effort to manage economic activities, also attempting to structure new industries. In particular, textile, audiovisual, and environment sectors are taken into consideration. The author also presents the main features of the planned local tax reform, focusing on its possible negative consequences resulting from further separating local authorities from the business companies.

Finally, in the third paper – 'Spatial Theory, Temporality and Public Action', Jacques Fache offers a more conceptual analysis of these data and calls into question the theory of centrality. The author formulates hypoteses referring to

the role of innovation in the acentrality of space and the process of adapting economy in a new deal, concerning territory-plan and politics. He concludes by expressing the need to create connection between theory and political sectors which tackle territorial development problems.

Solange Montagné-Villette\*

 $<sup>^{\</sup>ast}$  Solange MONTAGNÉ-VILLETTE, 99 av JB Clement 93 430 Villetaneuse, CRESC, Paris 13, France, e-mail: solange.villette@orange.fr

### EUROPEAN SPATIAL RESEARCH AND POLICY

https://doi.org/10.2478/v10105-011-0001-4

Volume 18 2011 Number 1

# **INVITED ARTICLES**

**Solange MONTAGNÉ-VILLETTE**\*

# COMPANY PRESENCE AS A MARKER OF URBAN DEVELOPMENT IN FRANCE

**Abstract:** Since the Industrial Revolution, entreprises have left their imprint on the urban landscape and local government. This paper begins with an historical context on the subject which is followed by an analysis of the different influences of enterprises on town planning, housing and local urban and social policies.

Key words: urban development, spatial planning.

The extraordinary rate of urban development in nineteenth-century Europe, which led to the spatial and demographic expansion of towns and cities, coincided with the development of capitalism and particularly the advent of major companies as consumers of space, ancillary services, and labour. While the factors behind urban development are evidently the result of a number of synergies, the presence of capitalist enterprises – especially major companies – clearly accounts for the growth of many urban centres. Some towns and cities have become very closely identified with a given company, such as Michelin in Clermont-Ferrand and Renault in Boulogne-Billancourt.

The present article draws on a range of examples to demonstrate the impact of company presence on urban development in France. While the role of such major companies can clearly be read in the built environment of the past 200 years in many towns and cities, is their impact still as strong today? Much has been written about the role of nineteenth-century industrialists, often wealthy men who played a leading role in their community, building housing and setting up services for their workers. But what of modern, globalised companies with CEOs that come and go and whose main loyalty is to their shareholders, often

\_

<sup>\*</sup> Solange MONTAGNE-VILLETTE, 99 av JB Clement 93 430 Villetaneuse, CRESC, Paris 13, France, e-mail: solange.villette@orange.fr

thousands of miles away? We will begin by looking at how companies shaped urban centres in the nineteenth century, showing how a town or city can be entirely dominated by a single large company, before studying the influence of modern multinationals on urban planning. At a time when public-private partnerships are becoming increasingly common, the question is one of considerable significance.

#### 1. COMPANIES AND URBAN DEVELOPMENT

Until the Industrial Revolution, towns and cities were essentially centres for trade and craft activities. Companies, usually fairly small in size, did have a certain impact on towns, particularly via professional associations that often played a considerable role in town management. Towns were often built by and for industry in accordance with prevailing traditions. In the medieval period, workshops (and more rarely shops) were open to the street, due to the need to oversee production and to prevent theft. This also reflects the value attributed to the work of production. The fact that artisans or tradesmen were grouped together by street or by neighbourhood made it easier to keep watch, as well as to bring in supplies of raw materials or energy and for customers to then take their purchases home. Issues such as the width of the streets and the proximity of a navigable river were significant. While some streets or districts specialised in a particular trade, such as tinplate making or dyeing, the buildings in which such trades and crafts were carried out were still largely indistinguishable from other traditional rural buildings. With the rise of capitalism, companies grew considerably in size and profoundly modified the urban landscape in a variety of ways.

In Great Britain, for instance, the Enclosure Acts and the concomitant shift of many country dwellers to working for companies meant that towns and cities became the key sites of demographic, economic, and spatial expansion. The phenomenon of urban concentration was such that the number of people living in towns and cities outstripped the rural population as early as 1851. Rather than representing a simple shift in population, however, this implied a new lifestyle, a new style of architecture, and, in many cases, a new culture, as companies came to play a significant role in many areas of urban development.

In nineteenth-century urban centres, sites of production were relegated behind the scenes, either as a means of using less costly spaces, occasionally on grounds of hygiene, or due to a wish to foreground more 'noble' functions, such as living quarters or shops, at the street front. The new rising social class, the bourgeoisie, was eager to distance itself from manual labour, and therefore hid it

away. Haussmann's avenues in Paris and their London equivalents are typical in this respect in that they banned commercial enterprises, with the exception of certain trades. Fashionable neighbourhoods become more individualised and workers' suburbs were seen as places of danger.

But while capitalist enterprise was a source of wealth, it also drew a concentration of poorer populations who gathered in specific urban sites, either of their own volition or brought there by their employers. These suburbs – etymologically, that which lay outside the town, which was usually ringed by a fortifying wall - often sprang up when major companies needed to extend beyond the walls or wanted to avoid paying tolls. The Bourgeois cosmetics company, for instance, built a factory in Pantin, just outside Paris, in 1891, to take advantage of the easy supply of animal fat from the abattoirs in nearby La Villette; this drew many workers to the town. Similarly, the opening of a Christofle silverware factory in La Plaine Saint-Denis, also near Paris, together with a number of major steelworks, attracted a large working-class population consisting largely of people from the French provinces and immigrants, thereby giving the 'royal city' of Saint Denis a new character. As a general rule, the entire region north of Paris, traditionally given over to market gardening, was transformed by industrialisation. Towns like Pierrefitte and Aubervilliers, which still retain a few historic buildings bearing witness to their agricultural heritage, were soon home to numerous industries that had a profound impact on the urban landscape. A century to a century and a half on, the arrival of a major company can still be read in the layout, architecture, and population profile of many towns in the northern suburbs of Paris. Towns that retained their agricultural tradition for longer, such as Montmorency, Gonesse, and Sarcelles, now look very different from their neighbours, Saint-Denis, Aubervilliers, and Stains.

In a few cases, the company can even be said to have created the urban centre. The village of Lassalle in the Aveyron *département* in south-western France is a case in point. It was recognised as a town in 1834, when it was called Decazeville. It came into being when large numbers of workers were drawn to the region by the *Houillères et Fonderies de l'Aveyron* (Aveyron collieries and foundries), owned by the Duc Decazes, who gave the new town its name. The company began to manage urban development at the site in 1836, building a church and school and laying out a cemetery, then, in 1863, building a station and connecting the town to the Montauban-Rodez railway via a branch line. The company later came into the ownership of the Schneider family, marking the history of the town again during the Second Empire when Alfred Deseilligny – manager of the factory and husband of one of the Schneider daughters – became mayor, then member of parliament, and eventually twice Minister for Industry. Successive censuses indicating rises and declines in the town's population reflect the company's economic fortunes. The company provides the town with

many of its most important emblems, from the two blast furnaces and three miner's lamps on its coat of arms to the war memorial sculpted in 1934, which depicts the work of the men in the mines.

In the nineteenth century, then, companies were not simply sites of production within urban centres; they were also peripheral sites where workers lived with their families, with their own infrastructure and culture and representing a bloc of votes - all of which added to the town's character. The problem of where to house workers arriving from rural areas arose as soon as large companies began to spring up in urban centres. This was first and foremost an effect of the rural exodus. Driven by poverty and the hope of a better future, the workers arrived in towns and cities with no knowledge of the urban lifestyle or factory work. At this stage, when there were as yet few rules in place, there was absolutely no provision for housing such uprooted individuals. Workers' slums sprang up beyond the town walls almost overnight; the bourgeoisie was horrified by the appalling hygienic conditions and the widespread alcoholism and brutality of those who lived there. The employers, and by extension the company itself as a legal entity, were therefore encouraged to take over the provision of housing for their workers. Companies started building a wide range of forms of low-cost housing as a means of attracting – and monitoring – their workforce. Some examples:

- an entire town consisting of terraced housing built around the mine shaft, for example Bruay-en-Artois, northern France;
- *cités ouvrières* (workers' estates) forming a town outside the original town, either extending in one direction or as a ring of suburbs;
  - the ideal Utopian communities known as garden cities.

Such philanthropic and socially progressive undertakings were prompted by educational, hygienic, economic, and occasionally electoral grounds. The Dollfus estate in Mulhouse, built in around 1860, represents the most advanced model of this type of building project. It is an ensemble consisting of terraced houses, each with its own kitchen garden, together with wash houses and communal baths, a bakery, and even restaurants, forming a neighbourhood in its own right. The model was copied in many other towns, with or without gardens, with individual homes or collective housing.

That was not the key issue for urban functionality, however. This depended more on the fact that close proximity between work and housing obviated the need to provide transport while at the same time avoiding the fatigue associated with it. It also meant that the workers could be monitored, as schooling and health needs were met by company schools and doctors. It was also a means of marginalising the workers as a visible presence by keeping them in one circumscribed area, thereby maintaining the exclusivity of bourgeois society. This relationship of service and dependence between companies and their workforce

was more than simply a question of architecture. It not only shaped nineteenth-century urban centres geographically, spatially, and electorally, but also long determined the value and reputation of neighbourhoods and shaped their future forms of economic activity, right down to the present day. In France, the Siegfried Law was adopted in 1894 to encourage low-cost housing. As a result, employers transferred the responsibility of workers' housing to the municipal authorities. Companies thus had a major impact on the urban development of towns and cities, even playing a significant role in managing them in some instances.

#### 2. COMPANY DOMINATION OF URBAN CENTRES

After the First World War, companies played a less important role in building homes for workers. But did this mean that their influence over towns diminished? Not necessarily, as can be seen from a number of French examples from different periods, such as Bourges and Berre-l'Etang.

In the 1920s, companies began to spend less and less on non-compulsory financing of housing for workers. This does not mean, however, that the practice vanished altogether. One example was the garden city at the Bourges airfield, built on cheap land to the south of the city in the 1930s at the behest of the municipal authorities. Its main purpose was to house workers employed by Hanriot, an aeroplane manufacturer founded in 1928. In other words, the Bourges city council used taxpayers' money to build an estate for workers at the city's largest factory. The reasons behind the project were both socially progressive and economic: by helping the company to expand, the city was bringing in jobs. Interestingly, the estate exclusively housed those employed by the aeroplane manufacturer – no employees or workers from other companies lived there. The Bourges garden city was a company town in all but name, housing Hanriot workers but paid for by local taxpayers.

The case of Berre-l'Etang is slightly different in terms of the housing situation, as the town is dominated by a factory built some years later. The petrochemical industry first came to the town in 1929, but it was only in 1947 that the Shell Berre oil refinery was founded. Shell, itself the result of a merger, drew workers from all over the wider Marseilles region and even from abroad. Shell gradually extended its spatial dominance over the town, particularly on two sites, reaching 800 hectares, and was even given its own branch line on the Paris-Marseilles railway.

Before we study the significance of Shell at Berre-l'Etang in greater depth, we shall take a brief look at how entrepreneurial activity began to change this sleepy rural backwater at the beginning of the twentieth century. A large tile

factory was set up in around 1900, significantly changing the town's demographic profile. M. Meyer has noted that foreigners (i.e. Italians) made up 7% of the local population in 1896, but by 1906, this proportion had risen to 22%. Nearly a quarter of the town's population had been suddenly transplanted there to meet the needs of the tile factory. The arrival of the first petrochemical factory in the early 1930s again meant a large influx of foreign workers, which in turn meant building more housing. By 1931, permanently settled foreigners accounted for 28% of the total population – a proportion that rose to 35% if the building projects then underway were taken into account.

The creation of Shell marked a new departure, both in terms of urban growth and immigration patterns. Between 1942 and 1962, in other words from the foundation of Shell to its maturity, the population of Berre-l'Etang doubled. By 1982, it reached 12,500, including 26% foreigners – 31.5% including those that had taken French nationality. The average figure for the wider Provence-Alpes-Côte d'Azur region was 8.2%. The profile of the foreign population had grown more diverse, however. Out of a total of some 3,800 foreigners, the Italian immigrants from the earlier part of the century had become French, while the Greeks who arrived between the two World Wars had moved on; there were about 200 Portuguese and 200 Spanish inhabitants, but by far the majority of foreign inhabitants – 68% – were from the Maghreb. This situation, far from being unusual, is in fact typical of the capacity of companies to attract populations from elsewhere over the period, beginning with outlying rural areas before moving onto workers from foreign countries.

Shell was also of great importance in spatial terms. The company's sites covered 800 hectares – over 18% of the town's area. Given that the potentially dangerous nature of the industry, as classified under the Seveso directive in 1982, required a 300-metre-wide safety perimeter around the buildings, the area was in fact even greater than these figures suggest. The increase in traffic – lorries servicing the factory and staff commuting to and from work, for the most part – meant that roads had to be widened, the cost of which was mainly borne by the municipality.

The factory's staff of 1,500 employees represented 11.5% of the total population. Although not all the employees lived locally, it remained the case that Shell was the largest employer in the town, providing a large proportion of jobs there. Furthermore, Shell's business taxes accounted for up to 90% of the municipal budget in some years. In other words, since Shell was the major source of income for the municipality, the town depended on it. This made it hard for the municipal council to adopt a position contrary to the company's interests, as doing so would have placed them under the threat of financial difficulties. The company thus had a major influence on council policy in terms of housing, commercial enterprises, road planning, and even authorisations granted to other companies to set up business there.

Furthermore, it is important to note that the company had its own policy as regards urban planning in the municipality. In the years following the classifica-

tion as a Seveso site, Shell systematically bought up houses in the protection zone as they came on the market, thereby creating its own legal safety perimeter in order to avoid potential court cases in case of accident.

The company's presence also had an impact on the value of the local housing stock. Houses in Berre-l'Etang are cheaper than those in neighbouring towns, which are theoretically better protected against pollution and other inconveniences caused by the site.

Municipality	Cost of houses (euros/m <sup>2</sup> )		
Berre-l'Etang	3,070		
St Chanas	3,182		
Istres	3,120		
Fare les Oliviers	3,360		
Rognac	3,200		

Table 1. Value of housing stock, 2009

Source: price per m<sup>2</sup> of houses coming onto the market, Se Loger (www.seloger.com).

Shell was more than just a workplace or a source of economic growth for Berre-l'Etang. It played an important part in the municipality and even had a social obligation towards the town - at least, so the workers felt when the company decided to pull out of Berre. At a time when more and more companies are downsizing their workforce, it is striking to note the extent to which employees attribute this obligation to the companies they work for. When Shell sold the Berre-l'Etang site to Lyondell in 2008, for example, it planned 300 job losses, although without compulsory redundancies. However, since Lyondell was bankrupt, under American law, it was not required to respect the employees' social entitlements. Following numerous demonstrations in Berre-l'Etang itself, the employees travelled to Paris to demonstrate outside Shell's headquarters. It took a few months for the unions active at the Berre-l'Etang site to negotiate a settlement with Shell France's lawyers to safeguard the social entitlements that Shell undertook to guarantee in selling the site to LyondellBasell Industries (LBI). It is clear that the company's links to the town and its inhabitants went far deeper than the simple fact of its geographical presence.

# 3. COMPANIES AND URBAN PLANNING POLICY

Although the case of Berre-l'Etang is unusual in terms of the extent of Shell's influence, companies and municipalities have long been mutually influential, to a greater or lesser extent depending on the historical and geographical circum-

stances. The urban planning, fiscal, social, and even territorial policy of a municipality can be influenced or even indirectly determined by the presence of a company.

# 3.1. The Influence of Companies on Urban Geography

The nineteenth century witnessed the growth of large factories, major department stores, and so on, as a result of capitalism. This led to a fear of the working classes and particularly of large, underprivileged populations living near their workplaces. Their labour was hidden away as far as possible, limiting its presence or even banning it altogether in desirable neighbourhoods. A segregative form of spatial division was already apparent at the level of individual streets, districts and towns – dormitory towns and urban zoning already existed in all but name. As early as 1917, Tony Garnier drew up plans for an ideal industrial city, based on the principle of separating industry and housing. The term 'zoning', referring to the way urban spaces are specialised according to type of activity, dates from 1934 in French; the term was replaced by 'zonage' in 1951. The reasons for this specialisation are both technological and financial, although the social dimension also plays a role.

The development of zoning, leading to progressive specialisation, dividing up urban, industrial, commercial, and service sector space, arose from improvements in private means of transport and the spatial displacement of companies towards the urban periphery, which offered a number of advantages – improved accessibility for suppliers, safety, and cheaper land. The corollary of this tendency to urban sprawl and the model of linear development was the advent of commuting. From the 1970s on, industrial estates were matched by dormitory towns; the two spaces, connected by road networks, grew further and further apart, forcing employees to drive ever further distances to work.

Industrial estates proved so successful that the model was taken up by all forms of capitalist enterprise in the late twentieth century, in the form of shopping malls, business parks, office parks, and so on. Whatever the profile of the companies, such sites, often located on the outskirts of the historic urban centre and easily accessible from major transport routes, created a particular form of urban landscape. While such sites were originally located in peripheral or isolated areas, they soon became islands of industry in the surrounding urban sprawl (Micek, 2004). They typically feature buildings of no more than a few storeys, built of concrete, metal, or glass, depending on the nature of the activity, as well as wide access roads for lorries bringing supplies, car parks, fences, and, in a few cases, security staff. The vast majority of those working there arrive and leave by car.

This zoning, which initially divided industry from housing, quickly led to spatial segregation. On the one hand, companies – whatever their activity – require specific types of space and infrastructure, often incompatible with existing buildings. They therefore need specialist zones, on more and more peripheral sites. On the other hand, the cost of land in town and city centres is now so high that it is impossible for many companies to set up business there – not to mention issues such as the potential risk to the surrounding population, noise pollution, and traffic levels. The same is, of course, true for the poorer sections of the population.

However, the separation between companies and housing is being increasingly called into question as sustainable development becomes a key issue. Such separation means long commutes, with all that implies in terms of costs and pollution; this is giving rise to new urban models which bring companies and their employees closer together. At the same time, local residents are more and more inclined to protest when business parks are set up in their neighbourhood, because of the concomitant increase in traffic levels (Montagné-Villette). Yet urban centres need companies as a source of jobs and wealth creation. Urban managers thus find themselves on the horns of a dilemma, caught between the demands of the local population to implement "green" policies and the need to attract companies, even providing financial inducements if need be.

#### 3.2. Companies and Urban Management

The relationship between companies – which usually belong to the private sector – and towns and cities – which are publicly managed entities – is often unclear and therefore deserving of attention (Kaczmarek and Young, 2000). Theoretically, their finances and management are totally independent of each other. Yet the practical reality of the situation is often very different, even in towns managed by left-wing councils.

The industrial estate in Vaux-le-Pénil (part of the Melun Val-de-Seine *communauté d'agglomération*<sup>1</sup>) is an interesting example of the ongoing interaction between companies and municipalities. The industrial estate of 122 hectares, founded in 1965, has 250 companies and 7,000 employees and is a major source of jobs and tax revenue for the municipality. The *Amicale de la Zone Industrielle de Vaux-le-Pénil*, an association representing businesses based on the estate, was founded in 1971 to 'represent and defend the interests of its members in their dealings with the local authority'. This indicates that the local authority is an important, even vital, partner for companies, particularly in terms of financing.

<sup>&</sup>lt;sup>1</sup> Translator's note: *Communautés d'agglomération* are a form of local government structure created by French law in 1999, designed to promote intercommunality in municipalities of at least 15,000 inhabitants and the independent towns that make up their suburbs.

The association requested that the estate be modernised to 'bring it into line with the needs of companies in the modern world so that it remains a proactive presence in the marketplace'. There can be no clearer demonstration of mutual interests. The project was granted support by the municipality and involved a number of stakeholders in the Melun Val-de-Seine *communauté d'agglo-mération*. It is interesting to note, however, that aside from the usual improvements to signage, road links, rubbish collection, and so on, the project included plans to create an on-site service hub providing, among other things, canteen facilities, a creche, and meeting rooms, complete with video-conferencing equipment. An analysis of the dossier presenting the case for redevelopment highlights the extent to which the estate – a space given over to private sector companies – relies on financial and other forms of assistance from the municipality:

- The estate is considered as having a social role in the life of the community, fulfilling 'economic and urban needs' by providing services for users.
- At stake are the continuation and development of the businesses and the jobs they provide.
   All these plans are in line with sustainable development policy.

The municipality thus financed the redevelopment of the industrial estate as a means of 'supporting business and breathing fresh life into' a part of town entirely given over to private enterprise. In this instance, the type of services and buildings provided by the municipality for the companies are similar to those provided by major companies for municipalities in years gone by.

In other words, many of the companies' 'paternalist' obligations, such as providing housing and services, have now been passed on to the municipality and are now paid for by local tax revenue.

In France, whatever the type of municipality, private companies have always had a major role, whether direct or indirect, in shaping the growth and development of urban centres. However, their concomitant obligations have frequently been overlooked, downplayed, or, for political and social reasons, ignored altogether. At a time when the very notion of the company – often now a multinational entity – is undergoing structural change, it is more important than ever to provide a clear explanation of their role and their sources of financing.

### REFERENCES

HARDILL, I. and MONTAGNÉ-VILLETTE, S. (2007), 'Spatial Peripheries, Social Peripheries: Reflections on the "Suburbs" of Paris', *International Journal of Sociology and Social Policy*, 4, pp. 52–64.

KACZMAREK, S. and YOUNG, C. (2000), 'Local Government and Local Economic Development in Poland', *European Spatial Research and Policy*, 14 (2), pp. 7–30.

- LORRAIN, D. (1995), 'La grande entreprise urbaine et l'action publique', *Sociologie du travail*, 37 (22), 199–220.
- MEYER, M. (1967), 'Etrangers, naturalisés; quels diplômes? L'exemple de Berre l'Etang', *Revue de l'occident musulman et de la Méditerranée*, 43 (1), pp. 80–90.
- MICEK, G. (2004), 'The Changing Geographiy of Business and Producer Serices at the Intraurban Scale: the Case of Cracow', *European Spatial Research and Policy*, 11, pp. 99–115.
- MONTAGNE VILLETTE, S. (2006), *Ville et environnement*, sous la coordination de E. Dorier-Appril, Paris: Sedes, pp. 121–143.
- INSTITUT DE L'ECONOMIE URBAINE (1999), Entreprises et collectivités locales, pour le développement urbain et régional.77p ec.europa.eu/enterprise/e\_

### EUROPEAN SPATIAL RESEARCH AND POLICY

https://doi.org/10.2478/v10105-011-0002-3

Volume 18 2011 Number 1

# Jacques FACHE\*

# SPATIAL THEORY, TEMPORALITY AND PUBLIC ACTION

**Abstract**: Innovation and information combined with ICTs constitute a new framework which questions the theories on the functioning of classic space and stresses the need to think of new frames. The principle of acentrality proposed here highlights the role of politics in the structuring of space, as well as the role of temporality. For public planning policies to be relevant, acentrality and temporality must be taken into account.

Key words: spatial policy, location theory.

#### 1. INTRODUCTION

The embedding of activities seems to be challenged everyday by plant closures, relocations and installation mobility. Hence the idea of a deterritorialisation<sup>1</sup> of activity, with activity gradually losing its roots, but first and foremost, losing the very use for these roots. Similarly, politicians seem powerless when faced with logics beyond their scope. Yet, reality is not that simple. Actually, the real issue here is to find the right frame to interpret the facts. The first hypothesis is that the rules of location have become more flexible, allowing more possibilities and bigger competition, in a conceptual framework which remains the same. The second consists in asserting the existence of a new framework invalidating part of our frame of reference, and therefore requiring the recasting of the principles of territorial organisation and the embedding issues.

<sup>\*</sup> Jacques FACHE, UMR 6590 – CARTA – University of Angers, 11 bd Lavoisier, 49 045 Angers Cedex 01, France, e-mail: jacques.fache@univ-angers.fr

<sup>&</sup>lt;sup>1</sup> What is meant with this word is the decline of territory as a location factor.

The organisation of regional space and urban structures seems to endorse the first hypothesis. Indeed, it gives an impression of great stability and durability, which explains why numerous works try to describe and explain this balance. The idea of central places was expressed in the nineteenth century (Robic 1982), and later theorised by Christaller (1933/1966) and, with a different position, by Lösch (1944/1954); later on, other works went deeper into it, trying to account for the stability of the evolution. As far as geographers are concerned, Denise Pumain (1980) uses Gibrat's model to report on some scalar variations which are capable of bringing to the fore ever stronger urban poles; the PARIS (Sanders 1992) research team has worked extensively on questions of self-organisation; as for Fujita, Krugman and Venables. (2001), they contribute to a dynamic vision of regional structures by renewing the Christaller's model and by following the path of self-organisation already explored in the 1980s (Krugman, 2008; Allen and Sanglier, 1979; Sanders, 1992).

These models and theories face numerous fundamental problems. The first category gathers together the idea of the economic balance point of central spaces, of territorial optimum and, beyond that, the principle of market as the driving force behind territory organisation. Indeed, these elements struggle to account for the real behaviour of the participants, or for the capacity of the system to remain stable through various economic and political systems (Fache, 2008a). The second category, which we are going to tackle in particular here, results from the current mutations induced by information and innovation. These two elements generate major upheavals in the functioning of cities, urban networks and regional systems, which have already been studied by numerous authors. Camagni (1992), for instance, defines new types of relations between cities that may or may not be hierarchical. Now, information and innovation introduce such thorough changes that even the most acknowledged theories must be revisited, revised and at least partly abandoned, which seems to be corroborating the hypothesis of the need for a new conceptual framework. This framework is essential to consider public action in a more dynamic way. Indeed, any action implies a plan, and thus the understanding not of past organisations, but of organisations which are already on the way, following new parameters.

The objective of this contribution is to propose two working hypotheses. First, the acentrality of space induced by the fundamental role of innovation in its structuring, and thus also by time and speed. Second, the idea that acentrality sets political players and the notion of territorial plan at the core of space structuring, with economy mostly adapting itself to the new deal (Fache 2008a).

The first issue to be investigated is the relationship between innovation and the evolution of territories. It conditions the processes of territory destabilisation and fragmentation, opening the way for new territorial hierarchies and organisations, and new roles for key players, especially politicians.

# 2. INNOVATION, SPEED AND DECONSTRUCTION OF FORMER RELATIONS

The structuring of space and territories stems from innovation, and now aims increasingly at innovation. Though this principle is getting more and more obvious, it is not mentioned in standard works dealing with the geography of activities (e.g. Mérenne-Schoumaker, 2002; Géneau de Lamarlière and Staszak, 2000). It is nevertheless essential. Placing it at the heart of the process changes the whole picture.

# 2.1. Innovation as Core Principle: Structuring through Innovative Poles

It has been a while since innovation conquered a decisive place within economic processes. Focusing on the role of the entrepreneur, Schumpeter has introduced a dimension essential to corporations, markets and economic cycles of all kinds (Shumpeter, 1935/1999). This innovation also provides an insight into the process of territorial accumulation, akin to the innovative milieus developed by the GREMI (1987; Camagni and Maillat, 2006). Innovation is also at the heart of diffusion models, from Hagerstrand's (1953/1967) models to the latest developments. However, it is not at the heart of space structuring processes. It is *de facto* introduced as a constituent in a system governed by broader, sometimes exclusive cost issues. In that regard, the dynamic model proposed by Fujita, Krugman and Venables (2001) is based on data like transport costs, salaries and trade barriers, but not in the least on innovation. It is thus an essential parameter, but which remains outside the territorial system.

Today, this position is no longer appropriate, because innovation<sup>2</sup> is at the heart of everything: products, process, organisation... That being the case, how could a geographical system escape the impact of innovation?

This impact takes various, easily perceptible forms. The first one is linked to the increasing structuring weight of the poles which are capable of mastering innovation in its entirety. These poles often belong to the category of metropolises, which may give the impression that innovation is only strengthening the commanding power of long-established structures. Actually, it is possible to interpret things the other way around. In the past, metropolises were not influential because of some specific commanding power, but because of their capacity to master the innovations of their time. To start with a light approach: the 'Paris

<sup>&</sup>lt;sup>2</sup> We use the term of innovation in a broad way. It integrates technology, but also what has to do with creativity, like design, which is partly linked to fashion trends or innovative political decisions. This approach is common to a majority of researchers of the 'Industries et emplois' group of the CNFG (cf. S. Daviet, J. Fache, S. Montagné-Villette etc.).

fashion' boutiques of yore show how a pole can be a leader and have a strong influence on behaviours. Concretely, it shows how one fashion pole can dictate the life and pace of life of whole cities, as it was the case for Lyons, which used to be specialised in textile industry and ready-to-wear clothing, and thus dependent on such fashion trends. As a consequence, Lyons won its status as a leader in the field of chemistry and artificial colouring (Laferrère, 1960). The same thing occurred in the Cholet area, where the ready-to-wear business is strongly linked to the fashion market (Montagné-Villette, 1987). More generally speaking, innovation is a structural key, including for small and medium cities which position themselves according to it, and not necessarily in the sole field of technology. To keep the example of the Cholet area, this industrial district is now embarking on the adventure of the 'Child Pole', an original competitiveness cluster betting on an innovative and trans-disciplinary concept.

Therefore, the impact of innovation can hardly be described as new. It may even be the essential purpose of the urban, metropolitan system and of regional organisations. What is now changing is the dimension of the phenomenon, the awareness of its importance, the conceptualisation of correlated development, and finally the fact that it is a real driving force which generates a world of knowledge economy. But it has been overshadowed by some factors, including the pace of the spreading of innovation. For instance, Hagerstrand's (1953/1967) seminal works are developed within a framework of connections between a pole and the spaces which are inside its zone of influence, on decades-long scales of time. Hence the appearance of immobility, permanency and inertia. Michel Rochefort's (1960) works efficiently bring to light spatial logics based on distribution networks and zones of influence, which correspond to a historically dated way of functioning. But he also emphasizes the major role of politics to shape this organisation, with or without a planning vision for that matter.

This first impact is in keeping with the theories which have been putting innovation at the heart of industrial production for the last 50 years. Vernon's product life cycle brought about numerous adaptations, especially territorial ones. Industrial districts (Ritter, 2000), tourist resorts, science parks (Daviet and Fache, 2008) and many forms of development and/or territorial planning follow cycles, which are related to their innovative dimension and to the introduced territorial differential. Most studies focus on local areas, and therefore offer only a partial vision of territorial organisation. It is hardly surprising, because even if there are general macroeconomic processes, local cycles are often specific, independent from one another. For instance, the current cycle in Nantes is based on its asserted status as regional capital in the West of France, and is disconnected from the redevelopment cycle of the Cholet area, and from the accumulation around the Yon valley; the dynamics in the Aix area answer to logics which are much different from those of Marseilles (Morel, 2000) etc. However, one cycle in place X will change the cycle in place Y. The consequences of creating

a biotech park largely depend on the national and international environment, and thus on the existence of other poles and on their stage of development. The difficulty is to look beyond these cycles and try to find a more comprehensive explanation for seemingly disconnected entities.

#### 2.2. The Break in the Pace of Evolution

The second aspect of this impact, the most destabilising one for territories, is without a doubt speed. It is as logical as the first aspect: former product cycles have grown shorter, sometimes drastically, causing fleeting setting-ups and investments. Future 28µm micro-component factories are bound to have a twoyear life expectancy only (Fache, 2009)! Besides, the technological rush of countries and companies requires ever-hasty discoveries and innovations, to such an extent that they tend to merge in some sectors like biotechnologies. For that reason, notions like anchorage and heritage change completely. The crucial question is now to know how increasingly fragile installations can establish themselves in destabilized territories. The question of the adaptability of territories also needs to be considered. Indeed, the challenge of innovation and integration into knowledge economy is already tricky as it is. The challenge of speed may quickly become a wager, even for well-established poles. For instance, in just a few years, a high-tech city like Grenoble has seen the Motorola-Freescale firm invest in its research potential by building an expensive research centre (2004), only to pull out from the area 4 years later.<sup>3</sup> But for regions whose economic base is neither particularly innovative nor technological, the challenge is even greater. Saarbrücken, the capital of the Saarland state in Germany, is now facing such a trial and trying to redevelop, this time focusing on innovative activities, notably in computer science, but it has difficulty emerging (Gobin, 2007; 2008a). It is true that speed raises the problem of the time differential between politics and companies as regards regional and urban

These simple facts have major consequences on territories. First of all, the very idea of territorial balance and optimum, omnipresent in the literature, loses much of its explanatory strength. Indeed, the basic principles of regional and urban organization apply to relatively long periods of time, during which the setting up of an industrial plant, for example, gets integrated into a structural logic of space. Henceforth, the cyclical logic prevails. Then, the question of the global coherence arises. Actually, the setting-ups, migrations or sudden disap-

<sup>&</sup>lt;sup>3</sup> Freescale did not renew its participation to the Crolles II agreement, thus striking a deathblow at the local scientific and industrial coalition. Grenoble turned to other partnerships, and industrials like STMicroelectronics did the same with IBM. Therefore, the management of territorial development becomes challenging, and has to adapt itself on extremely short scales of time.

pearances of activities obey local logics. The general articulation seems chaotic, and the territorial embedding a past notion. Finally, this general articulation is still to be defined, using not a single rule, but several differential rules. Innovation happens in place X according to place Y, and what is to occur at time T will be fundamentally different according to context. It amounts to saying that it might be possible to define a type of evolution at a given time for a given place, but that making broad statements is very complicated, not to say impossible as such.

#### 3. GLOBAL INFORMATION, URBAN DEVELOPMENT PLANS

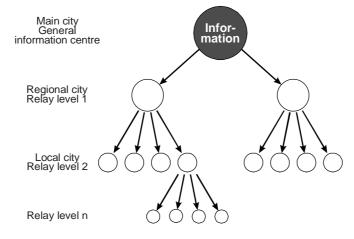
The key role of innovation sets information and knowledge at the heart of the system. Just like innovation, their role in regional and urban structuring is not new. The difference lies in technologies which allow information to be transported, stored and treated, since this treatment produces increasingly complex information. The speed of information, which keeps pace with the increasing speed of innovation, triggers new problems, linked notably with the difference between the time of companies and that of technology. At a time when the industrial, technical and technological culture of places is essential, this differential is particularly disturbing and questions the adaptability of territories when faced with general destabilisation, even when the biggest metropolises are concerned.

### 3.1. Immediacy, Acquisition

The essential characteristic of the current informational world is the immediate access to an infinite mass of information. Admittedly, equipment creates at once a difference between the territories which are integrated into the system and those which are marginalised. The spiral of flows is going to make all the more damages since the ADSL technology using telephone lines is reaching its limit. Now, the ongoing thin cabling of the territory starts with metropolises, with interoperability and trade agreements between French telephone and internet companies as main obstacle.

<sup>&</sup>lt;sup>4</sup> Many works have insisted on this dimension, starting with Marshall's (1890) seminal work, and the multiple works of researchers on districts since the 1970s: Becattini (1992), Benko and Lipietz, (1992), SPL and milieux innovateurs (Aydalot, 1986); Camagni and Maillat (2006). Geographers (Daviet, 2005) come to similar conclusions.

FIRST TIME: THE PYRAMID difficulties to cross space – Concentrated information – A lot of existing relays



SECOND TIME: THE CLOUD ICT – Diffused information – Relays looking for a place

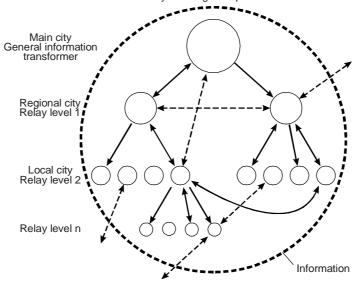


Fig. 1. From Christallerian structures to informational structures

But beyond this technical aspect, immediacy radically changes spatial connections. Indeed, the Christallerian and Löschian spatial connections used to be mainly based on informational connections between the cities which held information that could not easily cover great distances, and those which did not. Besides, the administrative meshing in developed countries had much more to do with the informative mastery of the territory than with the search for eco-

nomic balance. More and more administrative and political centralities came up in the course of time, along with ever stronger links between the information centre and its relays. We went from provinces in Ancient Rome, to counties in kingdoms and empires in the Middle Ages, whose power increased proportionally to the remoteness of the commanding centre, then to increasingly subordinated centres, from intendants in the Ancien Régime to prefects in modern history<sup>5</sup> (figure 1, time 1).

Nowadays, the most diverse central places have direct and immediate access to information (figure 1, time 2). Such immediacy challenges everything, starting with hierarchical links. Standard hierarchical pyramids are now replaced by a system in which every place in a given space can contact any other place. Everything thus seems possible, and according to some schools of thought, notably regarding clusters, not only is networked space possible at various scalar levels, but it also generates multiform configurations in which numerous types of spaces can meet. This results in public actions whose scientific validity is yet to be demonstrated. High-tech clusters organised in network, the German *kompetenznetze*, or even recent inter-clustering policies are based on the implicit belief that in this informational world, almost all configurations are possible, and that policy-makers can set off technological proximities that take the place of space agglomerates and localized accumulations. Again, reality is not that simple (Rallet and Torre 2007).

The reconsideration of the proximity and territorial continuity connection has another consequence. The main issue is not to receive information anymore, but to be able to transform it, thus establishing the classic difference between information and knowledge. The polarities structuring regional space are the ones that can receive, transform with some local added value, and emit a flow which is slightly different from the one they receive, but we will get back to this. That might seem insignificant, but it is not. Indeed, for centuries, numerous cities have only been information relays, and have kept a substantial workforce to treat information. The whole administration network in modern countries and in international firms was based on that. Companies like IBM have weaved a network of regional management relays – sometimes even local ones, when the market was suitable – whose role was to manage commercial and technical information for a given space.

Things have radically changed since then. Indeed, with ICTs, it is now possible to manage an increasing amount of ordinary, standardised information, and to treat it automatically. This means that the role of information relays is now obsolete. They will not disappear instantly, but public utilities and company

<sup>&</sup>lt;sup>5</sup> The combined reading of many synthesis works shows the importance of politics, but also of fate in the moulding of central places and urban networks which later shaped the embedding points of economic activity (Mumford, 1964; Pinol, 2003; Agulhon, 1983; Roncayolo, 1985).

administrations are going through numerous reorganisations, aimed at skipping these relays or decreasing their importance. For example, the complete revision of the French tax office network, bank network or of services which used to be public and are now under privatisation, like post offices, is undermining traditional connections in the territory. In a large metropolis, this restructuring goes unnoticed. In a rural village, it may come as a shock, all the more so since there is sometimes a direct dependence on public or semi-public employment. Besides, the decision to nationally decentralise information processing centres to mid-sized cities moves the heart of information according to new logics. In the private sector, the location logics of call centres, or the system of on-line sales, are a sign of time. They show that companies are now able to treat continental, even global information from a unique data centre. The role of complex information is made even more obvious. The very idea of community service becomes blurred. However, the accumulation of such small facts, which often go unnoticed when considered separately, raises the broader issue of the utility of a central place, whatever its dimensions, because now ordinary information has no specific reason to be treated there.

Consequently, if a city, whatever the size, wants to exist, it has to bring something more to global information. This extra value is necessarily connected to time, and so it evolves according to innovation and knowledge, as we will see later.

# 3.2. The Fragmented Space

This informational organisation changes the very structure of space. Indeed, informational relations between the various elements of the urban networks cannot be taken for granted anymore, they need to be justified. The city loses its almost natural role and has to build itself one. Thus, the structure of space in hubs and spokes, analysed in the 1980s, illustrates the bypassing of established hierarchies and networks to establish new ones (De Roo, 1993). Camagni's (1992) analysis show the same thing under a different angle, by putting forward the connections between cities, and how they become more complex and renewed, as opposed to the established hierarchy. But the current territories of innovation dismantle the structure of relations even more. Indeed, the former transverse possibilities complicated the plan. Now, it is the very existence of the plan that is questioned. For instance, in the area of Nantes, towns like Ancenis are integrated into a metropolitan system. Other towns have specific and original dynamics (La Roche sur Yon and the plastics processing industry). Finally, others are undergoing either a structural crisis which raises the issue of their integration into the Nantes system (Cholet), or a deep crisis which raises doubts about their possible recovery (Châteaubriant).

The same problem arises everywhere and on every scale. Saarbrücken, a midsized land capital, operates as an isolated entity, and has a strategy of integration into knowledge economy which is independent from what takes place in nearby cities. There are some cooperation attempts (the cross-border Saarbrücken-East Moselle metropolis; the Quattropole, a network of four cities), but in the end, it leads to few concrete results (Gobin, 2007, 2008a). Besides, as far as innovation is concerned, the city is stuck in a difficult situation. Given its size, Saarbrücken needs to cooperate with its rival cities, but at the same time, it might be taken over as a satellite town.

To switch to another perspective, the Irish city of Cork also has its own, very offensive strategy, banking on a combination of Irish and local assets. The Irish assets are those which generated the 'Celtic tiger' miracle (Walsh, 2007, p. 55) (European grants, fiscal strategies targeting FDI, return of the American-Irish...). Cork's main asset is the location of the city in the South, and thus its ambition to become a 'gateway' to Ireland, an interface. In addition to that, the city has launched the building of a park science connected to the university (Guihard 2008). This strategy has generated much growth, but also some vulnerability, which was brutally confirmed by the 2008 crisis, when many sites closed down as fast as they had opened.

Thus this informational revolution changes the very nature of spatial proximity. Physical proximity within territorial continuity used to be the standard. Now, the notion of territorial continuity does not have the same meaning anymore.

Space is fragmented even in its operating logics. Multiple cells of various sizes work in juxtaposition, either jointly or discretely. The nature of connections has changed completely. Indeed, once operating according to a classic hierarchical order, spatial relations are now based either on a power struggle, or on a spirit of cooperation. To go back to the case of the Cholet area, the city has been compelled to include a high level of cooperation with Nantes and Angers within its strategy. Indeed, the idea of the 'Child Pole' is based on the connection and interaction of all the types of skills that have to do with children (Fache, Leblond and Vallée, 2005). Yet, the Cholet area has very low expertise in some of these fields (educational games software, for example, with a single leading company established in the area), and none in others (child psychology, paediatrics). It is thus necessary for it to try and work with nearby knowledge clusters, even if the outcome is uncertain. Indeed, as far as child-oriented medical skills are concerned, there is no reason why Nantes would chose to give up expending sectors, especially since its declared strategy is to create a European-class biocluster, and it already has difficulty competing with existing bioclusters of the same category (Fache, Bambou, Billaud and Le Nuz, 2009).

<sup>&</sup>lt;sup>6</sup> Child pole =  $P\hat{o}le\ Enfant$ .

In other cases, the economic power struggle leads to a whole region being overpowered by another. The Toulouse region constitutes a good example, as the Airbus system is based on an extremely strong centre-margin relationship, which affects both population and commercial issues (Zuliani and Leriche, 2003; Zuliani, 2005b; Zuliani and Jalabert, 2005). Moreover, this functioning brings about the reversal of the regional structure, because the classic ascending relationship – with the city being the product of its development region, or of its regional hinterland, as Christaller would say – is reversed and replaced by a structure in which the region becomes the product, the 'child' of a ruling metropolis (Fache 2008b; Anderson 1993). This logic has been identified by Hall (1966, 1999; Derudder and Witlox, 2004) in his work about world cities, which embody in his opinion an advanced level of the Christallerian system, which followed a different logic. What is different about the current evolution is that the process is spreading, and do not affect only very large cities any more, but also mid-sized cities.

# 3.3. Competition, Cooperation: Squaring the Circle

The consequence of this explosion is the increasing competition between territories. Henceforth, with the loosening of local networks and the new opportunities on hand, anything is possible. At least, it is a widespread opinion. This situation results in territories constantly wavering between cooperation and competition, with the latter option apparently prevailing.

As such, the use of the term 'metropolis' is quite evocative. Almost every French capital of region likes to think of itself as a metropolis. The logic beyond their action is clear. With the development of science parks, cities tend to focus on this model. They all want their own technological pole, sometimes more than is sensible. The efforts to achieve territorial cooperation meet the exact same objective: achieving the networking of some mid-sized cities to reach a rather imprecise threshold, from which they can make up together a European-level metropolis. These gatherings go against local-scale political strategies, and for independent spaces, it is next door to impossible to unite on a joint spatial project (Gobin, 2008b). For instance, in the West of France, the cities of Nantes and Rennes have been rivals for ages, and it is still difficult for them to work as a team. Brest will not be easily connected to a network either. Surely, many

<sup>&</sup>lt;sup>7</sup> The ambitious call for projects on metropolitan cooperation in 2005 is consistent with this perspective. Cf Agences d'Urbanisme et de Développement de l'Ouest (2006), APEREAU/DIACT (2006).

<sup>&</sup>lt;sup>8</sup> The research of Gobin (2008b) shows very accurately the tangle of political structures and the competitions between structures of power like urban communities and cities on one hand, and regions on the other hand.

obstacles can be overcome with ICTs, but in the end, there is still an actual physical distance to be covered by people and goods.

The metropolitan fever does not stop at our borders. Many mid-sized cities try to play in the major league. In that regard, European classifications are not neutral, as for many policies, they come out with objectives which are far from being plain reference points. Nantes regrets ranking below the fiftieth place in Europe and wishes to climb up the hierarchy, whatever the classification; Lyons calls attention to its progress of several ranks up in the classifications as a sign of political success.

These circumstances seriously question some political actions, as polycentrism, which has been underlined by the SDEC (Peyrony, 2002) and integrated to the meshed polycentrism policy of former DATAR. Actually, in addition to differences in the very definition of polycentrism, these actions recommend the preservation of the Christallerian structure inherited from decades, not to say centuries of socio-spatial practices. Cities of any size become indispensable to the organisation of the territory and to the life of its inhabitants (Allain, Baudelle and Guy 2003). True, it may be advisable to avoid metropolitan overcentralisation, but the real problem is to know if the territory which is defined by these schools of thought still exists, and if it does so on two levels.

The first level is the economic rationale for companies, and knowledge economy in particular. At the present time, concentration is acceptable, especially regarding rare skills. Thus, high tech activities, which are often real driving forces, are grouped together in more or less compact, interrelated cluster. Now this sometimes extreme logic of metropolitanisation is totally at odds with that of polycentrism.

The second deals with lifestyles. Populations in developed countries are urban, and those in developing countries are on the way to becoming so. But what kind of cities are we talking about? World metropolises? Region capitals of 500,000 inhabitants? Towns of 10,000 inhabitants? If there is undoubtedly a renewed interest in mid-sized cities, it is hardly the case for small towns, especially if they are isolated. Because this is the point: numerous small and medium cities develop in the orbit of a powerful metropolis which prompts them. Are cities like Angers and Le Mans growing because of their attractiveness or because they are close to Paris? Of course, the answer is not crystal-clear, but it is enough to question some dogmas of polycentrism.

Actually, every entity goes its own way, which often strays away from centuries-long lines of thinking, but also from the life of the population itself. In that regard, politics plays an essential role, because, as polycentrism shows, it is

-

<sup>&</sup>lt;sup>9</sup> It is the case for biotechnologies, for example. Cf. Zeller (2004). It is also the case for aeronautics, but with different constitution logics. Cf. Beckouche (1996); Fache (2005, 2007); Zuliani (2005a).

obvious that the structure of a territory is influenced by social and cultural practices and by political action, which tend to induce inertia, as much as it is shaped by economic flows. It is thus necessary to look for other theoretical tracks to deal with regional and urban networks.

# 4. THE SPATIAL DEVELOPMENT PLAN BEFORE THE ECONOMIC LAW

To leave on new tracks means studying the elements of structure in a territory. Innovation implies a certain number of new principles.

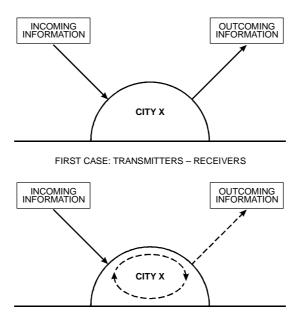
# 4.1. A Geography of Sensors

Economic geography tends increasingly to be a geography of transmitters – transformers – receivers (which we shall call TTRs by convenience). Indeed, as we have seen already, integrating the knowledge and innovation economy implies the ability not only to integrate information flows, but above all to bring something more, some transformation and extra value to the circulating information (figure 2). Without this essential transformation, activities have no particular reason for settling in city X, which would *de facto* be reduced to a hardly useful transmitter-receiver. These specific points may establish some manufacturing or assembly work, but they belong to the category of interchangeable informational spaces. The final aim is not to be easily interchangeable anymore.

This logic corresponds to a radical change in the functioning of territories, whose informational role is being questioned, as we have seen. Some territories build up around this strong informational role (Grenoble – Bernardy, 1996; Boisgontier and Bernardy 1988; Cambridge...), sometimes after starting from almost nothing (Sophia-Antipolis – Fouich, 1977). Others are in great difficulty in this new system. For instance, mining cities are trying to redevelop through innovation and knowledge, but with doubtful results. The basin of Lens is steadily declining, and for the moment, engineering schools and the university have not produced the expected effects. Creating knowledge is not the most difficult part. What is problematic is its location, or its embedding once the people are qualified. And Lille and Paris are quite close to Lens...

This situation conjures up the major question for any centre space, which is to know which type of TTR it can be or become. For international-level metropolises, the question hardly arises, since they may be engaged in a wild competition with its rivals, while remaining integrated into an information exchange network. For small towns, the local informational role also seems granted. Populations need local centres for many administrative functions and

basic services. Between both lies the core of the problem. Indeed, many subprefectures, for instance, are undermined by new technologies, and so are many industrial cities. So they need to come out with a new position.



SECOND CASE: TRANSMITTERS - TRANSFORMERS - RECEIVERS (TTR)

Fig. 2. From informational centres to TTR

In fact, TTRs have a status that do not depend on their inherited position or their size anymore. A city like Grenoble owes a part of its success to legacy, but has a status among innovation spaces which has nothing to do with its demographic weight. The most important thing is the capacity of a city to make plans, and thus to constantly develop its legacy and local potential. This progressive approach concurs with the school of thought of innovative sectors.

# 4.2. A Centrality: The Political Project at the Core

This geography of sensors highlights the characteristic acentrality of space (Fache, 2007, 2008a, b). Acentrality is the quality of a central space whose social and economic organisation is in no way connected to pre-existent laws and balances, which tend to 'naturally' establish themselves in the name of economic rationality principles, among other things. Acentrality consists in asserting that spatial organisations result from social, cultural and economic constructions which mostly have nothing to do with economic laws to begin

with, but rather with strategic, administrative and political logics; economy also plays a part, but only to some extent. In numerous cases, economy adapts itself to existing circumstances (Fache, 2008a). Acentrality is not a new characteristic of space. It has always been there. But it has been concealed for a very long time by multiple factors, such as the rugosity of space, the difficulty for information and innovation to circulate, the weight of subsistence economy... Only recently has technological progress allowed spaces to gradually emancipate from some constraints (Duprat, 2006), therefore highlighting this principle. Acentrality underlines the construction of territories, thus the role of politics, which has been omnipresent in the examples quoted above, as well as in history.

History brings us tools to understand the role of politics. The development of mining cities in Europe and in the United States brought out very different results according to the political criterion. In Europe, nineteenth century extraction was coupled with a political and administrative structuring of places which induced that, once the coal cycle was over, public authorities maintained the same spatial organisation and tried in a proactive way to substitute another economic engine for the weakening mining. In the United States, western mining answered a mere logic of plunder economy. Minimal political and administrative structuring did the rest: the end of exploitation cycles often lead to the disappearing of population centres. True, context and temporality were much different and the comparison is somewhat delicate. But the fragility of purely economic dynamics is apparent in many other cases, including in Europe. The trading towns established on the Baltic Sea during the Hanseatic League period have met different ends, depending on their politicisation and administrative establishment (Pinol, 2003).

Besides, the role of politics is also relevant in the making of economic centre spaces. Policies like privileges, mercantilism or, at a local level, fiscal exemptions for markets and fairs, are obvious signs of this. And so is the development of university poles, which often have political or religious origins. Closer to us is the development of scientific and economic centres, which also has to do with politics. In the field of biotechnologies or microelectronics, equipments like particle accelerators are essential, especially since a network of microenterprises cannot invest in large and expensive equipments. Population proximity may then be misleading sometimes, since it is distorted by the technical dimension.

Beyond the obvious role of politics lies the question of meaning. Indeed, the classic school of thought of spatial theorisation holds as basic principle, either explicitly like Christaller and Lösch, or implicitly, that politics are meant to make the liberal capitalist system more efficient, and thus to allow spatial development to be more efficient. But one cannot fail to notice that mere facts prove this theoretical and ideological wish to be both inaccurate (as Lösch realised from the start) and questionable. Actually, public action ties in with both

tendencies, either trying to adapt to some economic rules, or trying to modify them for reasons which deviate from strictly economic logics.<sup>10</sup>

Therefore, the idea of construction do not set the business rationale, but the urban territorial plan for local or regional development at the heart of spatial organisation. This plan implies a territorial strategy. Generally speaking, what is remarkable in the evolution of public action is that the business rationale is increasingly integrated into a general territorial system also including culture and society (Arvanitis, and Petrakos, 2006). For instance, Nantes bets on the redevelopment of its old shipyards and the building of a new city district on the Isle of Nantes (Fache, 2008c; Devisme, 2001, 2007). This urban plan plays on the image of the city, its cultural dimension and its individuation, and is much alike the type of projects carried out in Florida, without acknowledging it.

In Norway, the city of Bergen deals with the economic issue in an allencompassing way, again with a combination of actions focused on innovation and research, but also on culture and heritage, with a part of the city centre being classified as a UNESCO world heritage site (Deraeve, 2008). The case of Bergen is interesting in many respects. Indeed, beyond its rather common strategy, it raises the issue of the confrontation of scales within the context of globalization. Within Norway, Bergen is at the top of urban hierarchy, and is therefore a metropolis, that is to say an economic and intellectual commanding centre.

But the integration to a global system changes scales. Bergen becomes an ordinary city in terms of size and has difficulty achieving recognition, as regards its number of researchers for example. Therefore, the Norwegian scale is strongly disrupted by the scale induced by global urban networks. A city on top of hierarchy can become an insignificant central space at the European and world scale. The strategy of politics is thus complicated, because it do not correspond to the current reality of the city and its rank in Norway, but to its projection in a world system which weakens it.

These two examples, taken out of an endless number of others, bring to mind another aspect. If the acentrality of space shows itself gradually, and if the role of plans and strategies is reinforced, the situation of territories becomes more and more unstable. Indeed, inertia is shaken by political innovation and by the cycle which *de facto* imposes itself as for any innovation. Concretely, the question is not only to act anymore, but to act at the right time, while differentiating from other territories. It was the case for the cycle of science parks.

This example is significant. Indeed, creating a science park only makes sense when it allows a territory to become part of the information and knowledge

<sup>&</sup>lt;sup>10</sup> The 1979 study of Allen and Sanglier is very interesting in that regard, because its autoorganising approach also includes a new perspective on politics which are responsible, in their opinion, for the modification of the conceptualized order.

space, but also to establish a differential advantage against other territories. Sophia-Antipolis and Meylan have achieved that, using radically different models of development, among other things because they were science park pioneers which had established a strong differential against other territories(Ciapetti, 2009). Political innovation then spread and lost some of its power (Daviet and Fache, 2008). Launching such operations does not make much sense today, except for specialized scientific and economic centres which support and revitalise a sector (biotechnologies in Paris or in Lyons, for example). As a result, there are not new technology parks created today in France, because with already more than forty structures, most of the top of the urban hierarchy is equipped, but also because such an equipment would not be capable anymore to generate the necessary differential for such a development to be relevant anyway. To achieve recognition, a territory now needs other political innovations.

Another element to consider: cycles are getting shorter, and the advantages they generate are more and more transitory. Indeed, the benchmarking studies supported by many cities and regions allow a faster spreading of information, and the possible duplication of what has worked well in some place. In that regard, the redevelopment of Bilbao has gained major following. Exchanges of experiences are besides widely promoted, as with the REVIT (2007) program in the European Union. It is thus necessary for a territory to always try and have a head start. There are major territorial repercussions at stake, and sometimes they can be devastating. A project requires appropriate human resources. Sometimes, these resources run out, or they aren't qualified and skilled enough. The primacy of innovation propels in the foreground high qualifications and the capacity to be creative and to flexible, to get the information and transform it. Again, TTRs are essential there. But many cities can not afford them. Thus the numerous plant lockouts and relocations which regularly make the headlines can surely be read as the result of some economic processes, but also as the sign of the tremendous difficulty through which some territories go to set up a viable plan and adapt to the new deal. It must be acknowledged that big metropolises are also subjected to site lockouts. What's different about them is obviously their size, their diversity, but above all their capacity to prepare for the future, as showed by Sarah Bambou's work on biotechnologies in Paris (Bambou, 2009).

This analysis raises the delicate issue of time. Indeed, if innovation requires the structuring of space, it also induces strong differentials in temporal evolution. In other words, while metropolises run up the stairs, depressed cities have to reinvent their basic skills, their economic foundations and their integration to the system. Naturally, this takes a great deal of time, because a new plan deals with technical matters, but most of all with mentalities and culture. These dimensions are essential in the structuring of territories (Daviet, 2005).

Thus central places develop in places which are often in no way prepared for anything like this, and their future depends to a great extent on local actors' initiatives, which can completely turn the system one way or another.

# 4.3. Temporalities of Political Action

In such a context, political action has to include the temporal dimension to achieve efficiency. Indeed, the incorporation of the new information networks or of the principle of acentrality has to be coupled with some reflection about the moment when action is taken. So, political action can be considered as innovation, and treated as such (Daviet and Fache, 2008). Therefore, it is essential to consider the general situation as regards TTRs during the initiative.

The field of biotechnologies is significant in that regard. The development of activities related to so-called modern biotechnologies was achieved very early in some dominant central places like Paris, Cambridge or the Silicon Valley in the 1970s, in keeping with functioning and financing procedures which brought to mind the emergence of electronics in the 1950s (Binder, 2008). When cities like Montpelier (Brunet, Grasland, Garnier, Ferras and Volle, 1988) or Strasbourg entered the biotech race between the 1970s and 1980s, they were just a small step behind the Silicon Valley or Paris. The main differential here has less to do with chronology than with the very structure of the sector, which was dominated to a great extent by public players in France, while big companies were being created in California. Each city leaned on a tradition of research on human health, or sometimes other topics, like in Montpellier.

But some cities like Nantes experienced a very slow and particularly late start, because they had no preceding knowledge of the field. The Atlanpole science park was created in 1987, but the political impulse towards biotechnologies only arrived only about ten years later, in a world where powerful polarities were already well-established and could drastically disrupt the development of emergent poles by sizing its start-ups and researchers. The embedding of a company like Eurofins, a success story in Nantes, is regularly questioned.

What must be acknowledged in particular is that while politics are trying to develop emergent biotech centres, the oldest poles are already moving on. Green technologies are becoming a reality in the Silicon Valley, where young companies have already exceeded 'simple' start-ups by their size and importance, and are likely to become real giants in this field (Nora, 1990). Therefore, the question of public action shifts. Now, the real question is: to what extent is the intrinsically relevant strategy of development put into perspective, or even neutralized by some new context at a precise time?

#### 5. CONCLUSION

The question of the embedding and mobility of activity and population, of their territorialisation or de-territorialisation, arises in the fundamentally new frame of innovation, information and acentral space today. This perspective conjures up an answer which is different from the easy discourse that is now prevailing about the de-territorialisation of activities. The embedding of activity is still relevant today. The problem of modern societies is that the word 'embedding' has changed meaning. The Christallerian and Löschian viewpoint is over, as the notion of balance is now questioned. Spatial installation is more and more unstable, but not necessarily fleeting. In other words, the original frame which allowed the installation and embedding of an activity has to be constantly developed, or rather reconstructed. The question of time, speed and adaptability arises with renewed intensity and is difficult to solve, because politics and societies are still relying on the Löscho-Christallerian frame.

One of the major issues at stake for the future is to conceive a theoretical frame for the structuring of post-Löschian cities, urban networks and regional structures, maybe using TTRs as a foundation. As urgent is the necessity of weaving a link between this necessary theorisation and the political world, whose responsibility it is to devise plans suiting their vision of the future territory, although their focus remains too often stuck in the handling of already existing structures. Tomorrow's economic space cannot possibly be apprehended with yesterday's territorial logics.

#### REFERENCES

- AGENCES D'URBANISME ET DE DEVELOPPEMENT DE L'OUEST (2006), Espace Métropolitain Loire-Bretagne, La coopération sur les fonctions métropolitaines, Rennes: AUDIAR, 51pp.
- AGULHON, M. (ed.), (1983), *Histoire de la France urbaine, la ville de l'âge industriel*, Paris: Seuil, 671 pp.
- ALLAIN, R., BAUDELLE, G. and GUY, C. (2003), *Le polycentrisme, un projet pour l'Europe*, Coll. Espaces et Territoires, Rennes: PUR, 306 pp.
- ALLEN, P., and SANGLIER, M. (1979), 'A Dynamic Model of Growth in a Central Place System, *Geographical Analysis*, 3, pp. 256–272.
- ANDERSON, M. (1993), 'The Role of Collaborative Integration in Industrial Organization: Observations from the Canadian Aerospace Industry', *Economic Geography*, pp. 55–98.
- APEREAU/DIACT (2006), Etat des lieux de 8 coopérations dans 7 métropoles, Paris: DIACT, 59 pp.
- ARVANITIS, P. and PETRAKOS, G. (2006), 'Understanding Economic Change in the Cities: A Review of Evidence and Theory', *European Research Spatial and Policy*, 13 (2), pp. 97–122.

- AYDALOT, P. (1986), Milieux innovateurs en Europe, Paris: GREMI, 361 pp.
- BAMBOU, S. (2009), L'incubateur Paris Biotech Santé et la pépinière Paris Santé Cochin: des leviers dans l'émergence d'un cluster de biotechnologie au sud-est de Paris?, mémoire de M1, IUP, Université de Paris XII, 80 pp.
- BECATTINI, G. (1992), 'Le district marshallien: une notion socio-économique', [in:] BENKO, G. and LIPIETZ, A. (1992), *Les régions qui gagnent*, Coll. Economie en liberté, Paris: PUF, pp. 35–55.
- BECKOUCHE, P. (1996), La nouvelle géographie de l'industrie aéronautique européenne, Coll. Géographies en liberté, Paris: l'Harmattan, 222 pp.
- BENKO, G. and LIPIETZ, A. (1992), Les régions qui gagnent, Coll. Economie en liberté, Paris: PUF, 424 pp.
- BERNARDY, M. (1996), La technopole, une certaine idée de la ville, Paris: l'Harmattan, 254 pp. BINDER, G. (2008), Science Lessons: What the Business of Biotech Taught Me about Management, Boston: Harvard Business Press, 292 pp.
- BOISGONTIER, P. and BERNARDY, M. (1988), *Grains de technopole*, Grenoble: PUG, 259 pp. BONNEAU, S. (2008), *Métropolisation, internationalisation: l'urbanisme à l'épreuve du marketing territorial*, Paris: IGARUN, 82 pp.
- BRUNET, R., GRASLAND, L., GARNIER, J. P., FERRAS, R. and VOLLE, J. P. (1988), *Montpellier Europole*, Montpellier: RECLUS, 315 pp.
- CAMAGNI, R. (1992), 'Organisation des villes et réseaux économiques', [in:] DERYCKE, P.-H., Espace et dynamiques territoriales, Paris: Economica, pp. 25–52.
- CAMAGNI, R. and MAILLAT, D. (2006), *Milieux innovateurs, théories et politiques*, Paris: Economica, 503 pp.
- CIAPETTI, L. (2009), 'Universities as Embeded Knowledge Hubs and the Challenge of Local Dvelopment the US Lessons and the Italian Case', *European Spatial Reasearch and Policy*, 16 (2), pp 5–22.
- CHRISTALLER, W. (1933/1966), Central Places in Southern Germany, Englewood Cliffs: Prentice Hall, 230 pp., traduction de l'ouvrage Die Zentralen Orte in Süddeutschland, Iena: Fischer, 1933.
- DAVIET, S. (2005), Industrie, culture, territoire, Paris: L'Harmattan, 214 pp.
- DAVIET, S. and FACHE, J. (2008), 'Innovation politique, cycle et différenciation des territoires', Historiens et Géographe, 403, pp. 135–144.
- DE ROO, P. (1993), 'La métropolité', [in:] SALLEZ, A., Les villes, lieux d'Europe, Paris-La Tour d'Aigues: L'Aube-Datar, pp. 9-17.
- DERAEVE, S. (2008), Innovation et territoire de la connaissance: les stratégies de développement de la ville de Bergen, mémoire de M1, Paris: IGARUN, 106 pp.
- DERUDDER, B. and WITLOX, F. (2004), 'Assessing Central Place in a Global Age: On the Networked Localization Strategies of Advanced Producer Services', *Journal of Retailing and Consumer Services*, pp. 171–180.
- DEVISME, L. (2001), Centralité émergente: la fonction miroir de l'île de Nantes, Nantes: EAN-LAUA, 134 pp.
- DEVISME, L. (2007), 'L'histoire du projet', *Place Publique*, p. 27–31.
- DUPRAT, J. A. (2006), *Réseaunance' territoriale, de Babylone à internet*, Paris: Arnaud Franel Editions, 351 pp.
- FACHE, J. (2005), 'EADS: le territoire émergent d'une firme européenne', *L'Information Géographique*, 6247, pp. 132–149.
- FACHE J. (2007), 'Polarités d'EADS et a-centralité de l'espace', [in:] DUPUY, G. and GENEAU DE LAMARLIERE, I., Nouvelles échelles des firmes et réseaux, Paris: L'Harmattan, pp. 47–63.

- FACHE, J. (2008a), Acentrality spatiale, de la centralité théorique au projet territorial, HDR, Université de Paris XIII, 283 pp.
- FACHE, J. (2008b), 'Quand l'entreprise recompose l'espace acentral', Géographie, Economie et Société, 4 (10), pp. 467–490.
- FACHE, J. (2008c), 'Nantes, à la croisée des chemins de l'économie de la connaissance', Géoconfluences, mise en ligne mai 2008, www.geoconfluences.ens-lsh.fr
- FACHE, J. (2009), '2009, année noire, année verte', [in:] *Images Economiques du Monde 2010*, Paris: Armand Colin.
- FACHE, J., BAMBOU, S., BILLAUD, M. and Le NUZ, M. (2009), 'Biotechs nantaises: un autre regard sur une stratégie de développement territorialisé', *Cahiers Nantais*, 1, pp. 55–65.
- FACHE, J., LEBLOND, S. and VALLEE, P. (2005), 'Le pôle Enfant: une nouvelle voie pour les SPL', *Cahiers Nantais*, 62–63, pp. 63–66.
- FOUICH, R. (1997), Sophia-Antipolis, de l'idée de 1960 aux miracles de l'an 2000, Valbonne: Editions l'Etoile du Sud, 206 pp.
- FUJITA, M., KRUGMAN, P. and VENABLES, A. (2001), *The Spatial Economy*, Cambridge, MA: MIT Press, 367 pp.
- GENEAU DE LAMARLIERE, I. and STASZAK, J. F. (2000), *Principes de géographie économique*, Coll. Grand Amphi Géographie, Rosny-Sous-Bois: Bréal, 448 pp.
- GOBIN, M. (2007), Innovation, centralité et reconversion industrielle: stratégies territoriales de Sarrebruck, mémoire de Master 1, Paris: IGARUN, 146 pp.
- GOBIN, M. (2008a), 'Sarrebruck à l'heure de l'économie de la connaissance: reconstruire la centralité d'un ancien centre industriel', Géoconfluences, mis en ligne en mai 2008, www.geoconfluences.ens-lsh.fr
- GOBIN, M. (2008b), Les réseaux métropolitains: une innovation adaptée au défi de l'attractivité européenne? L'exemple de l'EMLB, mémoire de M2 urbanisme, Paris: IGARUN, 56 pp.
- GREMI (1987), Les politiques d'innovation technologique au niveau local, Paris: GREMI, 293 pp. GUIHARD, J. (2008), Stratégies territoriales du politique et de l'entreprise dans l'économie de la connaissance: le cas de Cork, Paris: IGARUN, 136 pp.
- HAGERSTRAND, T. (1953/1967), *Innovation Diffusion as a Spatial Process*, Chicago: University of Chicago Press, 334 pp., traduction de l'ouvrage pionnier de 1953: *Innovationsförloppet ur korologisk synpunkt*, Lund: Gleerup.
- HALL, P. (1966), The World Cities, Londres: World University Library, 256 pp.
- HALL, P. (1999), 'The Future of the Cities', Computers, Environment and Urban Systems, pp. 173–185.
- KRUGMAN, P. (2008), L'économie auto-organisatrice, Bruxelles: De Boeck, 127 pp.
- LAFERRÈRE, M. (1960), Lyon, ville industrielle, essai d'une géographie urbaine des techniques et des entreprises, Paris: PUF, 547 pp. (publication de la thèse d'Etat soutenue en 1959).
- LÖSCH, A. (1944/1954), The Economics of Location, New Haven, Londres: Yale University Press, 520p., traduction de l'ouvrage Die Räumliche Ordnung der Wirtschaft, 2 edition, Iena: Fischer.
- MARSHALL, A. (1890/1906), Principes d'économie politique, traduction française mise en ligne, Coll. Les classiques des sciences sociales, www.uqac.uquebec.ca/zone30/classiques des sciences sociales/index.html
- MERENNE-SCHOUMAKER, B. (2002), La localisation des industries, enjeux et dynamiques, Rennes: PUR, 243 pp.
- MONTAGNE-VILLETTE, S. (1987), L'industrie du prêt-à-porter en France, Thèse d'Etat, Université de Paris I, 839 pp.
- MOREL, B. (2000), 'Marseille: la naissance d'une métropole', [in:] BENKO, G. and LIPIETZ, A., *La richesse des régions*, Coll. Economie en liberté, Paris: PUF, pp. 479–503.
- MUMFORD, L. (1964), La cité à travers l'histoire, Coll. Esprit, Paris: Seuil, 781 pp.

- NORA, D. (1990), Les pionniers de l'or vert : Ils inventent le XXIe siècle, Paris: Grasset.
- PEYRONY, J. (2002), Le schéma de développement de l'espace communautaire, Coll. Territoires en mouvement, Paris, DATAR-La Documentation Française, 103 pp.
- PINOL, J. L. (2003), Histoire de l'Europe urbaine, Paris: Seuil, 2 vol., 987 pp., 907 pp.
- PUMAIN, D. (1980), Contribution à l'étude de la croissance urbaine dans le système urbain français, Thèse de doctorat d'Etat, Paris I, 492 pp.
- RALLET, A. and TORRE, A. (2007), La proximité à l'épreuve des technologies de la communication, Paris: L'Harmattan.
- REVIT (2007), Towards More Effective and Sustainable Brownfield Revitalisation Policies, 2nd Conference on Managing Urban Land, Dassau, Federal Environment Agency Germany and Berlin, Project Management Jülich, 697 pp.
- RITTER, W. (2000), 'Structure géographique des districts industriels', [in:] CROIX N. (ed.), *Des campagnes vivantes, un modèle pour l'Europe?*, Nantes: CESTAN/IGARUN, pp. 451–460.
- ROBIC, M. C. (1982), 'Cent ans avant Christaller... Une théorie des lieux centraux', *L'Espace Géographique*, 1, pp. 5–12.
- ROCHEFORT, M. (1960), *L'organisation urbaine de l'Alsace*, Strasbourg: Publications de la Faculté des Lettres de Strasbourg, 384 pp. (publication de sa thèse d'Etat).
- RONCAYOLO, M. (ed.), (1985), *Histoire de la France urbaine. La ville aujourd'hui*, Paris: Seuil, 671 pp.
- SANDERS, L. (1992), Système de villes et synergétique, Paris: Economica, 274 pp.
- SCHUMPETER, J. (1935/1999), Théorie de l'évolution économique, recherches sur le profit, le crédit, l'intérêt et le cycle de la conjoncture, Paris: Dalloz, 371 pp., réédition en 1999 de la traduction de 1935, de l'ouvrage Theorie der wirtschaftlichen Entwicklung, 2 édition de 1926.
- WALSH, J. (2007), 'Regional Development', [in:] BARTLEY B. and KITCHIN R., *Understanding Contemporary Ireland*, Dublin: Pluto Press, pp. 44–56.
- ZELLER, C. (2004), 'North Atlantic Innovative Relations of Swiss Pharmaceuticals and the Proximities with Biotech Arenas', *Economic Geography*, pp. 83–111.
- ZULIANI, J. M. (2005a), 'Firme-réseau et logique d'entreprise étendue: l'organisation territoriale du système Airbus', Cahiers Nantais, 62–63, pp. 119–129.
- ZULIANI, J. M. (2005b), 'Les services aux entreprises dans le réseau des villes moyennes du grand Sud-Ouest français: d'une organisation hiérarchisée à un maillage interurbain?', Sud-Ouest Européen, 20, pp. 51–63.
- ZULIANI, J. M. (2003), 'La diffusion des activités de services dans le réseau urbain de Midi-Pyrénées: un effet des logiques de branches?', Sud-Ouest Européen, 15, pp. 67–76.
- ZULIANI, J. M. and LERICHE, F. (2003), 'Airbus et les recompositions spatiales à Toulouse et Bristol', *Géographie et Cultures*, 48, pp. 61–80.
- ZULIANI, J. M. and JALABERT, G. (2005), 'L'industrie aéronautique européenne: organisation industrielle et fonctionnement en réseaux', L'Espace Géographique, 2, pp. 117–133.

#### EUROPEAN SPATIAL RESEARCH AND POLICY

https://doi.org/10.2478/v10105-011-0003-2

Volume 18 2011 Number 1

#### **Boris LEBEAU**\*

#### URBAN AUTHORITIES AND ECONOMIC SECTORS

**Abstract:** Taxation on businesses, which makes up two thirds of local authorities' revenues, urges them to widen the range of their economic interventions. The *communauté d'agglomération* Plaine Commune is one of the most dynamic in the Parisian metropolis and has had considerable expertise at their disposal for 10 years. In order to ensure their economic influence, they now endeavour to stimulate and even structure some economic industries. Unfortunately, a local tax reform in progress may well jeopardise the pattern of development which is presented in this article.

Key words: urban policy, economic development, Paris agglomeration.

In the country of Colbert, public power is always somehow involved with the economic development of territories. The creation of a vast pole of services – with more than 60,000 jobs – in La Plaine Saint-Denis is a recent example of the new forms of political intervention in economic affairs. These old industrial outskirts north of Paris owe their metamorphosis to the joint action of the State and local authorities. Businesses and property developers have never actually initiated anything in it. But the point of this paper is not to describe the role of public authorities in the matter of equipment and development of economic areas. All that is now widely known. What is far less known is the involvement of urban authorities in the very heart of the productive process of companies (Fache, 2009).

The *communauté d'agglomération*<sup>1</sup> Plaine Commune, comprising 8 communes and 345,000 inhabitants in the north of Paris, has a comprehensive range of interventions at its disposal. Whereas they used to restrict themselves to developing areas destined for economic activity, the *communauté* now manages

-

<sup>\*</sup> Boris LEBEAU, 99 av JB Clement 93 430 Villetaneuse, CRESC, Paris 13, France, e-mail:

<sup>&</sup>lt;sup>1</sup> A *communauté d'agglomération* is one of the different inter-municipal structures with fiscal power existing in France. La Plaine Commune is then referred to as the *communauté*.

42 Boris Lebeau

economic industries on its territory and even tries to structure new ones. They implement very concrete actions aiming at coherently organising the economic activity and at improving the competitiveness of local businesses. The issues of local employment and more than that the tax revenues acquired from companies (almost 180 million Euros per year) are their main motives.

This paper studies three sectors (textile, audiovisual, and environment) that are diversely structured and well established both in this territory and in the globalised economy. Through these examples, this article aims at showing how the *communauté d'agglomération* attempts to support or even adjust the productive practices of companies, these attempts being more or less successful. Besides, the announced reform of the local business tax is questioned throughout the article, for it will sever the financial link that has existed between the presence of companies and the tax collected by local authorities and therefore may well jeopardize this pattern of economic development.

# 1. THE TEXTILE INDUSTRY: THE DIFFICULTIES IN RECONCILING A LOCAL INDUSTRY WITH GLOBALISATION

The textile industry has been present in the area for a dozen years and is extremely well structured and set in globalisation, particularly so since it has been in the hands of a Chinese community from the city of Wanzhu. Established in the heart of former industrial wastelands, hardly exploited before in spite of their proximity to Paris, this industry, even though consuming much public space, brought in significant tax revenues to the *communauté*. This European wholesale trade centre has also offered international renown to the area, much welcome after a 30-year crisis. The policy implemented for a dozen years by the *communauté* has therefore been to support this industry and limit its nuisances. In order to achieve their ends, Plaine Commune has tried to rationalise the organisation of the textile industry. But its preservation is now jeopardized, by the *communauté*'s inability to contain problems, the scheduled mutation of the area towards higher education and research and the probable renouncement of the local business tax. The divergence between political and economic interests is also based on the growing cultural distance between all key players.

# 1.1. A Communauté and the Rationalisation of Economic Problems

When the city of Paris decided to give back to the pedestrians part of the Sentier neighbourhood in the late 1990s, it catalysed a movement of the textile industry towards the outskirts, namely La Plaine Saint-Denis, where wholesale dealers had owned warehouses for a long time (Montagné-Villette, 2004). These upheavals, coupled with the Chinese competition, have led the Sephardic community to give up the textile industry and take up more profitable business such as property instead. Owing to their ability to extend all productive functions on a worldwide scale, the Chinese community from Wanzhu has got a certain competitive advantage and now controls the industry, including design – some of it –, all of manufacturing – most of it done in China – and all of wholesale (Plaine Commune, IAURIF, Samarcande 2009). This story has resulted in a very clear allocation of roles and responsibilities, which has made the dialogue between the *communauté* and the industry players easier for some time. Wholesale dealers were responsible for the activity and its ensuing nuisances, whereas property owners were few and what is more had been known by the municipal councils for a long time.

Although situated far from city habitation, wholesale activity soon led to many problems due to its encroachment on public space and highway. Each day traffic problems provoked the clogging of the neighbourhood and its whereabouts, which would in turn give the area a bad reputation, despite its renown. In order to overcome this issue the *communauté* has established contacts with the different property owners so as to promote a better functional integration into the neighbourhood. Plaine Commune has therefore mobilised all their expertise to convince the property owners that their premises would be made more profitable if they adapted the estate supply to the activity. This collaboration has deeply modified the 'wholesale district' with the construction of two zones dedicated to the industry, allowing the different functions to be put together within a same building: show room on the ground floor, stocks on the first floor, and the parking of light vehicles on the roof. The loading of delivery vehicles can be done on designated sites, so as not to block the public highway.

But the success of this new real estate supply has had unexpected consequences, mass movement of the industry to La Plaine Saint-Denis. The number of companies has dramatically gone up since then and discounters are now purchasing all surrounding available warehouses. The activity is therefore spreading and totally escaping the control of public authorities because of the very same problem they fought, encroachment on public space.

#### 1.2. The Weakening Bond between Territory and Companies

Faced with these excesses – public highway littered with packaging, no respect for the rules of public space occupation – the *communauté* sometimes seems overtaken, and the bonds they manage to forge with the Chinese community are too fragile to help contain them. It is difficult to target the right person to talk to within this industry, not very hierarchical and in fact highly competitive, which

44 Boris Lebeau

does not favour dialogue. The company directors, however influential they might be, are always reluctant to take up the position of mediators who could impose some discipline within the industry. In the wholesale dealers' eyes, the rules of public space occupation can be enforced only through solid police repression. The *communauté* has no authority in the matter and is eventually stuck in practices very remote from the culture of dialogue that they have been striving to develop with the different economic forces for 10 years.

However, these nuisances will be dealt with strictly in the future because of the forthcoming tax reforms and of current urban transformations. Indeed, important development plans are taking shape all around the 'wholesale district'. A mall, several hundreds of housing units and a vast pole of higher education and research are being built. These new developments, bringing along a metro and a tramway, will inevitably increase the value of the area, which will then not agree with such activities. The owners of the warehouses that accommodate the textile industry today already dream of making highly profitable property deals connected with the economic and functional transformation of the area. Besides, their appetites have been whetted by the decision of the Ministry of Higher Education to entrust 450 million Euros to private sector operators for the building and management of the new university site. In such a context, in which the spreading of the activity and of logistic functions is the general trend, only a strong intervention by public authorities could help support this activity. And yet what could induce them to do so? Nothing.

The industry, which requires an important logistic base as well as a central location for showrooms, needs specific facilities more than ever. *L'Etablissement Public d'Aménagement de la Plaine de France* which is in charge of the development of the surroundings of Roissy Charles de Gaulle airport now seems interested in developing showroom activities around that major logistic hub. Could that be a more adequate location for the development of the textile industry?

As a conclusion, the *communauté* has rationalised the organisation of the industry. If they have been unable to manage the consequences, it is also due to the difficulty in maintaining productive activities in central areas. In hindsight one could also wonder if the elected representatives really want the industry to be established on a long-term basis. In fact its presence on the territory could be considered as a functional transition between industry and the planned expansion of the service sector. Be that as it may, this example highlights a fact: the relationships between territories and companies are always changing. It also shows how important cultural factors can be. In this case, bearing the mark of distance, they are hardly favourable to business. Two very differing perceptions of what lies behind the pair of words 'economy and politics' meet but do not coincide or even understand each other.

# 2. FROM SHOOTING SETS TO THE FUTURE 'CLUSTER OF CREATION': FIFTEEN YEARS OF PUBLIC SUPPORT TO THE AUDIOVISUAL INDUSTRY

Talking of support to this industry is an understatement: it has been granted funds for a long time and in various ways by public authorities. The financial backing, which accounts for the extensive French film production for that matter, has amounted to 78 million Euros these past four years in Ile de France only, and has enabled to support 311 films. This industry has been present in Plaine Commune since the mid 1990s and has been a real blessing for the area. Not only has it counterbalanced the consequences of de-industrialisation, it has also proven to be an important source of tax revenues, as well as a way to boost the image of these old industrial outskirts (Pellenbarg and Meester 2009). That is why the councillors have devoted themselves to creating the conditions of its preservation in the *communauté* for a long time. These efforts are now being taken over by the State: after securing the financing of Luc Besson's *Cité du cinéma* project, they intend to turn La Plaine Saint-Denis into a real centre of excellence in image and creation on a regional scale (within *le Grand Paris*, i.e. the Greater Paris project).

# 2.1. The Inter-Municipal Support Policies to the Industry

If the Eclair company<sup>2</sup> has been present in Epinay since 1907, most of the audiovisual activity has arrived in the area in the mid 1990s. Whereas the traditional shooting activity was concentrated in cramped premises in the 19th and 15th districts of Paris, the industry players have been lured by the vast unused warehouses on Paris's doorstep so as to set up all technical functions there. Obviously the contractors (production, broadcasting and distribution companies) have not been affected by the process and have remained circles confined to the most central neighbourhoods of Paris. The councillors, aware of this dependence upon Parisian decision-making centres, have rapidly become concerned to create the conditions for this activity to be preserved.

After a first meeting with all players of the audiovisual industry, the councillors have reckoned that the best way to develop and bring added value to this activity was to create an association assembling the main economic players and the local authorities. The *Pôle Audiovisuel Cinéma et Multimédia du Nord Parisien*, known as *Le Pôle*, now has more than thirty members, like the *Fédération des Industries du Cinéma de l'Audiovisuel et du Multimédia* (FICAM), the *Institut National de l'Audiovisuel* (INA), the TSF group, private schools like ICAR and SAE (School Audio Engineering), as well as three local

<sup>&</sup>lt;sup>2</sup> The Eclair company is the biggest film editing and film restoration laboratory in Europe.

46 Boris Lebeau

authorities: the *Communauté d'agglomération* Plaine Commune, the commune of Saint-Ouen and the *Conseil Général* of Seine-Saint-Denis.

Admittedly, it is financed up to 90% by public authorities and the office of President is held by the mayor of Saint-Ouen. Still, the choice of an association as a structure, coming under private law, permits to establish real and not hierarchical partnerships between its different members. It also offers operating flexibility that a public structure can not match (Lebeau, 2006).

The first purpose of *Le Pôle*, which now employs three full-time staff, is to strengthen the visibility of this Parisian audiovisual pole. This objective is obviously not devoid of political interests since it also helps enhance the image of the area as a dynamic and economically attractive one. Another purpose is to stimulate the industry by building some cohesion between the different players. To achieve that end, *Le Pôle* has set up a film committee, which makes an inventory of all shooting sites and shooting companies on the territory, consequently helping local companies access new productions and therefore new markets. The committee also makes an inventory of make-up, costume and editing companies. As a result, the whole chain of production is developed and the appeal of the area is strengthened (Lebeau, 2006).

Table 1. Evolution of the number of companies and staff in the audiovisual industry in Plaine Commune between 1999 and 2006

Specification	1999		2006		Δ 1999/2006	
Specification	companies	staff	companies	staff	companies	staff
Entire audiovisual industry	72	1204	112	2035	+55%	+69%

Source: Plaine Commune Economic Affairs Division.

Numerous difficulties have emerged as a result of dialogue within *Le Pôle*, especially the recurring skills shortage. It has led the political and institutional forces to turn to the education authorities and negotiate the creation of a higher training course in cinema studies. Set up within the Lycée Suger high school, this course now forms a source of skilled staff for the industry companies.

To sum it up, local authorities promote and stimulate the industry by means of this association, *Le Pôle*. Their policies contribute to opening up new markets to local companies and favour the conditions of their development (Markowski, 2004). This partnership has also allowed a sector, the audiovisual industry, to be established on a long-term basis, a sector which has now matured enough for large-scale projects.

# 2.2. The Future 'Cluster of Creation': A Highlight within Le Grand Paris

This shooting activity, dependent on outside contractors as it may be, remains a sector of technical and artistic innovations that tend to assert themselves and gain clarity. This was not lost on the film director and producer Luc Besson who plans to set up his future *Cité du Cinéma* there. By grouping together artistic and technological companies as well as nine shooting sets on the 16-acre land of a former thermal power plant, Luc Besson wants to provide France with major facilities modelled on the Pinewood studios in Great Britain. He intends to build a tool to develop the French film production on a large scale. However, if the initiative is private, it has been saved only by public authorities that have guaranteed the financing of the project by means of the main state bank, the *Caisse des Dépôts et Consignations*. The agreement with the banking institution has even been directly negotiated by one of the President's closest advisers.

The interest shown for the industry by the highest levels of government has seemed unfailing ever since, seeing that the Secretary of State in charge of Le Grand Paris announced last spring that he wanted to turn La Plaine Saint-Denis into a 'cluster of creation' so that the industry here meets international standards. The phrase may not paint a complete picture, however it signals a new and strong commitment by the public power to support and stimulate the industry. The Secretary of State, who considers creating new metro lines for Paris and its suburbs, wants them to interconnect in the heart of the future pole, which would thus be endowed with a central place in the Grand Paris territorial system. If the State makes Plaine Commune a partner in the project, (as they seem to resign themselves to), the combination of the State's financial and technical means and the communauté's experience could turn out to be extremely fruitful. Indeed, in this matter incantation is not enough for things to be carried out. If the State wants to be successful, they would be wise to let themselves be guided by the work already accomplished by the communauté, which, far from imposing their view of urban development, is always looking for the right consensus to stimulate and organize the industry the best they can, in the interest of the area.

In conclusion, the audiovisual sector is the example of a successful union of a new kind between economic and political spheres. Far from being confined to a financing policy, urban authorities break new grounds and interfere in the very heart of the industry thereby creating a in situ stimulus (Micek, 2004). The policies of the *communauté* are tremendously different from the grant-in-aid principles and build the conditions for endogenous development, which is a guarantee of greater autonomy for the industry.

#### 3. THE ORGANISATION OF 'ECO-INDUSTRIES'

The activities of waste retrieval and recycling existed in the area as far back as the nineteenth century, when metal, household waste, animal carcass and fat were recycled. In spite of the stigma attached to them, the *communauté* wants to keep them on its territory and even strives to structure them into a real industry. This will, far from forming consensus, divides the majority between those who feel these activities might be a good chance for local employment and others reluctant to any kind of nuisance. These political divergences and the uncertain fiscal context condition the future of this economic project.

# 3.1. From the Will to Structure an Economic Industry...

150 companies are listed on the territory, employing nearly 2,000 people, working either on water treatment (50%), waste collection and treatment (25%) or pollution measure, control and engineering (25%).<sup>3</sup>

Waste collection and treatment companies are not the most numerous but pose most problems. They occupy important surface areas (from 5 to 15 acres) and do not fit well into the social fabric because of the noise, visual and even odour pollutions they generate. However, they remain a source of unskilled jobs for the local population and pay tens of million Euros in business tax to the *communauté* each year. Besides, these companies have an environmental utility and are connected to big size transport infrastructures (canal, railway), allowing them to process big volumes with little recourse to road traffic. Even if they have low financial profitability and are under strong social and urban pressure, the *communauté* has taken a gamble preserving and developing them.

To reach their aim, Plaine Commune is working in different directions. First of all, they are thinking about grouping collection and recycling companies together in tailored 'eco-parks' in order to make their integration in the city and the landscape easier. This step also aims at 'mutualising' many facilities like heating or electricity production systems. The *communauté* would like to make the companies more dependent upon each other, somehow like industrial districts but with the new idea that the waste produced by some can be exploited by others. The implementation of the principles of a 'carbonless economy' or an 'industrial ecology' depends on economic voluntarism. It requires a leader endowed with acute technical skills and with appropriate institutional prerogatives. This role could be shouldered by a specialised operator but in France it can not be done without the local authorities that have extended powers as regards land use planning and economic development.

\_

<sup>&</sup>lt;sup>3</sup> Percentage of turnover generated by each branch of the sector.

Plaine Commune would like to be more innovative and favour the expansion of new industrial outlets in connection with its own urban renewal project. The communauté and the State have signed an agreement mobilizing 1.2 billion Euros to renovate some of the many social housing neighbourhoods it is made of. These renovations, calling for much demolition and rebuilding, are the source of a great quantity of waste, that Plaine Commune would like to exploit through a specialised and structured industry. Such an industry is sorely lacking in France, where only 15% of building waste is recycled compared to 80% in Germany. This lack of a proper recycling industry for building and civil engineering waste deeply influences the price of new construction, which is on average 25% higher in France than in the Netherlands or in Germany. This additional cost has a negative impact on public funds because the developing operations balance sheets are showing losses. The communauté, which builds more than 1500 housing units a year, is the first victim of this. Therefore the will to make up for this lack is highly justified. But if the *communauté* can provide suitable conditions for such an industry, they can be no substitute for economic forces to implement it on practical terms. Still, they try to act as an interface between the different companies of the area so as to favour this expansion. For example, they consider using waste from the textile industry as insulation material and are currently working on technical assessments.

Another requirement for these activities to perpetuate and develop is labour force turnover. It is estimated that half the staff will need to be replaced within ten years. That is why Plaine Commune is mobilising all their expertise in the field of employment and integration in order to offer suitable provision of training. Finally, the *communauté* organises many meetings between inhabitants and industries to favour dialogue, defuse conflicts and soothe the social pressure that spontaneously rejects such activities.

Setting up industries in the field of environment, recycling and 'eco-design' has obviously a systemic component. Local authorities, which plan land use, equip, develop and forge ties with the economic and training spheres, are fully competent to play the coordination role necessary for the development of such industrial principles. However, faced with the complexity of the task, the growing rejection of industrial activities by the population and by environmentalists and the uncertainty concerning the business tax, success in this matter can not be taken for granted.

#### 3.2. ...to the Contradictions of Urban Ecology

If Plaine Commune wants to keep these activities in the area for now, yet their migration to remote suburbs could well be hastened by many factors: nuisances, lack of integration in the urban fabric, fears and rejections and their soon-to-be low fiscal profitability.

50 Boris Lebeau

With the probable disappearance of tax revenues, some elected representatives, among them the Greens, express their opposition towards these industries more openly and even willingly bring up new threats of pollution. They prefer research and engineering consultants specialised in de-pollution and environment, which often get the population's consent. The future of the canal banks is an issue that recurrently crystallise these political conflicts. Some would like the canal to remain useful for industries – namely for the transportation of building materials – whereas others would rather turn it into a residential and leisure area. The same debate prevails about some disused railway stretches.

But if the will to improve the quality of these spaces might seem commendable, yet there is undoubtedly a contradiction between the wish to remove those activities farther away and the principles of sustainable development. Making these alternative transport infrastructures inoperative and taking the waste treatment places away from waste production places automatically increases road traffic. In this matter, some real education on urban ecology needs to be set about so that councillors and residents understand that removing industries from one's sight does not make their effects disappear and that holding them back turns out to be much more detrimental to the environment than integrating them into the city.

If the *communauté* overcomes their political disagreements and leads this project successfully, they could prove how useful local authorities can be to implement the principles of urban ecology. But the task ahead is huge and the *communauté* may well leave the 'eco-industries' to the market forces, unless they recover the investments they made through tax.

#### 4. CONCLUSION

In order to make their territories more attractive, public authorities have recourse to many initiatives relying on more and more acute knowledge of productive logics. By opening up markets to companies or by taking care of their recruitment, the *communauté* is an essential economic ally for some industries. Whereas they used to restrict themselves to creating the conditions for territorial integration, they now gradually become a real growth factor for companies.

Yet the pattern may well be jeopardised by the will to suppress the business tax. In Plaine Commune, business tax revenues grow by 5% a year due to new companies. Even if it was entirely compensated for by the State, the reform would break the dynamics induced by the tax and the *communauté* expects their investment capacity to be cut in half. The purely dogmatic adherence to liberal formulas that aim to keep on lowering the tax burden for businesses may well have unexpected counter-productive consequences. What companies will gain in

taxes may well be lost on a proper economic level. Whereas local authorities have created favourable conditions for companies to set up, nothing ensures that they will keep on supporting the operating expenses and the nuisances induced by these industries. Activities are already being selected along more or less implicit mechanisms according to their level of nuisance and to the reputation they might give to the area, as the examples studied in this article show. The metropolitan mechanisms that tend to reject the least dignified productive functions towards the periphery may well triumph to the detriment of the principles of sustainable development and of the least skilled and the least mobile populations, unless the public power intervenes.

#### REFERENCES

- FACHE, J. (2009), *Acentralité spatiale: de la centralité théorique au projet territorial*, Thèse d'habilitation à diriger des recherches, sous la direction de S. Montagné-Villette, Université Paris 13, 291 pp.
- LEBEAU, B. (2006), 'De la complexité des entreprises à l'innovation des territoires institutionnels', *Les Cahiers Nantais*, 62–63, pp. 43–50.
- LEBEAU, B. (2010), 'Recensement de la population 2006, les premières grandes tendances à plaine commune', *Saint-Denis... au fur et à mesure...*, 54.
- MARSHALL, J. N. (1994), 'Business Reorganization and the Developpement of Corporate Serices in Metropolitain Areas', Geographical Journal, 160, pp. 41–49, European Spatial Research and Policy, 14, pp. 116–128.
- MARKOWSKI, T. (2004), Challenge for Management of Polish City Regions in an Internationnal, National and Regional Context' [in:] GÖK, T. and MARSZAŁ, T. (eds), Urban and Regional Development – Concepts and Experiences, Studia Regionalia, 14, pp. 117–128.
- MICEK, G. (2004), 'The Changing Geography of Business and Producer Services at the Intraurban Scale: The Case of Cracow', *European Spatial Research and Policy*, 11, pp. 99–115.
- MONTAGNÉ-VILLETTE, S. (2004), 'The Economic Revival of the North Periphery of Paris', *European Spatial Research and Policy*, 14, pp. 153–163.
- MONTAGNÉ-VILLETTE, S. (ed.), (2004), Seine Saint-Denis: les Mutations, Paris : l'Harmattan, 115 pp.
- INSEE (2009), 'Plaine Commune, un Pôle d'Emploi qui s'Affirme, Entraînant de Nombreux Echanges Domicile-Travail', *Ile-de-France à la page*, 316, 6 pp.
- PELLENBARG, P. H. and MEESTER, W. J. (2009), 'Regional Marketing to Change Regional Images: The Example of the Groningen Province', *European Spatial Research and Policy*, 16 (1), pp. 23–39.
- POMMOIS, C. (2004), 'The Retailing Structure of Prague from 1990 to 2003: Catching up with the Western Cities?', *European Spatial Research and Policy*, 11, pp. 117–133.
- PLAINE COMMUNE, IAURIF, SAMARCANDE (2009), Etude sur le commerce de gros, spécifique à Paris et Plaine Commune dans le quartier de la Porte d'Aubervilliers, 22 pp.
- PLAINE COMMUNE (2002), Immobilier d'entreprises, Document interne, 101 pp.
- PLAINE COMMUNE (2000), Charte intercommunale de développement et d'aménagement de la Plaine Saint-Denis Elargie, 20 pp.

#### EUROPEAN SPATIAL RESEARCH AND POLICY

https://doi.org/10.2478/v10105-011-0004-1

Volume 18 2011 Number 1

# **PART II**

# ARTICLES

Mona HEDFELDT\*, Gun HEDLUND\*

# A CLASH BETWEEN THE BUSINESS AND POLITICAL CLIMATES IN SWEDEN – GENDER IN THE EUROPEAN STRUCTURAL FUND PARTNERSHIPS

**Abstract:** In this paper we highlight and discuss a Swedish equality paradox in two different spheres: entrepreneurship and politics. We focus on the EU Structural Funds and women entrepreneurs' access to resources through the European Regional Development Fund (ERDF). Combining human geography and political science, we draw upon network and partnership theory posing questions concerning the room for manoeuvre for women entrepreneurs to gain access to relevant networks, to create new networks in order to establish relations with EU related partnerships, and to gain access to the process of allocating EU structural fund financial resources.

**Keywords**: European Structural Funds, partnerships, entrepreneurship, gender, women, room for manoeuvre, networks.

# 1. INTRODUCTION

There is an obvious gender-equality paradox in Sweden regarding two different spheres: entrepreneurship and politics. Sweden is ranked 23rd of the 25 EU member states regarding self-employed women and in first place concerning women's political representation. In the discussion on economic growth and innovation in the EU and national policy, the improvement of women's entrepreneurship is stressed. Entrepreneurship and politics for regional development and innovation are supposed to interact, according to the policy of the EU's structural funds. The idea of the Open Method of Coordination (OMC), with its

<sup>\*</sup> Mona HEDFELDT, \* Gun HEDLUND, Centre for Urban and Regional Studies, Örebro University, Sweden, e-mail: mona.hedfeldt@oru.se; gun.hedlund@oru.se

<sup>&</sup>lt;sup>1</sup> This changed as a result of the entrance to parliament of a new male dominated right-wing party (18 men 2 women) in the election September 2010.

reliance on learning and networking (Homeyer, 2007), serves as an ideal for different regional partnerships. The Swedish case raises the general question whether regional structural fund partnerships may create a space for gender-inclusive networking between entrepreneurs and politicians.

Sweden's small share of self-employed women is partly explained by its strongly gender-segregated labour market. The post-war expansion of the welfare state combined with urbanisation resulted in women mainly working within the public sector. Other factors are the gendered discourses on entrepreneurship in daily life, which have disadvantaged women (see e.g. Ahl, 2002; Pettersson, 2002), as well as the gendered conditions under which men and women run (or do not run) businesses (see e.g. Berg, 1994; Hanson and Blake, 2005). The expansion of the welfare state has, on the other hand, also been regarded as a cause of women having entered the public sphere of politics (Haavio-Mannila et al., 1983; Hedlund 1988, 1996). Since the breakthrough in the 1970s, a gendered division of labour has resulted in 'male' and 'female' policy areas, with men being active in the areas of economics and business, and women in social and cultural affairs (Wängnerud, 1998). Using Anna Jónasdóttir's distinction between gender-related presence and content in politics, the level of gender segregation has decreased in formal representation in the 1990s (Jónasdottir and Jones, 2009). A masculine norm does, however, exist in the content of innovation policy, as is visible in discourses on clusters, entrepreneurship, and innovation, as well as in prioritised fields of business (Blake and Hansson, 2005; Pettersson, 2002; Lindberg, 2008a, b). Challenging this norm in order to promote the interests of women as entrepreneurs will demand the inclusion of new groups in areas where politics of redistribution takes place (Jónasdóttir and Jones, 2009).

In economic geography, geographical differences in entrepreneurship and regional economic success have been discussed using terms such as industrial districts, local milieus, and agglomeration (Asheim, 2000). Historical traditions, tacit knowledge, and local buzz all affect the local business climate, and social capital are often ascribed an important role. According to Molyneaux (2002), social capital – a contested concept in the social sciences – is strongly gendered, especially when it comes to exclusion and inclusion. She problematizes the fact that governments are often keen to mobilize women in their community-development programmes (Molyneaux 2002, p. 177).

Even in studies of political representation, distinct geographical variations in gendered representation have been found (Lindgren and Vernby, 2007). A tradition of higher education, women's access to public services and the labour market, a lack of strong local patriarchal culture, and women's agency are factors that seem to improve the position of women in politics (Hedlund, 1996; Forsberg, 2000).

The inequality of the conditions under which men and women run businesses has been recognised by successive Swedish governments during the last fifteen years. These obstacles must be made a part of politics, and the question is who will do so? One crucial relation worth mentioning is that between women representatives involved in innovation policy and women entrepreneurs themselves (Philips, 1995). The process whereby the interests of self-employed women are identified and articulated and the arena in which this takes place are also crucial.

The escalating political interest in entrepreneurship and self-employment is part of a shift within Swedish regional policy. In line with EU policy, regional development policy has changed its focus from a national redistribution among regions to a decentralised economic growth policy with competing and independent regions (Frisk, 2008, pp. 47–54; Hudson, 2005, pp. 311–327). From a gender perspective, one of the main concerns is how regional policy is implemented through partnerships.

The aim of this article is to analyse and discuss gender inclusiveness in European Regional Development Fund Partnerships (ERDF) with a particular focus on women entrepreneurs. We do this by studying four different regions in Sweden selected for their regional variations in *climate of entrepreneurship* and *gender-equal entrepreneurship*. Our analytical approach combines structural and agency perspectives as a platform for posing and answering the following questions:

- 1. What room for manoeuvre do women entrepreneurs possess to gain access to relevant networks and/or to create new networks in order to establish relations with EU partnerships?
- 2. What room for manoeuvre do women entrepreneurs possess to gain access to the process of allocation of EU structural fund resources?

Following this introduction, two policy-related concepts that are crucial for our empirical study are briefly presented: networks and partnerships. In the third section we present our multidisciplinary theoretical framework relating gender, partnerships, and regions to the three concepts *room for manoeuvre, political climate,* and *institutionalisation*. We then demonstrate our empirical analysis of the European Structural Fund Partnerships in the four selected regions. Finally, we conclude by summarising our study, and discussing the relations between agency and structure as an avenue for further research.

## 2. PARTNERSHIPS AND NETWORKS

Conceptually and in practice, partnerships are closely linked to a new perspective concerning the role of the State and politics in modern society. Traditional political decision-making and control are considered inadequate to handle

complex problems. A great number of different partnerships and networks can be identified where the State is only one of many players seeking solutions (Hysing 2009). Partnerships differ from informal networks as they often have a formal status based on the idea of a win-win situation among the participants who are supposed to strive for a common goal and problem definition. 'From government to governance' is a storyline often quoted in social science research (Pierre and Peters, 2000; Hedlund and Montin, 2009; Svensson and Nilsson, 2008). 'Government' represents a hierarchical chain of control with imperative decisions. 'Governance', on the other hand, designates authoritative decisions arrived at through 'negotiations'. Multi-level governance is a term that depicts how local development in a small municipality can be intertwined with negotiations in Brussels on regional structural funds. Private-public partnerships and network politics raise questions about the impact on certain fundamental values of representative democracy (Elander, 1999, 2002). Often there is a close link to the ideas of inclusive planning and deliberative democracy, in which different groups, so-called 'stakeholders', meet. If a partnership includes the relevant players within a specific area, and they meet as equals, then perhaps we can speak of 'deliberative' or 'discursive' democracy (Dryzek, 1990).

We assume that it is important for women entrepreneurs, defined as stakeholders, to have opportunities to establish relations with networks surrounding structural fund partnerships in order to gain access to the process of allocating structural fund resources. The importance of networks and contacts for business owners and entrepreneurs is emphasized in research on entrepreneurship as well as geography (see e.g. Aldrich and Brickman Elam, 1995; Johannisson, 1996, 2005; Renzulli, Aldrich and Moody, 2000). There seem to be a homosociality among men to bond, interact, and establish contacts with people who resemble themselves (Hanson, 2000; Hamrén, 2007; Hedlund, 2008). At the same time as weak ties – in networks (Granovetter, 1973) and bridging networks (Putnam, 2000) – can help entrepreneurs gain access to resources that they do not have at their own disposal, exclusion mechanisms in social networks can obstruct the possibility to develop necessary contacts and compete on an equal basis.

The policy dissemination of the partnership concept has been more successful in Sweden than Great Britain (Bache and Olsson, 2001). The EU has played an important role through its structural fund policy. During the period 1995–2007, critical assessments and evaluations have exposed the partnership processes as a male-dominated project run by public officials (Hedlund, 2008; Horelli and Roininen, 1999; Hudson and Rönnblom, 2007; Lindsten *et al.*, 2001; Rydstedt, 2006; Westberg, 2008). Local authorities and county councils nowdays play a more prominent role while different stakeholders are excluded (Hedlund, 2008). Evaluations have criticised the lack of horizontal objectives (gender equality, integration, and the environment) in the programmes. It is not clearly

formulated what kind of gender equality – gender mainstreaming in all kinds of projects or gender-fair distribution of structural fund resources – that is intended to characterise the policy process (Bacchi, 1999).

#### 3. THEORETICAL PERSPECTIVES

Room for manoeuvre, political climate, and institutionalization are useful concepts for the theoretical development of governance studies (Prins, 2000). A Dutch study finds it important that the interaction between women's movements and the state machinery (and the EU machinery, in our case) works, and that the interaction is built on mutual trust. A flexible combination of authoritative top-down steering and the coordinative steering of different networks is the most suitable process in potentially controversial policy areas. We will use these theoretical concepts introducing a dual concept of climate: political climate and entrepreneurial climate.

#### 3.1. Room for Manoeuvre

Prins (1993, p. 78) defines room for manoeuvre as

... the relation among actors themselves as well as between actors and the institutions involved [...] The relations between actors – the interactions which influence behaviour, that is, by extending or limiting it – and institutions determine the freedom of manoeuvre. Together these determine the room for manoeuvre, which can vary in time and is also dependent on the sort of actors and institutions which are involved in the discussion.

Our operationalisation of this definition is the opportunities for women entrepreneurs to gain access to relevant networks and/or to create new networks in order to establish relations with EU partnerships and the process of allocating their financial resources.

Gender is a factor that affects the room for manoeuvre of entrepreneurs. The notion of an entrepreneur as being male and involved in a male gender-coded business affects women entrepreneurs and women aspiring to start businesse (Scholten, 2003; Nutek, 1999). Also the notion of economic growth and innovation policy as being a male domain may affect the space for creating networks between women in politics and women entrepreneurs. The room for manoeuvre to create gender-inclusive networks in politics seems to have grown as the gender segregation has decreased. Also, women politicians in top positions really do represent women's interests in employment policy (SCB, 2008; Lindgren and Vernby, 2007).

# 3.2. Entrepreneurial Climate and Political Climate

Studies and reports on entrepreneurial climate often apply a geographical perspective, and sometimes (but not always) a gender perspective. Combining two different indexes of entrepreneurial climate in Sweden gives us four categories into which we can sort four counties displayed in figure 1.<sup>2</sup>

Gendered entrepreneurial climate should include social structures and social infrastructures according to Danilda (2001) and Forsberg (1997, 2000). One of our chosen regions, Jönköping, contains the small municipality Gnosjö, which has been the subject of several studies on successful entrepreneurship and industrial districts (see e.g. Johannisson, 1996). Feminist research reveals other images of the region; un-equal gender structures (Forsberg 2000) and a local male gender-coded entrepreneurship (Pettersson 2002; Wigren 2003). This lead us to the conclusion that entrepreneurial climate is an elusive, yet gendered and geographical concept (cf. Hedfeldt, 2008).

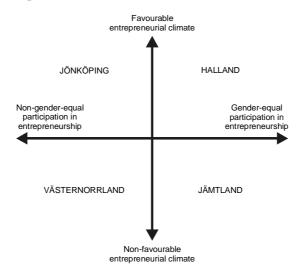


Fig. 1. Regions chosen for further study

Source: Svenskt Näringsliv (Confederation of Swedish Enterprise), 2007; Företagarna (The Swedish Federation of Business Owners) 2008

\_

<sup>&</sup>lt;sup>2</sup> The four regions are ranked differently in the two indexes. Jönköping (1) and Halland (2) keep the two top-positions in the index entrepreneurial climate while Västernorrland (18) and Jämtland (19) are in the bottom of the list of 21 counties. The index includes the following variables: the quotient of male/female entrepreneurs, age structure, women in male dominated branches, and the density of entrepreneurs in the female population (official statistics from Statistics Sweden. In the other index, gender equal business climate, Jämtland (2) and Halland (6) are ranked among the top ten while Jönköping (12) and Västernorrland (19) are placed among the bottom ten. The variables are: attitudes to the local climate among entrepreneurs, local taxation, privatization of public service, employment, share of entrepreneurs in the population, establishment of new entrepreneurs.

In studies of gender and political climate some conclusions recur frequently (Bergqvist, Adman and Jungar, 2008; Eduards, 2005; Hedlund, 1996; Lovenduski and Norris, 1996), for instance that politics is generally a male-dominated arena and that a combination of structural and agency factors may explain national, regional, and local variations of gendered representation. Eduards (2005) concludes that the resistance to women's inclusion often involves an assumption of gender neutrality and consensus. To point to men as a category or group and openly discuss their advantages or responsibilities is 'forbidden'. Gender conflicts are not unusual in Swedish politics and the conflict dimension itself consists of men's often subtle and hidden collective resistance to the participation of women. This seems to testify that the norm of consensus is problematical from a power-related gender perspective (Karlsson, 1996; Larsson, 2004).

The EU's 'soft steering' and the OMC method investigated by Dasi (2007) and Zirra and Buchkremer (2007) aim to incorporate a gender perspective into national and regional policy (Hudson and Rönnblom, 2007). Referring to Prins's analysis of how to avoid governance failure, it is apparent that a gender-inclusive, authoritative, top-down form of steering does exist in regulating procedures of the OMC process. The male-oriented innovation discourse and its narrow definition of economic growth, which favours male-dominated business, creates a more complex picture (Blake and Hansson, 2005; Lindberg 2008a, b). Prins's notion of the importance of horizontal steering of different networks creates an even more complex picture, which leads us to *institutionalisation*.

# 3.3. Institutionalisation

The EU's Structural Funds have practised the Open Method of Communication, OMC, as an ideal model of steering (Homeyer, 2007, pp. 45–46). Gender equality is stressed as one of the horizontal objectives in steering documents. In real-world application, OMC has displayed significant national differences. In the Swedish case, most of the 1.33 billion Euro is allocated to the European Regional Development Fund (ERDF) to finance measures within the objective 'Regional Competitiveness and Employment' during the period 2007–2013. As state feminism has kept its institutions (Bergqvist, Adman, Jungar, 2007), the principle of gender mainstreaming is integrated within the government's steering of the regional structural fund programmes and their partnerships. The composition of the partnership boards and their supervisory committees is strictly regulated and accords with Swedish political culture (SFS 2007).<sup>3</sup> The gender

<sup>&</sup>lt;sup>3</sup> The boards display some variations depending on size and regional structure. 8–10 persons represent the municipalities; 3–4 persons represent the labour market (business and unions), one person civil society, and 2–3 persons state administration at the regional level.

mainstreaming policy and inclusion of business representatives may thus create room for manoeuvre for women entrepreneurs' networks. Consensus and common goals should be the main guiding principles in the partnership (Rydstedt, 2006). We refer to the following definition in discussing the inclusion of women entrepreneurs:

Institutionalization is not only a question of 'structures', but also of those formal and informal processes in which actors and factors interact with each other. [...] Without the 'willingness' to accept certain agreements and procedures, institutionalization will only partially be successful. (Prins 1994, p. 78).

The present regionalisation process creates a lack of institutionalisation called the 'regional mess' (Stegmann McCallion, 2008, p. 587) with 40 different central state actors and 38 different regional 'maps'. Sweden has a 'fragmented growth- and development policy as well as weak and unclear regional organization of society' (SOU 2007, p. 18). The rhetoric of 'Europe of the regions' seems to be used by domestic actors to provide resources which can cause a redistribution of power in the national context (Stegmann McCallion, 2008, p. 588). Sweden's entry into the EU and a push for reforms from below intertwined with decentralization of Swedish regional policy occurred during the same period. Stegmann McCallion's nine identified key actors (men from different levels in administration and politics) seem to represent the 'male networks' which may create gender barriers in regional development and innovation policy (Bull, 2001; Forsberg and Lindgren, 2010; Lindberg, 2008; Westberg, 2008). Another lack of institutionalisation is the refusal of the Confederation of Swedish Enterprise and the Swedish Federation of Business Owners to participate in the partnerships.4 A third factor is the short-term nature of the projects run by the Resource Centres for women.

# 4. THE FOUR INVESTIGATED REGIONS AND THE REGIONAL MESS

Many actors such as the County Council, County Administration Board, municipal associations, and central state agencies contribute to creating the blurred situation in the regional/meso administrative level (Stegmann McCallion, 2008). The County Council is mainly responsible for health and care, and the County Administration Board is the state regional agency with a historically prominent role in the planning and distribution of resources for regional development. It seems as if the organisation of the EU structural funds provided

.

<sup>&</sup>lt;sup>4</sup> Telephone interview 28th May 2009.

a 'tool box' for how to create new regional development associations which are steered by a council of non-directly-elected representatives, called regional development councils (RDCs). These municipal associations have limited power and prestige even though they do play a role in coordinating between regional growth programmes and EU regional structural fund programmes. Instead they can be seen as a solution whereby the central state is withdrawing from its previous attempt to redistribute power to the regional level (Hedlund and Hedfeldt, 2009; Stegmann McCallion, 2008). In the regions where no RDC is established, the County Administrative Board is involved in the coordination of the different programmes. Two of the selected counties in our study (Halland and Jönköping) have RDCs which may pave the way for gender-inclusive networking in relation to the structural fund partnerships. Two of the four regions investigated belong to the partnership Mid-North Sweden and the others to Småland and the Islands and West Sweden respectively. From a political and an administrative point of view, these partnerships differ in terms of how they relate to their regional surroundings.

### 4.1. Agents

Primarily, we focus on five central agents involved in different and criss-crossing networks related to the structural fund partnerships and women entrepreneurs: the Swedish Agency for Economic and Regional Growth, Resource Centres, the Swedish Federation of Business Owners, the two Regional Development Councils (RDCs), and the County Administrative Boards in the regions with no RDC. Our empirical data consists of 32 interviews with persons related to these agents, structural fund applications from the period 2008–2009 and official documents on the partnerships.

Since 2007 the Swedish Agency for Economic and Regional Growth has been handling the legal and formal aspects of the applications to the structural funds in specific regional administration offices. Representing the central state administration, it has for more than 15 years promoted women's entrepreneurship at a national level. It has also hosted a national programme during more than 10 years to develop Resource Centres for women operationalized at regional and local levels. The multilevel structure and the mix of different actors involved make the Resource Centres (RCs) an example of governance. The RCs aim to improve the situation and opportunities for women (not only women entrepreneurs) and to promote women's participation in regional development processes. There are severe limitations in the actual room for manoeuvre of RCs in regional development processes (Scholten, 2003; Nutek, 2004; Tillväxtverket, 2009). Due to an unclear commission from the Swedish Agency for Economic and Regional Growth, other agents have difficulties relating to them. The short-

term nature of RC projects makes it even more difficult for them to become established agents that can influence structures and process such as Regional Growth Programmes and Regional Development Programmes. Furthermore, RCs are obliged to cooperate with other agents while reciprocal obligations do not exist.

The allocation of state resources for regional development is the responsibility of the newly established RDCs in the South, and the County Administrative Boards in the North. In both cases they also have a role in coordinating project ideas and initiatives and handling applications to the structural funds.

The Swedish Federation of Business Owners represents the entrepreneurs themselves. It is a women-led organisation which has taken a stand for women entrepreneurs and made statements on the gendered conditions for entrepreneurs in media (Lindberg, 2008a). The federation does not participate in the partner-ship boards of the EU structural fund programmes due to its being considered a formal state authority according to the government bill. However, it is represented in the supervisory boards presented by the state authority as individual business owners in order to "create the image of an active and involved business community".<sup>5</sup>

# 4.2. Looking for Women Entrepreneurs

We will now investigate the different counties Jämtland, Västernorrland, Halland and Jönköping. We define representatives of women in business as women who represent business, rural, and Sami organisations; women's regional resource centres; and women with personal experience of entrepreneurship or business. This definition includes women politicians with a personal background in business or experience of this policy area.

The two northern regions, Jämtland and Västernorrland, have, partly as a result of local conflicts, not been active in the current bottom-up regionalisation process (Länsposten, 2nd June 2009). The gender equality expert in the County Administrative Board of Jämtland states that she has been 'extremely active' in influencing the writing of the structural fund programme, though without success; male dominated branches dominate the operative part of the programme. These two traditional County regions belong to the same EU structural fund partnership, Mid-North Sweden, and the 23 representatives (11 women and 12 men) are, according to the government bill, selected according to different quotas: local/regional politics, labour market organizations, state

<sup>&</sup>lt;sup>5</sup> Telephone interview, 28th May 2009, the Swedish Federation of Business Owners.

<sup>&</sup>lt;sup>6</sup> Telephone interview, 28th May 2009, Gender Equality Expert at the County Administrative Board of Jämtland.

authorities, one NGO, and two representatives of the Sami ethnic minority group. The regional network of women which seems to be available in this institution is dominated by women holding key-positions in the public sector: state authorities and regional or local politics. In the supervisory board which oversees two different EU structural fund partnerships we find no women representing entrepreneurs from these geographical areas. Of a total of 69 members of the partnership and the supervisory board, we find three women from the two northern regions, representing trade and craft, farming, and reindeer breeding respectively.

In the south of Sweden the two regions Halland and Jönköping are active in the regionalisation process and have created RDCs. They belong to two different EU structural fund partnerships. The representatives are selected according to the same quota principle as in the north. In the structural fund partnership West Sweden and its supervisory board, to which Halland belongs, we find no local women entrepreneurs. In the other structural fund partnership, Småland and the Islands, we find the same situation for the region of Jönköping. Networking for self-employed women in the two southern regions seems to be even more dependent on contacts within the public sector. As in the case of the northern structural fund partnership, the southern partnerships include a group of women holding key positions in politics and state administration. Three of these are situated in the regions of Halland and Jönköping. Thus the establishment of RDCs has not opened the doors to positions of power for women entrepreneurs. Of a total of 81 representatives in the EU related institutions, we find no women entrepreneurs from the regions of Halland and Jönköping.

# 4.3. Networking

In both north and south, when asked who in the partnerships they might network with to be able to initiate project planning and applications for funding, women entrepreneurs mainly mention women, and in some cases a man, in public administration or politics. Businesswomen in top positions in some cases find that otherwise potentially useful networking with male politicians in key positions in the partnership would be a waste of energy. The complicated path into the application process is a hindrance since consultants are not used in ERDF.

There are well developed and established women's networks in all four regions connecting state and regional civil servants, local politicians, and women entrepreneurs. These networks use their room for manoeuvre to further the

<sup>&</sup>lt;sup>7</sup> http://www.tillvaxtverket.se

<sup>&</sup>lt;sup>8</sup> The southern partnerships do not have any Sami representatives.

interests of women entrepreneurs regarding the national state funding. Comparing structural fund applications we do not find that the existence of RDCs or Resource Centres results in the inclusion of women entrepreneurs.

In our four regions there are three Regional Resource Centres, in Jönköping, in Halland, and in Västernorrland. Jämtland had a Regional Resource Centre until 2007.

According to representatives of Resource Centres, networks are not only useful, but necessary when planning projects and applying for and receiving funding. Networks make navigating the application process possible and facilitate access to funding. Through networks and other agents' knowledge, projects can be further developed and refined. The representatives emphasize their contacts with other agents in their own *local* setting such as meeting other agents face-to-face, socialising and working together. On the matter of *whom* the representatives for Resource Centres network with, this ranges from politicians and civil servants to representatives of business organisations. Both men and women are found among these network contacts. This social capital seems to be seen as useful when it comes to small community development projects. The very large structural fund projects including male entrepreneurs seem to be based on networking over a larger geographical area.

Comparing structural fund applications we do not find that the existence of RDCs or Resource Centres results in the inclusion of women entrepreneurs. 'Real' women entrepreneurs are however more often included in Jämtland's large project applications. Jämtland differs from the other counties in that a majority of its municipalities have a female chair of the municipal executive board.

#### 5. CONCLUSIONS

We have so far not found any particular geographical variations in the involvment of women entrepreneurs in the structural fund partnerships. This can be explained by the national form of *institutionalisation* which mirrors the traditional Swedish corporative system. The public sector, politics, and state administration gain the majority of the seats, while private sector business interests and NGOs constitute a minority. The OMC ideal of learning and listening seems problematic since the business organisations refuse to be involved. The only exception is the decision of the Federation of Business Owners to try to influence the informal networks and the supervisory committees. Agents who may be a resource in a *business related network* of women

\_

<sup>&</sup>lt;sup>9</sup> Telephone interviews with representatives of RCs in Västernorrland and Jönköping, 18th August 2009.

entrepreneurs are extremely rare in the structural fund partnerships. We find no representatives from the national or regional resource centres and very few women from the business community.

From a macro-level point of view, it is obvious that the political climate and the business climate seem to clash with regard to the involvement of business representatives in the EU regional structural fund partnerships. This conflict also exists regarding the State's threat to incorporate gender mainstreaming into the nomination process to corporate boards – a highly controversial topic. The dual aspect of local climate – politics and business – takes different forms in the four regions. The two northern counties, which belong to the Mid-North Sweden structural fund partnership, seem to have a traditional political climate with regard to the current regionalization process. Jämtland has nominated two women from the entrepreneurial sphere to the EU partnerships and supervisory board, while Västernorrland has nominated one out of sixty-nine members. They may, however, differ in terms of gender-inclusive political climate: two Jämtland women with key positions in state administration have seats on the supervisory board, and a majority of the top positions in the county's local politics are held by women (4 of 6). The combination of a gender-equal business climate and a gender-inclusive political climate seems to explain the inclusion of women entrepreneurs in some of Jämtland's large project applications.

In the south of Sweden, the two counties Halland and Jönköping have started a regionalization process and created RDCs. These newly established institutions do not necessarily reflect the gender-inclusive political climate. No women entrepreneur and three women from local politics or state administration represent these counties among 81 members of the EU structural fund partnerships and the supervisory board. Halland and Jönköping belong to two different EU structural fund partnerships. In both counties a minority of the top positions (3 of 18) in local politics are held by women.

Halland's combination of a 'modern' political climate with the voluntary establishment from below of an RDC and a gender-equal business climate has not resulted in women entrepreneurs being appointed to a structural fund partnership. Jönköping has a favourable regional business climate, but with non-equal gender participation. Even in this case, the result is that the very few women entrepreneurs who do take part in the structural fund partnership and the supervisory board come from other geographical regions. Based on these data and interviews with representatives from the business organizations, the Resource Centres, the two RDCs and County Administrative Board civil servants, we conclude that the *room for manoeuvre* seems to be limited regarding networking with other women entrepreneurs holding seats in the formal partnerships. This means that networking has to be done with other alliances, mainly in the public sector. These contacts are taken at the local level, and seem to be a way of muddling upwards through the system. Of interest is that, according to

the interviews, both men and women are part of these networks which again seem to be centred around agents from the public sphere. The networks are based on face-to-face contact, and they seem to provide paths into the extremely complicated application process. It does not seem that the 'regional mess' creates distinct variations among the different regions studied. Belonging to a 'modern' region with an RDC taking part in the bottom-up regionalisation process does not seem create more room for manoeuvre for women entrepreneurs seeking access to the power elite in the structural board partnerships. A combination of the institutionalisation of gender mainstreaming at the EU and national levels, a gender-equal business climate, and a gender-inclusive local political climate seems to create a specific room for manoeuvre to create access to elite institutions of the structural fund partnership in Jämtland.

An area of future research is how informal networks function in the creation of project plans and influence the setting of priorities. The role of national and regional Resource Centres and the Swedish Federation of Business Owners will be further investigated. An assumption is that networking with agents from the public sector is not enough to reach a gender-fair allocation of resources from the European Regional Development Fund partnerships (ERDF). This raises an important question: Does informal networking afford a path that leads to access to funding, or are the resources in the EU structural funds closed to women in business?

#### REFERENCES

- AHL, H. J. (2002), The Making of the Female Entrepreneur: A Discourse Analysis of Research Texts on Women's Entrepreneurship, Jönköping: Jönköping International Business School.
- ALDRICH, H. E. and BRICKMAN ELAM, A. (1995), 'Strong Ties, Weak Ties and Strangers: Do Women Business Owners Differ from Men in Their Use of Networking to Obtain Assistance?', *Working Paper Series*, Washington D.C.: Small Business Foundation of America.
- ASHEIM, B. T. (2000), 'Industrial Districts: The Contributions of Marshall and Beyond', [in:] CLARK, G. L., FELDMAN, M. P., and GERTLER, M. S. (eds), *The Oxford Handbook of Economic Geography*, Oxford: Oxford University Press.
- BACCHI, C. L. (1999), Women, Policy and Politics: The Construction of Policy Problems, London: Sage.
- BACHE, I. and OLSSON, J. (2001), 'Legitimacy through Partnership? EU Policy Diffusion in Britain and Sweden', *Scandinavian Political Studies*, 24 (3), pp. 215–236.
- BERG, N. G. (1994), Servicelokalisering og entreprenørskap, Trondheim: Geografisk Institutt, Det sammfundsvitenskaplige fakultet, AVH, Universitetet i Trondheim.
- BERGQVIST, C., ADMAN, P. and JUNGAR, A-C. (2008), Kön och politik, Stockholm: SNS Förlag.
- BLAKE, M. and HANSON, S. (2005), 'Rethinking Innovation: Contact and Gender', *Environment and Planning A*, 35, pp. 681–701.

- BULL, M. (2001), Om regionalpolitiken blev jämställd. Jämställdhetsperspektiv på regionalpolitik, Enheten för integration och jämställdhet. Länsstyrelsen i Västra Götaland, 52.
- DANILDA, I. (2001), 'Finns det ett speciellt företagsklimat för kvinnor som driver företag?', [in:] EKSTEDT, E. (ed.), *Kunskap och handling för företagande och regional utveckling*, Stockholm: Arbetslivsinstitutet.
- DASI, J. F. (2007) 'Is the OMC a Way to Improve Good Governance in Europe? The OMC as Practice for Territorial Governance', *European Spatial Research and Policy*, 14 (1).
- DRYZEK, J. S. (1990), Discursive Democracy: Politics, Policy and Political Science, Cambridge, New York: Cambridge University Press.
- EDUARDS, M. (2005), Förbjuden handling. Om kvinnors organisering och feministisk teori, Malmö: Liber Ekonomi.
- ELANDER, I. (1999), 'Partnerskap och demokrati: omaka par i nätverkspolitikens tid', *Globalisering Demokratiutredningens Forskarvolym*, IX. SOU, 83, pp. 327–364.
- ELANDER, I. (2002), 'Partnerships and Urban Governance', *International Social Science Journal*, 54, pp. 191–204.
- FORSBERG, G. (1997), 'Rulltrapperegioner och social infrastruktur', [in:] SUNDIN, E., (ed.), *Om makt och kön*, Stockholm: Fritzes.
- FORSBERG, G. and LINDGREN, G. (eds), (2010), Nätverk och skuggstrukturer i regional-politiken, Karlstad: Karlstad University Press.
- FORSBERG, G. (2000), 'Regional Variations in the Gender Contract: Gendered Relations in Labour Markets, Local Politics and Everyday Life in Swedish Regions', *The European Journal of Social Sciences*, 11 (2).
- FRISK, M. (2008), Sju miljarder för sju minuter?: Planering, politik och hybrida geografier i tunnelbygget genom Hallandsås, Diss., Karlstad: Fakulteten för samhälls- och livsvetenskaper, Karlstads universitet.
- GRANOVETTER, M. (1973), 'The Strenght of Weak Ties', *The American Journal of Sociology*, 78 (6).
- HAMRÉN, R. (2007), 'Vi är bara några kompisar som träffas ibland: Rotary som en manlig arena', Stockholm: Normal förlag.
- HANSON, S. (2000), 'Networking', Professional Geographer, 52 (4).
- HANSON, S. and BLAKE, M. (2005), 'Changing the Gender of Entrepreneurship', NELSON, L. and SEAGER, J. (eds), A Companion to Feminist Geography, Oxford: Blackwell.
- HAAVIO-MANNILA, E. et al. (eds), (1983), The Unfinished Democracy, Oslo: Nordic Ministery Council.
- HEDFELDT, M. (2008), Företagande kvinnor i bruksort: Arbetsliv och vardagsliv i samspel, Diss., Örebro: Örebro universitet.
- HEDFELDT, M. and HEDLUND, G. (2009), 'European Structural Funds and Regional Partnerships Hindrande or Resource for Women in Business or as Entrepreneurs', Non-revised paper presented at the 12th Uddevalla Symposium in Bari, Italy.
- HEDLUND, G. (1988), 'Women's Interests in Local Politics', [in:] JONES, K. B. and JÓNAS -DÓTTIR, A. G. (eds), The Political Interests of Gender. Developing Theory and Research with a Feminist Face, London: Sage.
- HEDLUND, G. (1996), Det handlar om prioriteringar. Om kvinnors intressen och villkor i kommunalpolitiken, Diss., Örebro Studies: 14.
- HEDLUND, G. (2008) 'Partnership, Gender and Democracy', [in:] SVENSSON, L. and NILSSON, B. (eds), Partnership – As a Strategy for Social Innovation and Sustainable Change, Stockholm: Santérus Academic Press.
- HEDLUND, G. and MONTIN, S. (2009), *Governance på svenska*, Stockholm: Santérus Academic Press Sweden.

- HOMEYER, I. von (2007), 'The Role of the OMC in EU Environmental Policy: Innovative or Regressive?', European Spatial Research and Policy, 14 (1).
- HORELLI, L. and ROININEN, J. (1999), Ex-ante evaluering ur jämställdhetsperspektiv av Sveriges tillväxtavtal, Helsinki: Tekniska högskolan (Picaset).
- HUDSON, C. (2005), 'Regional Development Partnerships in Sweden: Putting the Government Back in Governance?', Regional and Federal Studies, 15 (3), pp. 311–327.
- HUDSON, C. and RÖNNBLOM, M. (2007), 'Regional Development Policies and the Constructions of Gender Equality: The Swedish Case', *European Journal of Political Research*, 46 (1), pp. 47–68.
- HYSING, E. (2010), Governing towards Sustainability: Environmental Governance and Policy Change in Swedish Forestry and Transport, Diss., Örebro: Örebro universitet.
- JOHANNISSON, B. (1996), 'Personliga nätverk som kraftkälla i företagandet', [in:] JOHANNIS-SON, B. and LINDMARK, L. (eds), Företag, Företagare, Företagsamhet, Lund: Studentlitteratur.
- JOHANNISSON, B. (2005), Entreprenörskapets väsen, Lund: Studentlitteratur.
- JÓNASDÓTTIR, A. G. and JONES, K. B. (eds), (2009), *The Political Interests of Gender Revisited. Redoing Theory and Research with a Feminist Face*, Manchester: Manchester University Press.
- KARLSSON, G. (1996), *Från broderskap till systerskap*, Lund: Arkiv avhandlingsserie 44. Diss., Göteborgs universitet.
- LARSSON, K. (2004), Andrahandskontrakt i folkhemmet: närmiljö och kvinnors förändringsstrategier, Diss., Örebro universitet.
- LINDBERG, M. (2008a), 'Genusgränser i Sveriges innovationspolitik', Paper presented at the conference Bortom Rösträtten, Södertörns högskola, 12th June.
- LINDBERG, M. (2008b), 'Ett slående mönster: Hur Sveriges innovationspolitik formar genus och vice versa', *GENUS i Norrsken*, 2.
- LINDGREN, K-O. and VERNBY, K. (2007), 'Om kvinnorepresentation och rätten till heltid', *Kommunal ekonomi och politik*, 11 (4), pp. 8–31.
- LINDSTEN, S. et al. (2001), Om regionalpolitiken blev jämställd- jämställdhetsperspektiv på regionalpolitik, Stockholm: Näringsdepartementet samt Länstyrelserna i Västra Götaland, Blekinge län och Hallands län.
- LOVENDUSKI, J. and NORRIS, P. (eds), (1996) 'Women in Politics', *Parliamentary Affairs*, 1 (49). LÄNSPOSTEN (2009) Östersund, 2nd June.
- MOLYNEUX, M. (2002), 'Gender and the Silences of Social Capital: Lessons from Latin America', *Development and Change*, 33 (2), pp.167–188.
- NUTEK, (1999), Infrastruktur för kvinnors företagande i sju europeiska regioner, Stockholm.
- NUTEK, (2004), Resurscentra för kvinnor en kraft för regional utveckling? En analys av projektfinansierad verksamhet under perioden 1998–2002, Stockholm.
- PETTERSSON, K. (2002), Företagande män och osynliggjorda kvinnor: Diskursen om Gnosjö ur ett könsperspektiv, Uppsala: Kulturgeografiska institutionen, Uppsala universitet.
- PHILIPS, A. (1995), The Politics of Presence. The Political Representation of Gender, Etnicity and Race, Oxford: Oxford University Press.
- PIERRE, J., and PETERS, B. G. (2000), Governance, Politics and the State, Basingstoke: Macmillan
- PRINS, M. (1993), 'Women's Emancipation as a Question of Governance: Actors, Institutions and the Room for Manoeuvre', [in:] KOOIMAN, J. (ed.), *Governance: New Government Society Interactions*, London: Sage.
- PUTNAM, R. (2000), Bowling Alone: The Collapse and Revival of American Community, New York: Simon and Schuster.

- RENZULLI, L., ALDRICH, H. and MOODY, J. (2000), 'Family Matters: Gender, Networks, and Entrepreneurial Outcomes', *Social Forces*, 79 (2).
- RYDSTEDT, J. (2006), Partnerskap i samförstånd? En studie av den regionala partnerskapsmodellen ur ett intresseperspektiv, Magister essay, Lunds: Department of Political Science, Lunds university.
- SCB (2008), På tal om kvinnor och män. Lathund om jämställdhet, Stockholm: Statistiska centralbyrån.
- SCHOLTEN, C. (2003), Kvinnors försörjningsrum Hegemonins förvaltare och murbräckor, Lund: Institutionen för kulturgeografi och ekonomisk geografi, Lunds universitet.
- SFS (2007) 459; dnr N 2007/3312/RT Näringsdepartementet. Lag om strukturfondspartnerskap. SOU (2007) 10 Slutbetänkande av Ansvarskommittén, Stockholm.
- STEGMANN MCCALLION, M. (2008), 'Tidying Up? European Regionalization and the Swedish Regional Mess', *Regional Studies*, 42 (4), pp. 579–592.
- SVENSSON, L. and NILSSON, B. (2008), Partnership As a Strategy for Social Innovation and Sustainable Change, Stockholm: Santérus Academic Press Sweden.
- TILLVÄXTVERKET, (2009), Följeforskning av verksamhet vid lokala och regionala resurscentra för kvinnor, rapport 0039, Stockholm.
- WESTBERG, H. (2008), 'Who Is Allowed to Contribute to Sustainable Development by Participating in Partnerships?', [in:] SVENSSON, L., and NILSSON, B., (eds), *Partnership As a Strategy for Social Innovation and Sustainable Change*, Stockholm: Santérus Academic Press.
- WIGREN, C. (2003), *The Spirit of Gnosjö The Grand Narrative and Beyond*, Jönköping: Jönköping International Business School.
- WÄNGNERUD, L. (1998), Politikens andra sida: om kvinnorepresentation i Sveriges riksdag, Statsvetenskapliga institutionen, Diss., Univ. Göteborg.
- ZIRRA, S., and BUCHKREMER, J. (2007), 'Learning within Fields: The Limited Success of the European Employment Strategy in Germany', European Spatial Research and Policy, 14 (1). WEB PAGES
- THE SWEDISH FEDERATION OF BUSINESS OWNERS' WEB PAGE, www.foretagarna.se, 4.06.2009.

#### EUROPEAN SPATIAL RESEARCH AND POLICY

https://doi.org/10.2478/v10105-011-0005-0

Volume 18 2011 Number 1

# Anton MICHÁLEK\*, Peter PODOLÁK\*

# IMPACT OF KEY SOCIO-ECONOMIC DISPARITIES ON MI-GRATION IN SLOVAKIA: ECONOMIC DIVERSIFICATION VS. TRADITIONAL PATTERN

#### 1. INTRODUCTION

Twenty years after the 'velvet revolution' of 1989, several years after joining the European Union (2004) and NATO (2002), the independent Slovak Republic (since 1st January 1993) has been incorporated into the community of democratic states. The first phase of existence of the independent Slovakia brought in serious tasks including the constitution of basic civil institutions and introduction of numerous mechanisms necessary for the functioning of the new state. These had to be addressed in situation characterised by lack of foreign investments, loss of social security accompanied by an abrupt decrease of living standard, growth of poverty, social pathology and other problems. Economic reforms introduced after 1998 brought fruit some years after and Slovakia experienced a distinct economic progress including the relatively highest GDP growth (10.4%) in the EU temporarily in 2007. Introduction of the EURO (1st January 2009) became another important factor of country's economic development. The rising level of regional disparities is typical of countries that implement deeper economic changes. Slovakia is no exception. The situation of the country as a whole improved compared with the EU average (in 1997, SVK reached 51.3% GDP in PPS EU 27, in 2008 it was estimated 72.2%; mean GDP in the 2000–2008 period was 5.6%) but disparities between regions increased. Principal reforms in five key areas – tax system, education, health care, public administration and social security also contributed to negative social conse-

<sup>\*</sup> Anton MICHÁLEK, Peter PODOLÁK, Department of Human Geography, Slovak Academy of Sciences, Bratislava, Slovak Republic, e-mail: geogami@savba.sk; geogpodo@savba.sk

quences for certain population groups while some of them are more vulnerable than other. Gradual diversification of socio-economic situation in Slovakia causes not only distinct changes in stratification of society but also an increase of regional disparities in terms of varied social characteristics. Slovakia consists of rich regions where regional GDP per inhabitant reaches the average of the EU 15 (region of Bratislava), situated in the western and north-western parts of Slovakia, and explicitly poor regions situated in the southern and eastern parts of the Republic where the regional GDP only reaches 50–60% of the EU average. These striking differences in the economic level of regions, beside other factors, influence and increase the income inequalities of the population.

The increased level of interregional migration should be one of the effects following the increase of regional socio-economic disparities. The common trait of the majority of transforming Central and Eastern European countries is that in spite of the widening gap between regions the rate of interregional migration stays on a relatively low level. While in advanced economies the interregional migration depends on fluctuation of relevant socio-economic factors such as unemployment and wages, it seems that the effect of these factors in the post-socialist countries is less obvious. Interregional migration in these countries is considerably reduced by various limitations. These constrains represent a set of not only economic variables but also additional factors like the housing market (shortage of available flats or the affordability of housing), spatial preferences of population, and the like. The impact of the quoted but also other limitations increases in poor regions where individuals with low income and small firms are not able to finance interregional migration.

Several authors pointed to the relatively low level of interregional migration in four Central European economies (Czech Republic, Hungary, Poland, and Slovakia). The ambition of this empirical study is to continue the work accomplished by Erbenová (1997), Burda (1994), Fidrmuc (1994) and Horváth (1996). The aim is monitoring and assessment of the regional unemployment rate and wages level impact on intensity of migration in Slovakia. Applied indicators include unemployment rates and mean nominal wages in the 1996–2008 period. They are considered relevant indicators for the comparative regional analyses. Such analysis of geographical mobility of workers, among other things, provides the opportunity to identify the flexibility of the Slovak labour market and to outline factors that limit it. It is particularly important now, when unemployment rate in Slovakia moves around the 5-year maximum (12.7% as of January 2010). It is then necessary to use all possibile measures to conserve the existing jobs and to promote mobility (migration) of population. Accessible regional data supplied by the Statistical Office of the SR, the Labour, Social Matters and Family Central, and Trexima Bratislava, have been used in this study. Graphic, cartographic and statistical methods and indicators were used as well. The authors worked with annual migration data from 72 districts of Slovakia covering the years from 1996 to 2008.

#### 2. SIMILAR RESEARCH AND THEORETICAL BACKGROUND

The issue of low interregional migration level has several important aspects associated above all with the labour market and development of regions. The relationship between migration, wages and unemployment is the subject of attention from experts in various fields. By the end of the 1960s, several studies dealing with these phenomena appeared. Simultaneously, some originally simple, later more complicated models studying the relationships and dependencies between the emigration and wage rates in regions, emigration and unemployment rates but above all the three phenomena at the same time were also presented (Todaro, 1969). The majority of migration models assumed that an individual or a household would profit by migration from a poorer region to another richer one by obtaining a better job and higher wages which would mean a better life for the individual and his/her family. Apart from that, models were based on two basic assumptions: Firstly, if the inequity between the rich and poor region diminishes, the migration rate will decrease, and secondly, the higher probability of obtaining a job in a richer region increases the migration rate. These simple models were later further elaborated and gradually improved, mainly in connection with the often observed low migration levels in spite of pronounced regional disparities. The majority of authors tried to incorporate in the models factors which could help to explain the low rate of interregional migration. Banerjee and Kanbur (1981) and Hatton (1983), for instance, explicitly modelled the 'aversion to risk'. High aversion to risk generally lowers the migration rate. Other theoretical and empirical studies specified the ideas of incomplete information about the developments in an alien region (Stark 1991; Burda 1993; Faini 1993) and they found out that lack of information distinctly lowered the willingness to migrate. Wyplosz (1993) incorporated into the model uncertainty in expectations either concerning the living cost or further development of the region, which leads to decreased migration. Faini and Venturini (1994) introduce the term of 'liquidity constraints' as a special case of transaction cost<sup>1</sup>. It is a barrier for the poorest because they find the cost of moving too high (it comprises the moving cost itself, search for and price of a new dwelling. which is normally more expensive, as it is located in a richer region, and the like). Precisely these liquidity constraints most reduce the expected high outmigration from the poorest regions. The result is a non-linear dependency between the wages and the emigration rate from economically weaker regions. Many experts assert that the rate of interregional migration is significantly determined by the housing market. Inaccessibility of dwelling was and still is a very important factor hindering labor mobility. Shields and Shields (1989), Stark (1991), Andrienko and Guriev (2004) and others tried to include into the

<sup>&</sup>lt;sup>1</sup> Liquidity constraints refer to a spectrum of important disincentives of a demographic, social and material nature existing in Slovakia.

model some additional important aspects such as infrastructure amenities with the number and quality of hospitals or schools, accessibility and quality of transport, scope of greenery, number of parks, etc. that are useful not only for individuals but for households as well. As far as the geographical mobility of labor in 'transiting economies' is concerned, the greatest number of studies focused on the search for migration rate determinants.

# 3. DEVELOPMENT OF UNEMPLOYMENT AND ITS REGIONAL DISPARITIES SINCE 1989

The Slovak labour market underwent distinct changes in the course of the 1990s. At the beginning of transition, the market was controlled by several systemic but also non systemic economic changes accompanied by an abrupt drop in GDP and increase in unemployment which went on increasing after the right assumed power in 1998. It was due to the launch of economic reforms. The unemployment rate culminated in 2001 reaching the astounding 19.2% (30% in some regions) and Slovakia ranked among the European countries with the highest unemployment rates.

Table 1. Development of	funemployment and	wages in Slovaki	(1007 - 2008)
Table 1. Developinent of	i uncimpioyinciit and	i wages iii Siovakii	1 (199/-2000)

Year	Unemployment rates (in %)	Number of long-term unemployed (in thousands) (in %)	wages	Nominal wages (in EURO)	Real Wages Index* (in %)
1997	12.5	149.5 50.1	9 226	306	106.6
1998	15.6	160.7 50.7	10 003	332	102.7
1999	19.2	195.4 46.9	10 728	356	96.9
2000	17.9	261.6 53.9	11 430	379	95.1
2001	18.6	282.8 55.7	12 365	410	101.0
2002	17.5	291.4 59.8	13 511	448	105.8
2003	15.6	280.9 61.2	14 365	477	98.0
2004	13.1	291.2 60.6	15 825	525	102.5
2005	11.4	291.2 68.1	17 274	573	106.3
2006	9.4	258.2 73.1	18 761	623	103.3
2007	8.0	121.8 41.7	20 146	669	104.3
2008	8.4	107.5 41.7	21 782	723	103.3

<sup>\*</sup>Real Wages Index has been computed as a proportion of the Nominal Wages Index and the Consumer Price Index.

Source: ŠÚ SR (2009), UPSVAR (2009).

Unemployment rate decreased rapidly after 2001 and in 2007 it reached a record low (8%) in the history of the independent Slovak Republic (UPSVaR 2009). Absolute values of long-term unemployment also started to decrease after 2005. The relative values of long-term unemployment peaked in 2006 (73.1% of total unemployed), and consistently decreased since then.

Table 1 illustrates the trend. All in all, the Slovak labour market started to draw closer to that of advanced economies albeit on a different level. Unfortunately, in consequence of the global financial crisis and a marked deceleration of the economy in 2008, unemployment rapidly increased. At the end of the year (as of 31st December 2008) the unemployment rate moved around 8.4% and now it is 12.7% (as of 18th January 2010).

These figures show great differences among regions. While the lowest registered unemployment rate was 1.6% in Bratislava (2007), the highest unemployment rate, amounting to 37.4% in 1999, was observed in the district of Rimavská Sobota. The following data confirm that disparities in unemployment rates (UR) among regions have increased dramatically during the transition: 3.1% UR of Bratislava was the lowest, while that in Rimavská Sobota district reached 25.4% in 1997, which means a difference of 22.3%. In 2008, this difference increased to 24.9%, while the same districts reached extreme values – URs of Bratislava and Rimavská Sobota were 1.9% and 26.8% respectively. Values of the standard deviation and variation coefficient illustrate the increasing regional disparities even better. While the 1997 standard deviation and variation coefficient were 5.4 and 29, in 2008 these values reached 5.8 and 33.6.

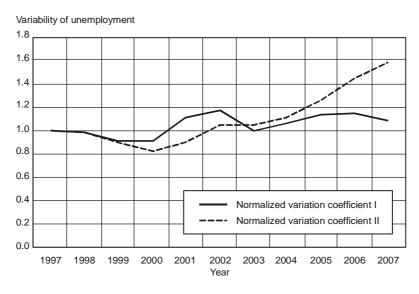


Fig. 1. Dynamics of regional unemployment disparities in Slovakia (1997-2007)

Figure 1 presents the time order of unemployment disparities. Inequality in regional unemployment is expressed by variation coefficients (I and II) for each year while their values were normalised (normalised value for 1997 is 1). The normalised variation coefficient I captures the development of variability in unemployment rates and always compares the value of the quoted year with the same period of the preceding year. The curve makes it possible to follow the increase of regional disparities in unemployment in 2001, 2002, 2005 and 2006. The variability distinctly increased at the beginning of the millennium and was observable above all in years of the highest unemployment rate or with a slight delay following such years. These results confirm the validity of theories asserting that the unemployment increase is accompanied by the deepening regional differences. Comparison of the dynamics of the regional disparities on the basis of a normalised variation coefficient II, which compares changes in each year with the initial year 1997 shows that 2000 was a break-through year because before 2000, the regional unemployment rate disparities decreased while they almost steadily increased after 2000.

### 4. DEVELOPMENT OF WAGES AND ITS REGIONAL DISPARITIES SINCE 1989

Wages in Slovakia were and still remain among the lowest in the EU (besides the new member countries, Bulgaria and Romania). According to the scale published by the FeEE in 2004, Slovakia ranked 35th among the 48 countries being compared. The source asserts that the mean wages in Slovakia in 2004 represented only 11% of mean wages in Denmark. The high unemployment rate, surplus of labour, inadequate sector structure, lack of funds, restrictions on the side of the government and other factors affected the development of wages in Slovakia. Mean wages with regard to purchasing power were several times lower than in the 'old' EU member states (Michálek, Podolák, 2004). Moreover, they only reached about 50–60% of the national average in some regions of Slovakia. The upturn came only after 2004 (see table 1). The situation in wages improved and the real wages started to increase with the arrival of foreign investments, restructuring and diversification of industry, introduction of new technologies etc. Since 2004, the real wages index was comparatively stable, which indicates a favorable development.

Figure 2 presents the time order of inequalities in wages. They are expressed in the same way as in unemployment, namely by variation coefficients (I and II) for the given year. The values of the normalised variation coefficient I slightly dropped in 2002 and ever since then they have maintained a relatively balanced level with slightly oscillating regional wage disparities.

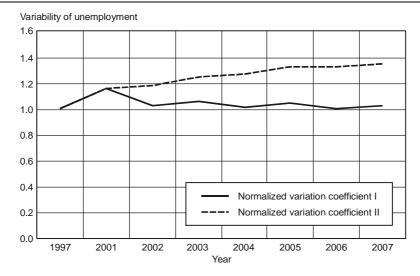


Fig. 2. Dynamics of regional wage disparities in Slovakia (1997–2007)

The values of the normalised coefficient II slightly increased during the period by an almost balanced curve, which demonstrates the permanent increase of the regional wage differentiation level. In the first phase of transition, spatial distribution of wages was almost balanced. In the course of transition, disparities between districts appeared and grew. In 1997, mean wages in Bratislava (which was the richest) were 386 EUR, that is 1.7 more than in the poorest district of Medzilaborce, while in 2008, the difference amounted to 2.7 times the wages in the poorest district (when the highest wages in Bratislava and the lowest wages in Bardejov were 1 352 EUR and 502 EUR respectively). The available data reveal that the interregional disparities in wages in the studied period increased more than disparities in unemployment.

### 5. INTERNAL MIGRATION (CONVERGENCE VS. DIVERGENCE)

A period of extensive urbanisation with concentration tendencies of internal migration and a massive movement of population to cities was observed in Slovakia for several decades. Between the mid-1980s and about 2000, a phase with a distinct drop of migration mobility is evident. At the beginning of the third millennium, some new trends are beginning to appear in the migration behavior of population.

The marked regional differentiation of basic demographic characteristics such as the population age structure and the level of natural reproduction

between the northern and eastern regions on the one side and the western area of Slovakia on the other has been evident for quite a long time. Demographic differences involving differences in the level of social and economic development have also existed for long decades. However, they acquired a new dimension with several specific traits after 1989. This is the background of long-lasted polarisation concerning the economic, social and demographic development in Slovakia with some extreme differences between the south-west and other parts of the country. One of the possible consequences of such a disparity is a considerable and traditional mobility of population from regions belonging to one part of the country to regions in the other part of the country motivated by economic, demographic, social and other reasons.

Table 2. Characteristics of internal migration in Slovakia (1996–2007)

Average for the years	1996–1999	2000–2003	2004–2007
Total internal migration (in thous.)	81.6	82.7	89.4
Interregional migration (in thous.)	45.8	44.4	47.8
% of interregional migration as % of total internal migration	56.1	53.8	53.5

Source: authors' calculations based on data (Štatistický úrad 2001, 2008).

Political, economic and social changes that took place in Slovakia after 1989, along with a significantly changed demographic behaviour of the population determined the nature and spatial arrangement of internal migration. In the second half of the 1990s, the rapid drop both in the volume and intensity of internal migration of 1996-1999 (when the average figure for internal migrations was 81 thousand compared to 100 thousand at the end of the 1980s) was fading out. The gross annual migration rate was around 15% compared to 19% of the end of the 1980s. The decreasing trend stopped after 2000 and the volume and rate of internal migration values started to increase up to the present level of 89 thousand (16.6‰, table 2). However, in the same period, migration structure displays a drop in the proportion of interregional migration in the total volume of internal migration. Migration within regions (districts) still accounts for almost half of internal migration; its share increased after the mid-1990s obviously due to progressing suburbanisation and deconcentration of population. International migration is another important phenomenon in Slovakia. Informed estimates (Jurčová, 2009) quote approximately 200,000 Slovak citizens working abroad, mainly in the Czech Republic, Great Britain and Ireland (in the period following Slovakia's accession to the EU 2004–2008). Many of these migrants may have participated in interregional migration within Slovakia and contributed to its scores.

### 5.1. Development of Interregional Migration

One of possible and often used indicators of the role that migration plays in redistribution of population is the rate of migration efficiency (e.g. Plane 1984, Brognan 1984, Podolák 1995, 2006 and many others). Migration efficiency rates are used in this part to characterise the main trends in the development of interregional migration of population in Slovakia (NUTS 4 level) in the period between 1996 and 2007.

Migration efficiency of a region is expressed as

$$E_i = 100 . N_i / T_i$$

where  $E_j$  – migration efficiency of region j,  $N_j$  – difference between immigration and emigration of region j,  $T_j$  – volume of migration in region j.

Migration efficiency values will be positive if immigration outnumbers emigration and negative if emigration outnumbers immigration. If the efficiency value differed considerably from zero it was the case of the high redistribution of population in region regarding the total migration. On the other side, low efficiency values suggest that immigration and emigration eliminate each other and the result is a low spatial redistribution.

In the second half of the 1990s, positive migration efficiency values prevailed in 26 districts (36.1% of total districts) and the same happened in 2004–2007 in 27 districts (38.4% of total districts). In 1996–1999, the highest migration efficiency values were observed in districts of south – western Slovakia, particularly around Bratislava (Senec, Pezinok, Malacky, Galanta and Dunajská Streda). The most negative values were observed in the northern and eastern districts of Stará Ľubovňa, Snina, and Medzilaborce. Distribution of migration efficiency values in 2004–2007 on the district level remained more or less stabilised while positive values changed into negative and vice versa only in six and seven districts respectively. In the spatial pattern after 2000, concentration of districts with the most positive values in the south-west of the country is evident. Northern and eastern districts have negative values of migration efficiency. Simultaneously, absolute differences between the positive and negative values are more pronounced at present than in the mid-1990s.

The resulting migration efficiency values reflect the reversed effect of hierarchic and positional components. Suburban mobility leads to migration loss in the biggest cities, but this type of migration occurs in their, closer or wider, hinterlands, so it is migration within districts. On the other side, the hierarchic position of big cities on a higher economic level determines the migration attractiveness of corresponding regions with contribution of the effect exerted by the positional factor: migration attractiveness of economically advanced districts in the south-

west and west of Slovakia. The resulting values of migration effectiveness also reflect another property of interregional migrations: a comparatively high degree of reversed flows, which have already appeared for some time between some districts.

Table 3. Migration efficiency characteristics of Slovakia (1996–2007)

Average for the years	1996–1999	2000–2003	2004–2007
Variance	59.7	74.9	82.9
Standard deviation	12.521	14.294	15.046
Total net migration rate	0.134	0.155	0.156

Source: authors' calculations based on data (Štatistický úrad 2001, 2008).

Summarised characteristics were used in order to describe the whole system of interregional migration (table 3). The variance indicates an increasing difference between the minimum and maximum migration efficiency values in time between the beginning and end of the studied period. The increase of standard deviation values also suggests the increasing level of regional differentiation in the studied migration system from the mid-1990s until present, while this increase was more conspicuous between the end of the 1990s and the beginning of the third millennium. The certain stabilization came after 2003 when the increase of the summarised characteristics became much more moderate.

Another characteristic is the total net migration rate, which summarises the overall effect of migration on redistribution of population within the whole regional system. It is expressed as the quotient of the sum of absolute values representing migration balances and average population size in the relevant period. A high level of the index indicates that migration is an efficient mechanism of population redistribution, while low values indicate balance between the migration flows that do not notably contribute to population redistribution. This characteristic can then be interpreted as the rate of symmetry and balance in the studied system of interregional migration flows and its increase presumably means an increased role of migration as an efficient tool of population redistribution on the regional level. The level of disparities increases in the migration system: the total contribution of migration to redistribution of population becomes more important, the values of all quoted summarised characteristics of the migration system indicate a slightly increased role of migration in redistribution of population in the relevant period.

The all-system characteristics of interregional migration only provide summarised information about the migration system that may disguise some distinct differences in migration between individual regions, which are undoubtedly determined by socio-economic disparities as well. Anticipation of a population

shift from the economically less favored regions into advanced ones would be only natural. Although the data about the reasons for interregional migration should be considered with caution (regarding the scale of options and other factors which play a role in quoting reasons for moving), the values are unreasonably low. Change of working place and drawing closer to working place is quoted only by 4–5% of all movements, especially where longer distances are involved (movement from one administrative region to another). Statistical data about internal migration in the SR have not yet confirmed the thesis about movement of population from spatial units with higher levels of unemployment and low numbers of vacant jobs to those with more favourable conditions.

## 6. IMPACT OF REGIONAL DISPARITIES IN UNEMPLOYMENT ON INTERREGIONAL MIGRATION

Figure 3 shows the mutual dependence of unemployment rate and migration efficiency in the period 2004–2007. Theoretically, the relationship between migration efficiency and unemployment should be negative. As far as the unemployment rate in a given region is above average, a tendency to higher

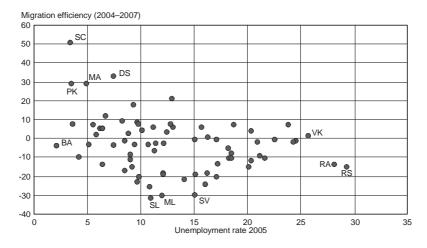


Fig. 3. Unemployment and migration – districts in Slovakia (2004–2007)

BA – Bratislava, DS – Dunajská Streda, MA – Malacky, ML – Medzilaborce, PK – Pezinok, RA – Revúca, RS – Rimavská Sobota, SC – Senec, SV – Snina, SL – Stará Ľubovňa, VK – Veľký Krtíš

emigration and lower immigration is expected. However, the graph shows that districts with the top rate of unemployment are far from displaying the most negative migration efficiency values. Rimavská Sobota, Revúca a Veľký Krtíš with the highest unemployment rates are more positive than districts like Stará

L'ubovňa, Medzilaborce or Snina in terms of migration efficiency values. However, dependence in the case of districts with most positive migration efficiency values (Senec, Malacky, Pezinok and Dunajská Streda) characterised by low unemployment rates is much more distinct. This fact did not change over the studied period and it is also true both for the second half of the 1990s and the years 2004–2007.

As the graph shows, economic factors such as unemployment do determine the willingness of individuals to migrate, but only to a certain extent. In the case of depressed and unemployment stricken regions, the labor force does not move to economically advanced regions, mainly for financial reasons (inaccessible dwelling, cost of moving etc.) and such regions remain in what is referred to as the poverty trap. As is obvious from literature, the poverty trap may be fairly resistant to any attempts to escape.

### 7. IMPACT OF REGIONAL DISPARITIES IN WAGES ON INTERREGIONAL MIGRATION

Figure 4 shows dependence between wage disparity and migration efficiency in 2004–2007. Theoretically, the relationship between migration efficiency and wage inequality should be positive. As far as the wages in a particular region are above average, immigration should prevail over emigration. In this case, manifestation of expected logical linkages (migration from districts with lower mean wages to economically advanced districts) is somewhat more distinct again in the case of the most migration-wise positive districts (Senec, Pezinok, Malacky) also characterised by comparatively high mean wage values. In the case of districts with the lowest mean wages, highly negative migration efficiency values correspond to negative migration efficiency values less frequently but more distinctly than in the case of mutual dependence between migration efficiency values and unemployment rates. Typical (and expected) cases in this context are the districts of Stará Ľubovňa, Snina and Medzilaborce, where low mean wages correspond to highly negative migration efficiency values. This means a higher proportion of population moves to economically advanced regions. Against all expectation, a very low level of wages in some other regions (Námestovo, Čadca, Bardejov) is accompanied by relatively not so bad migration efficiency values. It is precisely from these regions that an extra high number of persons leave for work abroad, which compensates the presumed migration within the country. The graph shows a somewhat greater effect on the level of interregional migration of population than regional differences in the unemployment rate.

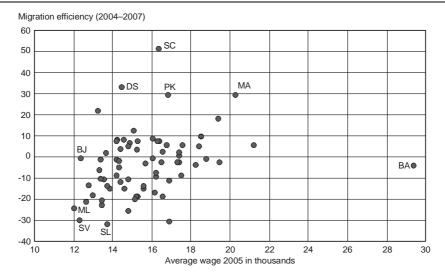


Fig. 4. Wages and migration – districts in Slovakia (2004–2007)

BA – Bratislava, BJ – Bardejov, DS – Dunajská Streda, MA – Malacky, ML – Medzilaborce, PK – Pezinok, SC – Senec, SV – Snina, SL – Stará Ľubovňa

In spite of some cases, the assumptions regarding out-migration from economically weaker to economically stronger districts are confirmed only to a limited extent. The probable reasons are economic problems and cost of new dwellings in advanced districts as well as a strong bond to the original place of living. The level of population mobility in Slovakia (despite a certain revival after 2000) lags behind many countries, for instance the Czech Republic (Horváth 1996, Vaňo 2005). Presumably, the cotemporary migration to advanced EU countries, which in many cases compensates for the financial inaccessibility of new dwellings in the main centers of economic development, plays a certain role. A lower level of education of population characterises regions with lower, mostly negative values of migration efficiency. The generally valid dependence, which is manifested in the world, was also confirmed in Slovakia: because of financial reasons it is not the poorest who move but those who can afford it.

The results suggest that the low migration efficiency is greatly influenced, particularly in depressed districts (besides the economic factors discussed above), by liquidity constraints. It appears that the stronger such constraints, the lower the level of the region's population mobility. Distance also plays an important role and combined with cost means that if economically advanced centers are far away, then despite their attractiveness. The level of emigration from problematic regions is low.

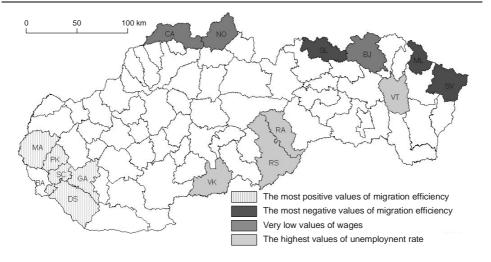


Fig. 5. Migration efficiency, unemployment and wages – districts in Slovakia (2004–2007)

BA – Bratislava, BJ – Bardejov, CA – Čadca, DS – Dunajská Streda, GA – Galanta, MA – Malacky, ML – Medzilaborce, NO – Námestovo, PK – Pezinok, RA – Revúca, RS – Rimavská Sobota, SC – Senec, SV – Snina, SL – Stará Ľubovňa, VK – Veľký Krtíš, VT – Vranov nad Topľou

In districts which should theoretically (estimating from unemployment rate and level of wages) have increased emigration, but in reality the level of migration is below average, the effects of additional factors should be considered (figure 5), such as: unavailable or deficient information, uncertain expectations, aversion to risk (increasing with age of the population) professional orientation and qualifications regarding the market offer, age composition, family bonds associated with mutual help, options of self-supply (sharing family houses), price inaccessibility of housing, and lack of flats for renting. Commuting options are also important especially if they are time- or cost-effective. However, conditions of an individual, such as having a family, capacity to adapt and learn, primary occupation in industry, agriculture or services, living in a city or in a village and many other factors must also be considered. These personal aspects and associated circumstances concerning migrations are studied by other human sciences, which is why they were not given more attention in this paper.

#### 8. CONCLUSION

Slovak society has gone through an important phase of development in the last two decades, involving significant changes in all spheres of life. One of the measures of labor market flexibility – geographical mobility of the labour force – was analysed in this study. On the basis of two key determinants of migration

(unemployment and wages) in Slovak regions, an attempt was made to estimate whether regional unemployment rates and wages determine the willingness of the population to move in search of jobs. In Slovakia, as in other economies in transition, the rate of geographical mobility of labor in the studied period dropped or stagnated while the regional disparities increased. This situation is contradictory, because the increasing regional differences should have been accompanied by increased emigration from depressed areas to richer regions. In the empirical part of the study, the authors concluded that unemployment rate differentiation in Slovak regions determines the population mobility and flows of labor only to a limited extent. This fact may be due to increased uncertainty associated with the gradual transition to a market economy. Explanation of this evident contradiction seems to be the impact of other factors of diverse nature. The migration behaviour of Slovak population is determined by deconcentration and suburbanisation processes on the one hand and increasing marginalisation of some regions on the other. Moving from one region to another is connected with considerable cost – hence the poverty trap (people cannot afford moving to prosperous regions). The cost connected with migration is a result of the condition of the Slovak financial market (difficult access to loans for lower income households or those threatened by loss of job). An important factor which affects population mobility is the housing market and price inaccessibility of dwellings in rich regions. The analysis also indicates the significance of liquidity constraints for population mobility. The greater the constraints, the weaker the tendency to real convergence between individual regions. The natural question is whether the economic, wage or regional policies are able to mitigate the negative effects of such constraints on population mobility. In this context, improvement of the labor market condition and changes in the housing policy by making dwellings more accessible and adjusting loan conditions for low-income and young households seem to be essential.

**Acknowledgement.** The presented research was supported by Grant No. 0191, Scientific Grant Agency of the Ministry of Education and the Slovak Academy of Sciences VEGA.

#### REFERENCES

- ANDRIENKO, Y. and GURIEV, S. (2004), 'Determinants of Interregional Mobility in Russia', Evidence from Panel Data, *Economics of Transition*, pp. 1–27.
- BANARJEE, B. and KANBUR, S. M. (1981), 'On the Specification and Estimation of Macro Rural-Urban Migration Functions: with an Application to Indian Data', *Oxford Bulletin of Economics and Statistics*, pp. 7–29.
- BEZÁK, A. (2006), 'Vnútorné migrácie na Slovensku: súčasné trendy a priestorové vzorce' (Internal migration in Slovakia: recent trends and spatial pattern), *Geografický časopis*, 58, pp. 15–44.

- BROGNAN, P. (1984), 'Population Growth and Redistribution in Australia 1911–1966', Australian Geographical Studies, 22, pp. 192–201.
- BROWN, A. (1997), 'Economic Determinants of Internal Migration Flows in Russia During Transition', *The William Davidson Institute WP*, 984.
- BURDA, M. (1993), 'The Determinants of East-West German Migration, Some First Results', *European Economic Review*, 37, pp. 452–461.
- BURDA, M. (1995), 'Migration and Option Value of Waiting', *Economic and Social Review*, 27, pp. 1–29.
- DECRESSIN, J. (1994), 'Internal Migration in West Germany and Implications for East-West Salary Convergence', *Weltwirschaftliches Archiv*, 130, pp. 231–257.
- ERBENOVÁ, M. (1997), 'Regional Labor Mobility, Wages and Unemployment in the Czech Republic', *Prague Economic Papers*.
- FAINI, R. (1993), 'Regional Development and Economic Integration', [in:] LOPES, J. S. and BELEZA, L. (eds.), *Portugal and the Internal Market of the EEC*, Lisbon: Banco de Portugal.
- FAINI, R. and VENTURINI, A. (1994), 'Migration and Growth. The Experience of Southern Europe', CEPR Discussion Paper, 964.
- FIDRMUC, J. (1994), 'Migration and Regional Adjustment to Asymmetric Shocks in Transition Economies', *Journal of Comparative Economics*, pp. 230–247.
- GHATAK, S. and LEVINE, P. (1996), 'Migration Theories and Evidence, An Assessment', Journal of Economic Surveys, 10, pp. 159–198.
- HATTON, T. (1983), 'A Model of U.K. Emigration, 1870-1913', CEPR Discussion Paper, 771.
- HORVÁTH, R. (1996), *Meziregionální migrace obyvateľstva v České republice. Role likviditních omezení* (Interregional migration in Czech Republic. Role of the liquidity constrains), Praha: Česká národní banka a Institut ekonomických studií, Universita Karlova.
- JACKMAN, R. and SAVOURIS, S. (1992), 'Regional Migration in Britain. An Analysis of Gross Flows Using NHS Central Register Data', Economic Journal, 102, pp. 1433–1450.
- JURČOVÁ, D. (2009), 'Migrácia za prácou zo Slovenska na začiatku 21. storočia' (Labor migration from Slovakia at the beginning of the 21st century), [in:] BLEHA, B. (ed.), Populačný vývoj Slovenska na prelome tisícročí kontinuita či nova éra? (Population development in Slovakia at the turn of the century continuity or a new era?), Bratislava: Geografika, pp. 215–235.
- MICHÁLEK, A. (2004), 'Vývoj a súčasný stav regionálnej štruktúry a regionálnych disparít na Slovensku' (Development and the present state of regional structure and regional disparities in Slovakia), [in:] IRA, V. and VAISHAR, A. (eds), Časopriestorové aspekty transformačných procesov v Českej republike a v Slovenskej republike (Time-space aspects of transformation process in the Czech Republic and in the Slovak Republic), Bratislava: Geografický ústav SAV, pp. 78–83.
- MICHÁLEK, A. and PODOLÁK, P. (2004), 'Enlargement of the EU: Comparison of the Member and Accession Countries from the Point of View of Selected Demographic and Socio-Economic Characteristics', *Problems of Geography*, 3–4, pp. 3–21.
- PARIKH, A. and LEUVENSTEIN, M. VAN (2002), 'Internal Migration in Regions of Germany. A Panel Data Analysis', *European Network of Economic Policy Research Institutes*, WP, 12.
- PLANE, D. A. (1984), 'A Systematic Demographic Analysis of U.S. Interstate Population Exchange', Economic Geography, 60, pp. 294–312.
- PODOLÁK, P. (1995), 'Interregional Migration Pattern in Slovakia Efficiency Analysis and Demographic Consequences', *Geoforum*, 26 (1), pp. 65–74.
- PODOLÁK, P. (2006), 'Spatial Mobility of Population Internal Migration in Slovakia', [in:] MLÁDEK, J., KUSENDOVÁ, D., MARENČÁKOVÁ, J., PODOLÁK, P. and VAŇO, B. (eds.), Demogeographical Analysis of Slovakia, Bratislava: Comenius University, pp. 71–88.

- UPSVAR (2008), Databáza nezamestnanosť UPSVaR, www.upsvar.sk, 23.01.2009.
- SHIELDS, G. M. and SHIELDS, M. P. (1989), 'A Theoretical and Empirical Analysis of Family Migration and Household Production, U.S. 1980–1985', *Southern Economic Journal*, 59, pp. 768–782.
- STARK, O. (1991), Migration of Labor, Oxford: Blackwell.
- ŠTATISTICKÝ ÚRAD SR (2001), Sčítanie obyvateľov, domov a bytov 2001. Základné údaje. Obyvateľstvo, Bratislava: ŠÚ SR.
- ŠTATISTICKÝ ÚRAD SR (2008), RegDat, www.statistics.sk, 31.05.2008.
- TODARO, M. (1969), 'Model of Labor Migration and Urban Unemployment in Less Developed Countries', *American Economic Review*, 59, pp. 138–148.
- VAŇO, B. (ed.), (2005), *Populačný vývoj v Slovenskej republike 2004* (Population of the Slovak Republic 2004), Bratislava: Infostat, Výskumné demografické centrum.
- WYPLOSZ, C. (1993), 'Migration from the East, The Role of Reform and Capital Mobility', [in:] SIEBERT, H. (ed.), *Migration: a Challenge for Europe*, Tubingen: J.C.B. Mohr.

### EUROPEAN SPATIAL RESEARCH AND POLICY

https://doi.org/10.2478/v10105-011-0006-z

Volume 18 2011 Number 1

### **REVIEW ARTICLES AND REPORTS**

### Anna WOJNAROWSKA\*

### REVITALISATION OF POTSDAM'S CENTRAL AREA: REGAINING THE IDENTITY OF THE CITY

After 1990 it became possible for the towns of the eastern states of Germany to undertake activities aimed at regaining their identity and to obtain financial support for these projects from the federal government and the EU. It also became possible to take advantage of experienced West German firms, specialised in the field of urban regeneration and revitalisation of degraded urban areas.

The case of Potsdam shows how urban revitalisation programme for a city's central area, intentionally destroyed during several decades of the communist regime after the Second Word War, can become an effective instrument in the process of reclaiming the city's identity through restoration of the historical spatial and functional features of this part of the city.

# 1. GENERAL BACKGROUND OF THE REVITALISATION PROCESS IN POTSDAM

Potsdam is a city of about 150 thousand inhabitants, situated 25 km south-west of Berlin, on the Havel river. During the post-war period, in the immediate vicinity of the city *The Wall* was built dividing Berlin into the Western and Eastern part, as well as separating West Berlin from the rest of the then German Democratic Republic's territory. Since 1989 Potsdam is the capital of the federal state of Brandenburg.

\_

<sup>\*</sup> Anna WOJNAROWSKA, Department of the Built Environment And Spatial Policy, University of Łódź, 90–142 Łódź, ul. Kopcińskiego 31, Poland, e-mail: annawojnarowska@02.pl

Among the architectural symbols of the city, the most famous is the residence of Prussian king Frederic the Great, comprising a palace and park of Sanssouci – a monument included in the UNESCO World Heritage List.

During the last years, thanks to numerous revitalisation projects, many other historical monuments and places, too, were restored and gained new life, enriching the stock of valuable cultural heritage objects of the city: the Old Market Square (*Alte Markt*) and the New Market Square (*Neue Markt*), historical city gates and historical quarters – the Dutch Quarter (*Holländisches Viertel*) and the Baroque Quarter (*II. Barocke Stadterweiterung*).



Fig. 1. Buildings in the historical centre of Potsdam at the beginning of the 1990s were mostly in a disastrous technical condition

Photo: A. Wojnarowska, 2004

In the case of Potsdam, similarly to many other East German towns, we can talk of twofold background of spatial distortions and technical degradation of the historical urban zones (figure 1). Firstly, a substantial part of the historical structure, including the Royal Palace (*Stadtschloss*) situated in the Old Square, was destroyed by air raids during the Second World War. And secondly, in the post-war period, the communist regime sought to eradicate all traces of Prussian cultural heritage. It did not undertake the effort of rebuilding the damaged or destroyed historical buildings, but replaced them with new objects and introduced new town planning solutions deliberately damaging the traditional urban structure of the city. This direction in planning was common in East Germany between 1945 and 1990, reflecting the political situation and conservation rules, not favourable to reconstruction of historical monuments. Such planning decisions led to rejection of the idea of reconstruction and to introduction of modern structures in historical areas of towns and cities (Billert 2007, pp. 11–17).

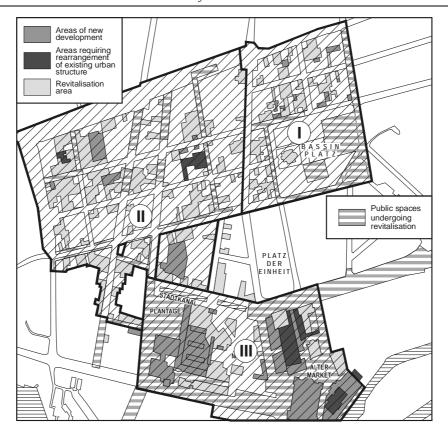


Fig. 2. Areas of revitalisation in the historical center of Potsdam: I – Hollandisches Viertel, II – II. Barocke Erweiterung, III – Potsdamer Mitte

Source: Sanierungsträger Potsdam (2004)

The situation changed in 1990, after the unification of both parts of Germany, when local authorities and community of Potsdam, with strong engagement and support of professional circles of architects and town planners, undertook first steps leading to regeneration of historical central areas of the city.

In 1991 municipalities appointed the revitalisation operator – *Sanierung-sträger Potsdam*. As a symbol of willingness to reclaim the city centre as the 'heart' of the city – through restoration of historical urban structure of this area and revival of its traditional functions – a temporary theatre building of was erected, adjacent to the localion of the former Royal Palace. It was a material sign of the planned changes.

The revitalisation programme of the central areas of Potsdam encompasses three areas: I – the Dutch Quarter (*Hollandisches Viertel*), II – the Baroque Quarter (*II. Barocke Erweiterung*) and III – Center of Potsdam (*Potsdamer Mitte*) (figure 2).

### 2. REVITALISATION AREAS: I – THE DUTCH DISTRICT AND II – THE BAROQUE DISTRICT $^1$

Historic areas of Potsdam have not undergone renovation or conservation since the end of the Second World War. Due to subsequent degradation they have become depopulated – some of the inhabitants moved out from substandard flats in historical buildings to modern large scale housing estates, and some buildings were completely abandoned due to their bad technical condition. Both historical areas mentioned were included in the revitalisation programme in 1992. The main goal of the programme was renovation of the degraded building stock and public spaces, making the area an attractive place for inhabitants and visitors to live, work and spend leisure time, and restoration of cultural values in respect of architecture and urban planning. A very important feature of the programme was the fact that real estate owners were given the possibility to get financial support from local and national government (*Landes- und Bundesmittel*) (Sanierung-sträger Potsdam, 2004).

Projects aiming at bringing back inhabitants to the central quarters were strictly connected with tasks in the field of cultural heritage conservation – they involved adaptation of buildings for new functions, but with a particular focus on preservation and enhancement of historical values.

The basic rule adopted for the functional structure of revitalised areas was the mix-use concept – combination of residential, work, trade, services and touristic functions. At least 50% of total surface area of buildings was to be devoted to the residential function. Another important goal was maximum diversity of trade and service offer so as to create an attractive counter-offer for huge supermarkets. Much emphasis was also placed on animation of local social and cultural life, through creating new possibilities of spending leisure time, offering new premises in revitalized buildings to music and theatre ensembles, renovation of educational and sports facilities, and restoration of churches and social housing.

At the start of the revitalisation process as much as 80% of the buildings in both revitalisation areas were in very bad technical condition, with many of them derelict for a long time. From 1992 to 2004 about 300 of the total number of 600 historical buildings were completely renovated. Regarding the public spaces, altogether 70% of existing public space – streets and squares – were subjected to modernisation to provide attractive urban promenades and meeting places (BIG, SES, Sanierungsträger Potsdam, 2004).

<sup>&</sup>lt;sup>1</sup> The era of intensive spatial development of Potsdam was the eighteenth century, when two considerable enlargements of the city's area took place – the first one between 1721 and 1725, and the second one in the years 1733–1740. The remains of city walls from that time are visible today as a big promenade to the north and west of the Baroque Quarter.



Fig. 3. Great care was taken – regarding the design, details, material, elements of small architecture and greenery – to upgrade both public spaces and private backyards

Photo: J. Wesołowski, 2004

The Dutch Quarter is an area consisting of four urban blocks, intersected by two streets, densely built up with red brick gabled houses, typical of Dutch architecture. The whole area was originally built between 1734 and 1742. The Dutch Quarter always functioned as a self-sufficient dwelling and working area, so the general principle in the revitalisation process was 'development in the greenery' (*Das rote Viertel am grünen Platz*) (Sanierungsträger Potsdam, 1995).

Ground floors of buildings housed shops, coffee bars and restaurants, while apartments were on the upper floors. The areas between buildings were dedicated to private gardens, neighbourly spaces, paths, passages and greenery.

An important element of the programme was re-organisation of the vehicle transport system, the main objectives being elimination of the transit traffic from the historical downtown area, and to create pedestrian passages and mitigated traffic streets and squares, devoted mainly to pedestrians and bicycles. A very difficult problem to be resolved, as usual in densely developed historical districts, was provision of parking space. Some parking lots on the ground level as well as multi-storey garages were envisaged. The priority was to ensure parking space for the inhabitants. To deal with this problem, parking lanes were created along the sides of the existing local streets.

Regarding the quality of living, dense historical urban structure is often unsatisfactory in many respects. The main problem is usually the lack of greenery, playgrounds for children, open spaces for sports and recreation for young people and adults, and inadequate lighting and ventilation of buildings.

In Potsdam a compromise was found between the standards and requirements of cultural heritage preservation/conservation and provision of highquality living environment which would be an attractive alternative to living in city outskirts and would attract new inhabitants to the revitalized historical inner areas.

The front walls of old buildings, adjacent to the street, were reconstructed with great care to restore their historical shape, but the inner spaces were reconstructed in an innovative way. Substandard elements of existing development like sheds, side-buildings and outbuildings were demolished, giving way to new arrangement of space – attractive recreation areas, playgrounds and green spaces were provided, as well as utility spaces for residents of adjoining buildings. At the back side of some of the buildings were built terraces and small gardens, offering a unique possibility of having private open space in the heart of the city (figures 3-5).





from the street form a continuous row

Fig. 4. Holländisches Viertel: the buildings seen Fig. 5. Holländisches Viertel: in the interior of the blocks open spaces were created - public, semi-public and private, giving the feeling of intimacy in spite of living in the city centre

Photo: J. Wesołowski, 2004

Photo: J. Wesołowski, 2004

In both areas some new buildings were also introduced, their sizes and building materials matching the existing historical structure. They usually represent the service function – hotels, small offices, workshops, and social infrastructure objects.

Inside the courtyards every square meter was renovated and provided with elements of small architecture and greenery - here found location small restaurants, pubs, clubs and coffee shops, offering often only few, but very cosy places for their customers.

#### 3. REVITALISATION AREA III – THE CITY CENTER (POTSDAMER MITTE)

The historic centre of Potsdam is the Old Market, dominated until the Second World War by the Royal Palace, erected in 1662. From the reign of Frederic the Great, the Palace served as the winter residence of Prussian kings. In 1754 the Old Market was transformed into a modern town square. The vast palace building, set on a rectangular plan with a huge yard inside, had an entrance from the Old Market square through the Fortuna Portal. The Royal Palace, Town Hall, St Michel's Church and Barberini Palace formed the walls surrounding the Old Square.

The City Center Revitalisation Area consists of two historical squares: the Old Market (Alter Markt) and the New Market (Neuer Markt) and urban blocks limited in the north and west by a line of water canals, and in the south by the premises of the National Garden Exhibition, held in Potsdam in 2001.

The ruins of the Royal Palace, which was destroyed during the carpet bombing in 1945, remained till 1961, when they were removed by the GDR communist government. In the 1970s, exactly in the place of the south-west corner of the former palace building, an out-scaled intersection of streets was constructed, which not only completely distorted the historical plan of the Old Market, but also annihilated social and cultural life in the most important central place of the city: the Old Market had always been the beloved, traditional place of meetings for inhabitants and visitors (figures 6–7).





times, which destroyed its historical spatial the city was completely distorted by introducstructure: next to historical monuments new tion of high-rise buildings and over-scaled modernist buildings were constructed, of low architectural value

Photo: A. Wojnarowska, 2004

Fig. 6. The city centre was rebuilt in communist Fig. 7. The spatial composition of this part of intersection of streets

Photo: A. Wojnarowska, 2004

The main goal of revitalisation in this area was restoring its historical spatial, social and cultural character, and introducing some modern functions. In that way the city should obtain a chance to bring back the evidence of its history and create a city centre of appropriate scale and status.

Within the framework of the revitalisation programme proposals for transport route modifications were prepared, focusing on the partial (to a possible extent) restoration of the historical urban structure. They included reconstruction of the existing artery and the huge junction so that traffic would go round the site where the Royal Palace was located. In its place the construction of a new object was proposed – a modern building housing the Parliament of the State of Brandenburg. The proposed building would imitate in plan and volume the historical building of the Palace, being at the same time very modern in its architectural appearance (figure 8).

The first step towards the implementation of this idea was the reconstruction in 2002 of the historical Portal of Fortune (Sanierungsträger Potsdam, 2001b), the former main entrance to the Palace from the Old Market square.

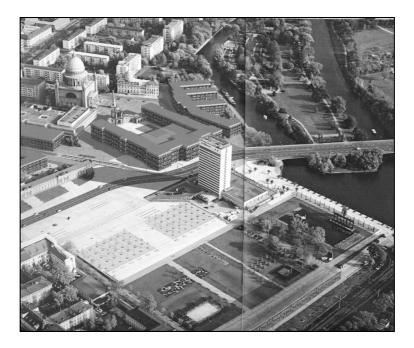


Fig. 8. The City Centre Revitalisation Area: visualisation of the new building of the State of Brandenburg Parliament, built in the place of the former Royal Palace. A new traffic solution for this area is also visible, including a new street going round the proposed Parliament building corner, the pedestrian zone near the city centre and green areas near the river bank, being a part of the former National Garden Exhibition

Source: Sanierungsträger Potsdam (2001b)

Construction work on the Parliament building was to be finished by the end of 2010, but it has not even started yet, mainly because of the global economic crisis, which has had a negative impact on the investment market and caused substantial limitation of funds for revitalisation projects at national and local level.<sup>2</sup>

Due to very intensive and widely planned urban regeneration activities, Potsdam was able to submit its proposal to host the National Garden Exhibition (*Bundesgartenschau*) in 2001. Organisation of the BUGA was a very important element of the early stage of the revitalisation programme. It provided a stimulus for the forthcoming changes, reinforcing the city's functions and its identity, and enhoncing to building the image of the city centre as an attractive space for the inhabitants and tourists.

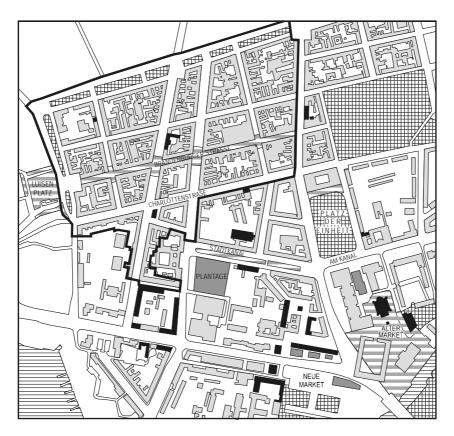


Fig. 9. Revitalisation of green areas in the city centre, including reconstructed historical water canals and the arrangement of Potsdam BUGA areas in 2001

Source: Sanierungsträger Potsdam (2001)

<sup>&</sup>lt;sup>2</sup> http://www.potsdam.de/cms/beitrag/10000933/26990/, 08.2009.

Preparations for the National Garden Exhibition included a number of projects which resulted in conservation of existing recreational and green areas, creation of new green areas, and their connecting by a system of pedestrian and cycling paths. One of the implemented projects was a new pedestrian bridge, connecting *Freundschaftsinsel* with the riverside south of the Old City. The new elements of the greenery system also included revitalised water canals, and reconstructed promenades planted with trees (figure 9).

# 4. RECONSTRUCTION OF HISTORICAL WATER CANALS – AN ELEMENT OF THE REVITALISATION PROGRAMME OF THE CENTRAL AREA OF POTSDAM

Water canals were important elements of the historical urban structure of Potsdam's central area. They constitute a characteristic feature of both the Baroque and the Dutch Districts. In 1722 King Frederic Wilhelm the First ordered the rebuilding of previous water trenches into Dutch style canals. After the Second World War they were decked and in this place new traffic arteries were constructed. It was decided, as part of the revitalisation programme, to have them re-opened, as an important element of the city's identity. The projects of that kind have recently been implemented in many European cities and towns whose origin and development were closely related to water.<sup>3</sup>



Fig. 10. One of the re-opened water canals – for the past few decades in this place was a transport artery leading heavy traffic

Photo: A. Wojnarowska, 2004

<sup>&</sup>lt;sup>3</sup> An example of such initiatives is the European programme entitled 'Water in historical city centers'. This programme included the cities of Ghent, Mechelen, Breda, 's-Hertogenbosch, Chester and Limerick. In all of these cities historical watercourses were the foundation of regeneration programmes, as the main element of spatial composition, underpinning the identity of the city.

The majority of the historical water canals are situated within the city centre – they encircle the Dutch District and the Baroque District in the north and west, and a smaller section of the canals forms the northern and western border of the quarters situated close to the New Market. The revitalisation project included reopening of historical canals, which caused the necessity of rebuilding the existing streets and giving them back the character appropriate for the central district (figure 10). Regrettably, the beautiful historical bridges were not reconstructed – the revitalisation project included construction of new pedestrian bridges. Along canal embankments rows of trees were planted, which should in future re-create the old landscape of promenades along the canals.

#### 5. CONCLUSIONS

In the era of globalisation, when cities are seeking competitive advantages, historically shaped urban structure of a city and its monuments are unique assets that contribute to its attractiveness and outstanding position. They are significant elements of the city's identity, understood as 'a set of historically conditioned characteristics of the city, which distinguish it from other cities, and are expressed in all activities which are undertaken in the city to create its inimitable individuality and character' (Glińska, Florek and Kowalewska, 2009, p. 37).

Many of the cities which in consequence of their development path lost these individual attributes are nowadays undertaking initiatives aimed at regaining their unique historical values.

All the projects implemented within the revitalisation programme for central areas of Potsdam were guided by the idea of restoring a well-structured and viable city centre. It was assumed that the basic rule of this conception should be reconstruction, to a reasonable extent, of historically developed urban structure and architectural features of this part of the city. A city centre should not only be an interesting urban space, but, in the first place, should create a scene for the city's social, economic and cultural life – a specific 'city showroom'.

#### REFERENCES

BIG, SES, Sanierungsträger Potsdam (2004), Zurück in die Stadt. Beispiele der Stadterneuerung in Brandenburg, Mecklenburg-Vorpommern und Sachsen-Anhalt.

BILLERT, A. (2007), Odbudowa starych miast w Polsce na tle rewitalizacji miast niemieckich, [in:] BILLERT A. (ed.), Odbudowa i rewitalizacja starych miast w Głogowie, Lubaniu, Polkowicach, Frankfurt (Oder), Görlitz i Kamenz, Lubań, pp. 11–17.

GLIŃSKA, E., FLOREK, M. and KOWALEWSKA, A. (2009), Wizerunek miasta. Od koncepcji do wdrożenia, Warszawa: Kluwer.

- SANIERUNGSTRÄGER POTSDAM (1995), Ideen, Prozesse, Projekte. Schritte der Erneuerung. Eine Werkstattausstellung zur Erneuerung der Potsdamer Innenstadt. Der Prozess.
- SANIERUNGSTRÄGER POTSDAM (2001), Potsdam Bundesgartenschau 2001. Historische Innenstadt. Orte am Fluss.
- SANIERUNGSTRÄGER POTSDAM (2001), Potsdams neue Mitte. Ziele der Stadterneuerung.
- SANIERUNGSTRÄGER POTSDAM (2003), Potsdam. Am Kanal-Stadtmauer, Sanierungsverfahren, Bürgerbeteiligung.
- SANIERUNGSTRÄGER POTSDAM (2004), Potsdam. Alter Markt. Landschaftsplanerischer Ideen und Realisierungswettbewerb.
- SANIERUNGSTRÄGER POTSDAM (2004), Potsdam Innenstadt. Stand der Erneuerung in den Sanierungs- und Entwicklungsgebieten.

http://www.potsdam.de/cms/beitrag/10000933/26990/, 08 2009

http://www.stadtkanal.potsdam.com, 09.2009

### **BOOK REVIEWS**

Jörg KNIELING and Frank OTHENGRAFEN (eds), Planning Cultures in Europe: Decoding Cultural Phenomena in Urban and Regional Planning, Ashgate, Farnham 2009, 328 pp.

When I started to prepare the review of Knieling and Othengrafen (2009), to better understand the specificities of *European Spatial Research and Policy*, I referred to a previous review I prepared for this journal, of *Industrial Restructuring*, by Lidia Greco. I was astonished to read the first sentence of that review, which I cite below and which is as good a starting point for this review as the sentences I had planned to write. 'Interest in culture as a variable in explaining particular places has increased in recent years in geography and the spatial sciences' (Benneworth, ESRaP 2004/11, p. 187).

This is as true today as when I wrote this, but despite this increasing interest, the big problem with spatial research into culture is a tendency to treat it in one of three ways. The first is to regard culture as totalising, completely shaping what actors in a cultural territory achieve, the so-called 'ecological fallacy'. The second is to regard culture as functional, something to have arisen out of and explicable in terms of past events, often producing unsatisfactory and overly economistic explanations. The third is to treat it as a residual variable, explaining all the other things that cannot be more rationally explained, such as uneven entrepreneurship rates as a consequence of 'risk averse cultures'.

The challenge is to avoid these three traps, and in the case of planning, to be much more specific about culture's relationship to the built environment and. Knieling and Othengrafen are therefore to be lauded in trying to build these links by highlighting the dual face of planning, something with both physical and cultural dimensions. Planning's physical dimension exists in terms of the planning artefacts which emerge and shape the built environment. Culturally the norms and practices of planning are connected to broader political and social movements, thereby shaping culture. The problem with this model is that 'planning' is pulled from both directions by a variety of forces at different scales in ways that change over time.

When Gallestrup maps these pressures in the opening chapter, this both highlights the scale of the challenge in developing a cohesive model, but also raises a worry that any model necessarily lacks specificity to better interpret particular concrete case studies. In their concluding chapter, the authors attempt to pull together the empirical contributions into an overarching model, but again, the model becomes more of a list of factors at a number of dimensions, rather than providing any sense of what dictates the dynamics between those different levels. In that regard, the book fails to really provide a grand

unifying theory of culture and space with predictive as well as *post hoc* value in providing explanations of particular concrete situations.

That should not detract from the fact that the book's elements are helpful in starting to explore this theme of the relationship of culture and the built environment more systematically. If Gallestrup's model is too complex and encompasses too many dimensions, the reasoning presented in his chapter at least begins to specify how we might begin to think about these relationships. The chapter could have been strengthened by identifying key nexuses of relationships within the model, and the repertoires of frequently occurring influences between different levels of the model. To some extent, this is what Waterhout, Morais Mourato and Böhme do in their chapter concerning Europeanisation, as they trace how the elite 'idea' of Europeanisation has changed planning practice with backwash effects for local planning cultures. Somewhere within this maelstrom of ideas is undoubtedly a systematic model for the treatment of culture, and whilst the book does not achieve that model, it is illuminating to read contributors' efforts to grasp the elusive idea.

There are nine empirical chapters in the book that are the grist to the editors' model-making mill. Whilst they are too variable along all kinds of dimensions to be directly comparable, they are all nevertheless very interesting, unearthing all kinds of interesting interpretations of how culture has shaped planning. It is useful to think of the planning of Italian cities as a struggle between progressive planners, arrogant architects and patronising politicians. Each is concerned with different urban domains, *viz.* the equity of the modern city, the aesthetics of the ancient city, and the governance of the lived city. The dynamics of different Italian cities play out differently depending on the endowment and agency of each of these groups and domains. It is not so explained in the chapter, but it emerges in its reading, and fits as a heuristic if not analytically Gall-estrups' or grander theories of culture and planning.

My favourite chapter is Fischer's contribution on Germanness in planning cultures. On one level, I was shocked to see that the canonical Walter Christaller had been involved in applying his spatial geographical theories to wartime plans for occupied Poland. But perhaps more interesting was the story about the incorporation of idealised forms of housing into political parties' programmes, and then the subsequent realisation and shaping of that type of housing through implementation of the political manifestos. The housing stock – apartments versus houses – acquired over time a politically imbued meaning which stemmed both from its political idealism but also the pragmatism involved in its delivery, and its incorporation within particular political struggles and electoral contexts. With hindsight it is possible to conflate the idea, the ideology and the implementation of housing projects, but Fischer's point is that these elements built up over time in place-specific trajectories. These trajectories acquired, through political parties and the mass media, broader cultural resonances which were internalised and subconsciously shaped national planning norms.

If the opening section of this review seems overly critical, let me stress that I thoroughly enjoyed reading the various contributions, it was just that they did not quite hang together in a rigorous and systematic way. Dühr teases out marvellously the way that the maps that define spatial planning have very different and context dependent meanings in Germany, England and the Netherlands. Tykkynnen traces how the collapse of centralised planning in the Soviet Union has given rise to a subaltern and defeatist culture

amongst planners in St. Petersburg. Prehl and Tuçultan situate an *ersatz* urban prestige project in Istanbul within an urban cultural landscape evolving over centuries and decades, and seeking to functionally and symbolically open up Turkey to the European Union.

These various empirical contributions have the effect of lifting one at a time the veils shrouding the grand theory of planning cultures, and revealing tiny fragments for the delectation of the readership. But then as each chapter ends, the model is once more shrouded in ambiguity and complexity, leaving the reader with a feeling for the direction of travel without being able to precisely define how the built environment and cultural formations are inter-related. Nevertheless, the book is a welcome contribution to a long-standing, difficult and seldom-satisfying discussion about the relationships between people, planning and places. Readers should be prepared to commit the time to digesting its many messages and assembling them into a more coherent and at least intuitive understanding if not model of why places look different, and what the role of planning is in underscoring those differences.

#### REFERENCES

GRECO, L. (2002), Industrial Restructuring, London: Ashgate.

Paul BENNEWORTH
Center for Higher Education Policy Studies
University of Twente (The Netherlands)

## Christine MILLIGAN, *There's No Place Like Home: Place and Care in an Ageing Society*, Ashgate, Aldershot 2009, 176 pp.

Christine Milligan, a geographer working in a division of health in the United Kingdom, tries to contribute to new geographical analysis of care for frail older people. She addresses the issue from a health geographical perspective and has been driven to do so from her personal encounter – 'the experience of care during the periods of both my mother and father-in-law's illness that drew my attention to the apparent disorder and disparities in the system' (p. xi). This personal drive caused a highly passionate and also highly professional output. As Milligan rightfully claims, the care situation can be best described as 'disorganized and chaotic' and therefore creating distress, confusion and humiliation for all involved; both the elderly, the family as well as the care-givers. Milligan, in her introduction, underlines the importance of this kind of research, the need to improve care and places of care. The importance of people and places in the construction and delivery of care to frail older people is illustrated by a wide array of stimulating examples and empirical data is this interesting contribution.

In the background is the debate on ageing all around the world and the implications for the future need for care of senior citizens. The book by Milligan addresses key concerns about the nature and site of care and care-giving. The importance of this issue cannot be denied. Both societies and individuals strive to improve their well-being - the quality of life, happiness, and their ability to influence these outcomes by continuous processes of change and improvement. In this field, Milligan delivers a theoretically informed research on emotional intersections between people and places in various spatial and social contexts. In Europe, the group of persons aged 65 years or more is currently the fastest growing segment of the population. Seniors constitute the fastest growing population group in many countries worldwide. This is an issue that affects all generations and has far-reaching consequences for the social, cultural, economic and political make-up of countries. The ratio between care-givers (formal or informal) and care-askers is changing at a very fast rate. An increased number of elderly people are expected to live longer and try to stay independent in their own home. With increasing age, in general, functional capacity declines and elderly people display heterogeneous and complex health problems, especially in terms of functional limitations. So staying at 'home' is not always an option. However, 'Care for older people is laden with territoriality. As such, it can be seen as a spatial expression of how human action is bound up not just with the power relationships of care, but also with tensions, conflict, emotions and change' (p. 147). People use 'home' as a safety place for possessions, memories and emotions and people generally have positive feelings inside or in the vicinity of their own house. This secure feeling can be beneficial for the wellness and well-being of seniors and elderly that are in need of care. Furthermore, governments want to stimulate long-independent living arrangements; people need to stay in their own houses as long as possible. This might be cheaper for the state budget, but the 'costs' for those giving care ranging from shopping and the managing of finances to personal care and medication are very high. The assumption that individuals, mostly members of the elder persons' families, are willing and able to take such responsibilities is one that Milligan contests. She argues that through these assumptions, the house is changed into a preferred site of care, which increases complexities of the relationships between formal care and informal care within the 'home' - which can be the private setting, but also public or private institutional setting as well as the street, neighbourhood or the whole community.

In nine chapters Milligan addresses several issues of care and ageing from different perspectives. From conceptualisation of the variables, through exploring the meaning of 'home' in caring, through the impact of innovations and changing policy attitudes towards care, towards a reconfiguration of the landscape of care. Milligan adds to a greater understanding of how the interplay between local practices and social policies for care with care provision and the larger structural forces of care giving work within and across space works. The book can be a source of inspiration for a wide range of researchers – for those involved in demography, health care, geography, economics or even real estate. It has inspired me and a few of my colleagues to pay more attention to issues such as old age and place attachment, but also changing demand for care functions in an ageing society, both in teaching and in research.

Aleid E. BROUWER
University of Groningen (The Netherlands)

# Joseph HERRIGES and Catherine L. KLING, Revealed Preference Approaches to Environmental Valuation, Vol. I–II, Ashgate, Aldershot 2008, 1173 pp.

We are discussing an impressive two-volume hard cover collection of articles on *Revealed Preference Approaches to Environmental Valuation*; a work with a handbook status. Now, most academics have a great love for books. Being academics ourselves, we would have been extremely proud if we had been the editors of such an impressive work, and to see it on bookshelves next to the Webster's dictionary and the Times Atlas of the World. But since we are academics, we are also trained to be critical; so we will be. What merit do these volumes reveal in terms of state-of-the-art-knowledge? And what knowledge do these volumes transfer to their reading and studying audiences?

The first volume starts with a quote from Marshall: 'We may now turn to consider how far the price which is actually paid for a thing represents the benefit that arises from its possession. This is a wide subject on which economic science has very little to say, but that little is of some importance'. Marshall wrote this in 1890 and wrote about things people can possess. However, the topic of the volumes at hand is valuing things you usually cannot possess: environmental goods. Marshall would probably have argued that economic science has even less to say about such matters. Looking at the sheer size of the volumes, Marshall would have been terribly wrong by now. The volumes count 76 articles totalling over 1000 pages and this collection is 'far from exhaustive' according to the editors. So there is plenty to say about the subject.

The editors want to give a state-of-the-art overview of current issues, not 'classical' papers, although some of the papers range back to the 1970s. And none of the contributions is from later than 2006. This is a first but important weakness. It claims to be state-of-the-art, but actually seems more a refreshment of the topic from the 1980s, 1990s and the early 2000s. The second weakness is that the more than generous majority of the contributing authors come from the United States of America – which is understandable, since this is where the editors are based – however, one gets the feeling the volumes are more about the US state-of-the-art in this field than an international state-of-the-art. We kept wondering why hardly any European researcher has been involved. We know they are out there...

Judged by the number of articles in the volumes, the current field is dominated by valuation methods either using demand for recreation or Hedonic pricing methods. 40 of the 76 articles are on recreational demand and 28 are on Hedonic models. Interestingly, only 5 articles are dealing with averting behaviour and only 3 articles – which is less than four percent of the two volumes – is on combining stated and revealed preferences. Economic science more than a hundred years after Marshall certainly has a lot to say. But, Marshall would ask, is it all really that important? Reading through the two volumes we cannot overcome a feeling of disappointment. This feeling is perhaps best illustrated by a quotation from the editors' own paper in the first volume 'The main purpose for the decomposition [of the modified Hanemann use non-use distinctions] is to aid our understanding of the inherent limitations on the empirical welfare measures that can be extracted from revealed preference data' (Herriges *et al.* p. 57 in the volume). This is an important message either implicit or explicit in many of the gathered papers: it is

limitations all-over. So, in the end we study our two volumes hard to learn what? To learn about the many limitations economics has in discovering something empirically important.

Personally, we would rather the editors had followed the hope in their hearts more, and do much more on what they say is 'crossing the line a little': mixing stated and revealed preferences. We quite agree with the editors that 'this is an exciting area of research with large amounts of untapped potential' (p. xv). Surely, worldwide in this inherently multidisciplinary field, they could then have found more valuable contributions than the papers offered now.

Frans J. SIJTSMA and Aleid E. BROUWER *University of Groningen (The Netherlands)* 

Vera CHOUINARD, Edward HALL and Robert WILTON (eds), Towards Enabling Geographies: 'Disabled' Bodies and Minds in Society and Space, Ashgate, Surrey, UK 2010, 269 pp.

'To all those struggling for a more enabling society'. This book's dedication reflects the editors' cognizance of the persisting geographies of disability, and their hope for enabling spaces, be they social, emotional or physical. The editors are respected scholars of Disability Geography (DG), their work is characterised by pushing into new realms of inquiry and thought that are highly relevant and compelling, addressing today's complex and diverse issues including increasing incidence of chronic illnesses, new forms of 'normalist' hegemony, and rapidly evolving technologies. Therefore, any work put forward by them is likely to garner interest, and this book does not disappoint, given the high quality of the author contributions and the diverse understandings of disability brought together in one volume.

Towards Enabling Geographies is a compilation of fourteen highly readable chapters, where chapter 1 by the editors serves as a multipurpose tool, wielded adeptly by the editors. They first dissect the traditions in DG scholarship, then finely suture together the four main themes of the book in a chapter overview, and finally apply a lens to the field to identify what else requires to be addressed. The history of DG scholarship is traced from the 1970s, identifying studies dealing with incidence and distribution of disabling conditions, access and mobility concerns, and mental health and health care issues, mostly performed in the positivistic medical geography tradition. These predated the 'first wave' of critical studies that that gained momentum in the early 1990s. This 'fist wave' coincided with the increasing acceptance of the 'social model' of disability, thus these studies were more concerned with examining 'structural and institutional productions' of disability than previous works. However, 'first wave' scholarship was also critical of the non-corporeality of the social model, and began to incorporate greater elements of embodied experiences of 'disability' and 'impairment' into DG, setting the stage for the next wave of DG scholarship.

The essence of the current volume is captured well in the opening paragraph of the preface, which also enumerates the four major (overlapping) themes running through this book:

This edited collection represents a 'second wave' of geographical studies of disability. [...] geography's interest in disability has broadened and deepened [since the 'first wave' to include]: other bodies of difference [...], the bodily experiences of people with impairments [...], the increasing role of technology [...], and [...] engage[ment] in policy debates...

However, this description also brings up critical questions about what might constitute 'disability', 'geographical studies of disability', and by extension, 'enabling geographies', a descriptor featured in the book title. The book is evaluated below in the light of these questions.

The definition of 'disability' has always been a problematic venture, as reflected in the discussion on pages 1–6 of the introductory chapter. However, as the preface makes clear, this book opts for a wide definition of 'disability', drawing into the purview of DG those identities who might or might not be 'impaired' but still experience the marginalization and disadvantages typically associated with 'disability'. Within this first theme of 'other bodies of difference' are included chapters on contested and often abstrusely defined 'impairments' and 'disabilities' such as fibromyalgia and other chronic illnesses, intellectual impairments/learning difficulties and autism spectrum disorders. Also included in this theme are chapters highlighting how bodies differing from the 'accepted, desirable norm', such as fat/obese bodies, little people, D/deaf and hard of hearing, and aging bodies can also experience 'disability' due to the similarity of their encounters regarding negative social attitudes and ableist environments.

As an extension of this theme, I believe that the inclusive nature of 'disability' used here can transform the current 'theories in/theories of' state of theoretical DG to 'Disability Geography as meta-theory' by providing a broad framework for conceptualizing disability, disablement and the contextual constituents of place that determine 'disability'. For example, various marginalized identities based on caste, sexuality, and gender could also constitute 'bodies of difference' depending upon differing cultures and societal contexts. It is not so much which categories can fall into 'disability' but rather what it is about them and the experiences of those categorised within them that constitutes a disability in a particular socio-cultural context. Just as 'privilege' and 'hegemony' have become powerful explanatory frameworks that conceptualize that which is prioritized and valorised, 'DG as meta-theory' can provide a strong basis for conceptualising experiences where the common denominator is the disadvantaged nature of 'othered' entities to the point of disablement, as understood in place-specific contexts.

The second theme of 'embodiment' substantially answers the question of 'geographies of disability'. Over the last few decades, human/social geography has greatly widened its scope to encompass broader understandings of 'space' – this book falls in this tradition. Most chapters use what may be described as perhaps one of the most elemental of scales – the human body, while also utilizing this analytical unit as a basic

<sup>&</sup>lt;sup>1</sup> A distinction between procedural and substantive theories proposed by Faludi (1973), which was hotly debated, but is useful here, nevertheless.

geographic space (see Herod 2010 for scale/space discussion) – i.e., the body as locus of various life experiences, characterised by boundaries, buffers, and unique characteristics/topography. Additionally, larger scales (e.g. home as physical space) and traditional geographic understandings of distance are also considered, albeit with added psychoemotional and socio-spatial dimensions, respectively.

Regarding the question of what constitutes enabling geographies, at first the works did not seem to do the title justice, as page after page went over often-poignant accounts of marginalisation. However, on reflection, it becomes more apparent that perhaps the hope in the title is justified due to various undercurrents of resistance and empowerment visible in some accounts: claiming space through the virtual world, or the interdependence visible in the emotional lives of persons with disabilities and their immediate social networks, or the often defiant reaction to disabling labels handed down by (biomedical) institutional structures. To strengthen that case, local 'spaces of marginality' are much more than a 'space of deprivation [but] also a site of radical possibility, a space of resistance' (bell hooks, 1990, p. 342 in: Herod, 2010, p. xiii).

Towards Enabling Geographies is also a classic example of the whole being greater than the sum of its parts. Not only does the book present individual studies that in of themselves provide insight into a distinct worlds of 'disability', but it also adds to the field methodologically and theoretically. The methodology is predominantly phenomenological, ranging from autobiographical to interview based research. Each is highly robust, testifying to the power of such methods in generating rich and nuanced understandings of social phenomena. The value of the entire work is also enhanced by the fact that the contributions are implicitly or explicitly embedded in theoretical frameworks that greatly augment the appropriate contexualisation of disability.

Since DG is deeply embedded in the critical tradition, it is unsurprising that post-structuralist (including feminist) perspectives dominate these frameworks. Particularly recurrent are direct and indirect applications of Foucauldian conceptualisations regarding the nature and power of discourse in framing identity, labeling, and scrutinizing the 'disabled/different' body. Additionally, notions of coping, disablement/enablement, and claiming social space form important backdrops in multiple chapters. Models with a distinct spatial element are also represented in two chapters, through the utilisation of 'social-ecology' and 'socio-spatial' models. The book is also valuable in that it brings out highly topical issues related to technology, but minus the viewpoint of 'technology as panacea for persons with disabilities'. Additionally, it makes the important point that geographers have not sufficiently engaged in policy and/or politics, which is essential to the empowerment process.

The conclusion to chapter 1 provides future directions for DG scholarship and presents some important concerns. The editors note the 'absence of work by geographers beyond Western and urban contexts' in much of DG scholarship, despite the fact that those often regarded as 'minorities' from a western perspective actually constitute the 'Majority World', and persons with disabilities are disproportionately represented in this part of the world (see Stone, 1999). While it is encouraging that the editors are cognizant of this paucity of DG scholarship from or regarding the Global South, it is also puzzling why despite this acknowledgement, no such work appears here – there are several scholars producing work on disability that falls either squarely in the geographical

tradition, or has a distinct geographical focus, and who do not summarily accept Western conceptualisations of disability. Works by Inge Komardjaja (2001) and Anita Ghai (2002) are examples of one representative work in each category, respectively.

Finally, some areas of further study recommended are mental health, chronic illnesses, embodiment, and geographies of care and support. Regarding the first, I would also venture to add that from a geographical point of view, mental health issues and experiences need more attention. We often speak about persons with (and even those without) mental/emotional health differences as being in a 'world of their own'. It is undeniable that perhaps the next 'frontier' in exploring space and place is the human mind – it is time we chart, map, and experience these worlds, and hopefully come away richer.

#### REFERENCES

FALUDI, A. (1973), Planning Theory, Oxford: Pergamon Press.

KOMARDJAJA, I. (2001), New Cultural Geographies of Disability: Asian Values and the Accessibility Ideal, Social and Cultural Geography, 2 (1), pp. 77–86.

GHAI, A. (2002), Disability in the Indian Context: Post-Colonial Perspectives, [in:] CORKER, M. and SHAKESPEARE, T. (eds), Disability/Postmodernity: Embodying Disability Theory, London, New York: Continuum, pp. 88–100.

HEROD, A. (2010), Scale, Routledge: New York.

STONE, E. (1999), Disability and Development: Learning from Action and Research on Disability in the Majority World, Leeds: Disability Press.

Vandana WADHWA
Boston University, Boston (USA)